



LAVASA CORPORATION LIMITED

Our Company was incorporated as Pearly Blue Lake Resorts Private Limited on February 11, 2000 under the Companies Act, 1956, in Pune. The name of our Company was changed to The Lake City Corporation Private Limited on December 12, 2000. Our Company was converted into a public limited company on March 3, 2003 and consequently, the name was changed to The Lake City Corporation Limited. The name of our Company was changed to Lavasa Corporation Limited on June 8, 2004. For details of change in the name and registered office of our Company, see "History and Certain Corporate Matters" on page 220.

Registered Office: Hincon House, 11th Floor, 247Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083

Tel: (91 22) 4025 6000; **Fax:** (91 22) 4025 6889

Contact Person: Venkatesan Arunachalam, Company Secretary and Compliance Officer;

E-mail: secretarial@lavasa.com; **Website:** www.lavasa.com; **Corporate Identity Number:** U55101MH2000PLC187834

OUR PROMOTERS: HINDUSTAN CONSTRUCTION COMPANY LIMITED AND HCC REAL ESTATE LIMITED

PUBLIC ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH OF LAVASA CORPORATION LIMITED ("EQUITY SHARES") ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) AGGREGATING UP TO ₹ 7,500 MILLION ("ISSUE"). THE ISSUE WILL CONSTITUTE [●]% OF OUR POST-ISSUE PAID-UP EQUITY SHARE CAPITAL. OUR COMPANY MAY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, OFFER A DISCOUNT OF UP TO [●]% (EQUIVALENT TO ₹ [●]) ON THE ISSUE PRICE TO RETAIL INDIVIDUAL BIDDERS ("RETAIL DISCOUNT"). THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMS") AND WILL BE ADVERTISED AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE.

In case of any revision to the Price Band, the Bid/Issue Period will be extended by three additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), by issuing a press release, and also by indicating the change on the website of the BRLMs and at the terminals of the other members of the Syndicate.

In terms of Rule 19(2)(b)(ii) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), this is an Issue for at least 10% of the post-Issue paid-up equity share capital of our Company. The Issue is being made through the Book Building Process wherein at least 75% of the Issue shall be Allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"), provided that our Company may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. 5% of the QIB Portion (excluding the 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 (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 75% of the Issue cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith. Further, not more than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI Regulations"), subject to valid Bids being received at or above the Issue Price. All potential investors, other than Anchor Investors, may participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process providing details of their respective bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs"). QIBs (except Anchor Investors) and Non-Institutional Bidders are mandatorily required to utilise the ASBA process to participate in the Issue. For details, see the section "Issue Procedure" on page 548.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Issue Price (determined and justified by our Company in consultation with the BRLMs as stated under the section "Basis for Issue Price" on page 143) 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 or sustained trading in the Equity Shares 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 the 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 the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares 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 the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" on page 19.

COMPANY'S ABSOLUTE RESPONSIBILITY

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

LISTING

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

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE ISSUE
Axis Capital Limited Axis House, 1 st Floor, C-2 Wadia International Center, P. B. Marg, Worli Mumbai 400 025 Tel: (91 22) 4325 3150 Fax: (91 22) 4325 3000 E-mail: lavasa.ipo@axiscap.in Investor grievance e-mail: complaints@axiscap.in Website: www.axiscapital.co.in Contact Person: Dinkar Rai SEBI Registration No.: INM000012029	Kotak Mahindra Capital Company Limited 1 st Floor, 27 BKC, Plot No. 27, G Block Bandra Kurla Complex, Bandra (East) Mumbai 400 051 Tel: (91 22) 4336 0000 Fax: (91 22) 6713 2447 E-mail: lavasa.ipo@kotak.com Investor grievance e-mail: kmccredressal@kotak.com Website: http://investmentbank.kotak.com Contact Person: Ganesh Rai SEBI Registration No.: INM000008704	ICICI Securities Limited ICICI Centre, H.T. Parekh Marg Churchgate, Mumbai 400 020 Tel: (91 22) 2288 2460 Fax: (91 22) 2282 6580 Email: lavasa.ipo@icicisecurities.com Investor Grievance Email: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Mangesh Ghogle/Bhavin Vakil SEBI Registration No.: INM000011179	Karvy Computershare Private Limited Plot no. 17-24, Vittal Rao Nagar Madhapur, Hyderabad 500 081 Tel: (91 40) 4465 5000 Fax: (91 40) 2343 1551 E-mail: lavasa.ipo@karvy.com Website: http://karisma.karvy.com Contact Person: M. Murali Krishna SEBI Registration No.: INR000000221

BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON	[●]*
BID/ISSUE CLOSING ON	[●]**

* Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid / Issue Opening Date.

** Our Company may, in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations.

TABLE OF CONTENTS

SECTION I: GENERAL.....	2
DEFINITIONS AND ABBREVIATIONS	2
PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA.....	16
FORWARD-LOOKING STATEMENTS	18
SECTION II: RISK FACTORS	19
SECTION III: INTRODUCTION	69
SUMMARY OF INDUSTRY	69
SUMMARY OF BUSINESS	74
SUMMARY OF FINANCIAL INFORMATION.....	81
THE ISSUE	90
GENERAL INFORMATION.....	92
CAPITAL STRUCTURE	101
OBJECTS OF THE ISSUE	133
BASIS FOR ISSUE PRICE	143
STATEMENT OF TAX BENEFITS	147
SECTION IV: ABOUT OUR COMPANY	157
INDUSTRY OVERVIEW	157
OUR BUSINESS	177
REGULATIONS AND POLICIES.....	215
HISTORY AND CERTAIN CORPORATE MATTERS.....	220
SUBSIDIARIES AND ASSOCIATES.....	236
MANAGEMENT	263
PROMOTERS AND PROMOTER GROUP	279
GROUP COMPANIES.....	290
RELATED PARTY TRANSACTIONS	308
DIVIDEND POLICY	309
SECTION V: FINANCIAL INFORMATION.....	310
FINANCIAL STATEMENTS	310
FINANCIAL INDEBTEDNESS	413
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	430
SECTION VI: LEGAL AND OTHER INFORMATION	456
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS	456
GOVERNMENT AND OTHER APPROVALS.....	516
OTHER REGULATORY AND STATUTORY DISCLOSURES.....	525
SECTION VII: ISSUE INFORMATION.....	540
TERMS OF THE ISSUE.....	540
ISSUE STRUCTURE	543
ISSUE PROCEDURE.....	548
RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES.....	597
SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION.....	598
SECTION IX: OTHER INFORMATION	607
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION.....	607
DECLARATION.....	610

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act or regulation shall be to such legislation, act or regulation, as amended from time to time.

General Terms

Term	Description
“our Company”, “the Company, or “the Issuer”	Lavasa Corporation Limited, a company incorporated under the Companies Act, 1956, having its registered office at Hincan House, 11 th Floor, 247Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083
“We”, “our” or “us”	Unless the context otherwise indicates or implies, refers to the Company together with its Subsidiaries and Associates

Company Related Terms

Term	Description
Articles of Association/Articles	The articles of association of our Company
Associates	The associates of our Company as disclosed in the section “Subsidiaries and Associates” on page 236
Auditor	The statutory auditor of our Company, M/s. K.S. Aiyar & Co, Chartered Accountants
Avantha Realty	Avantha Realty Limited (name changed from Janpath Investments & Holdings Limited with effect from August 20, 2009)
Board of Directors/Board	The board of directors of our Company or a duly constituted committee thereof
Bona Sera	Bona Sera Hotels Limited
Convertible Debenture	The convertible debenture issued by our Company
Corporate Office	The corporate office of our Company, situated at Hincan House, 11 th Floor, 247Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083
Compulsory Convertible Preference Shares	0.001% Compulsory Convertible Preference Shares of ₹ 10 each issued by our Company
CRH	Celebration Resorts and Hotels (India) Private Limited
DDCDs	Deep Discount Convertible Debentures issued by our Company
Director(s)	The director(s) of our Company, unless otherwise specified
DRL	Dasve Retail Limited
Equity Shares	Equity shares of our Company of face value of ₹ 10 each fully paid-up

Term	Description
Full Spectrum Adventure/FSAL	Full Spectrum Adventure Limited
Group Companies	Companies, firms and ventures promoted by our Promoters, irrespective of whether such entities are covered under Section 370(1B) of the Companies Act, 1956 or not. For details, see “Group Companies” on page 290
HCC	Hindustan Construction Company Limited, having its registered office at Hincon House, 11 th floor, 247Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083
Hincon Finance	Hincon Finance Limited (name changed from Hindustan Finvest Limited with effect from September 5, 2006)
HREL	HCC Real Estate Limited, having its registered office at Hincon House, 11 th Floor, 247Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083 (name changed from Hincon Realty Limited with effect from August 8, 2006)
Knowledge Vistas	Knowledge Vistas Limited
Memorandum/ Memorandum of Association	The memorandum of association of our Company
My City Technology	My City Technology Limited
Redeemable Preference Shares	6% Redeemable Preference Shares of ₹ 10 each issued by our Company
Subsidiaries	The subsidiaries of our Company as disclosed in the section “Subsidiaries and Associates” on page 236
Preference Shares	Preference shares of our Company of face value of ₹ 10 each
Promoters	The promoters of our Company, Hindustan Construction Company Limited and HCC Real Estate Limited. For details, see “Promoters and Promoter Group” on page 279
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI Regulations and a list of which is provided in “Promoters and Promoter Group” on page 279
Registered Office	The registered office of our Company, situated at Hincon House, 11 th Floor, 247Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083
Shareholders	Shareholders of our Company
Warrants	The warrants issued by our Company

Issue Related Terms

Term	Description
Allot/ Allotment/ Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue to the successful Bidders
Allottee	A successful Bidder to whom the Equity Shares are Allotted

Term	Description
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion with a minimum Bid of ₹ 100 million
Anchor Investor Bid/Issue Period	The day, one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted
Anchor Investor Issue Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the 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 will be decided by our Company in consultation with the BRLMs
Anchor Investor Portion	Up to 30% of the QIB Portion which may be allocated by our Company in consultation with the BRLMs to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account. ASBA is mandatory for QIBs (except Anchor Investors) and Non-Institutional Bidders participating in the Issue
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder	Prospective investors (other than Anchor Investors) in the Issue who intend to submit Bid through the ASBA process
Axis Capital	Axis Capital Limited
Banker(s) to the Issue /Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account will be opened, in this case being [●]
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Issue and which is described in the section “Issue Procedure” on page 548
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI Regulations

Term	Description
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder/blocked in the ASBA Account on submission of a Bid in the Issue. For Retail Individual Bidders, the Bid shall be net of Retail Discount.
Bid cum Application Form	The form used by a Bidder, including an ASBA Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bid/Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall be notified in two national daily newspapers, one each in English and Hindi, and in one Marathi daily newspaper, each with wide circulation. Our Company may, in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations
Bid/Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in two national daily newspapers, one each in English and Hindi, and in one Marathi daily newspaper, each with wide circulation
Bid/Issue Period	Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bid Lot	[●]
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Book Building Process	Book building process, as provided in Schedule XI of the SEBI Regulations, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders can submit the Bid cum Application Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective website of the Stock Exchanges
BRLMs or Book Running Lead Managers	The book running lead managers to the Issue namely, Axis Capital Limited, Kotak Mahindra Capital Company Limited and ICICI Securities Limited
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid / Issue Period
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

Term	Description
Compliance Officer	The company secretary who has been appointed as the compliance officer of our Company
Cut-off Price	Issue Price, finalised by our Company in consultation with the BRLMs. Only Retail Individual Bidders 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 Bid cum Application Forms used by the ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI
Designated Date	The date on which the Escrow Collection Banks transfer funds from the Escrow Account or and instructions are issued to the SCSBs for transfer of funds from the ASBA Account, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders in the Issue
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated June 30, 2014, issued in accordance with the SEBI Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares
Escrow Account	An account opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected from 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
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted
ICICI Securities	ICICI Securities Limited
Issue	The public issue of [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] each, aggregating up to ₹ 7,500 million, pursuant to the terms of the Red Herring Prospectus

Term	Description
Issue Agreement	The agreement dated June 30, 2014 between our Company and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date
Issue Proceeds	The proceeds of the Issue that is available to our Company
Kotak	Kotak Mahindra Capital Company Limited
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or [●] Equity Shares which shall be available for allocation to Mutual Funds only
Net Proceeds	The Issue Proceeds less the Issue expenses. For further information about the Issue expenses, see “Objects of the Issue” on page 133
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 ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not more than 15% of the Issue consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price
Non-Resident	A person resident outside India, as defined under FEMA and includes a Non Resident Indian, FIIs, FPIs and QFIs
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of [●] per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLMs and will be advertised, at least five Working Days prior to the Bid/Issue Opening Date, in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the Marathi newspaper [●], each with wide circulation.
Pricing Date	The date on which our Company, in consultation with the BRLMs, will finalise the Issue Price
Prospectus	The Prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, containing, <i>inter alia</i> , 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	An account opened with the Bankers to the Issue by our Company under Section 40 of the Companies Act, 2013 to receive monies from the Escrow Account(s) on the Designated Date and to which the funds shall be transferred by the SCSBs from the ASBA Accounts

Term	Description
QIB Category / QIB Portion	The portion of the Issue (including the Anchor Investor Portion) being not less than 75% of the Issue consisting of [●] Equity Shares which shall be Allotted to QIBs (including Anchor Investors)
Qualified Foreign Investors or QFIs	Non-resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI. Provided that such non-resident investor shall not be resident in country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic Anti-Money Laundering/Combating the Financing of Terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue. The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to ASBA Bidders) shall be made
Refund Bank(s)	[●]
Refunds through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate
Registrar to the Issue or Registrar	Karvy Computershare Private Limited
Retail Discount	Discount of up to [●]% (equivalent of ₹ [●]) to the Issue Price given on the Issue Price to Retail Individual Bidders
Retail Individual Bidder(s)	Bidders (including HUFs and Eligible NRIs) whose Bid Amount for Equity Shares in the Issue is less than or equal to ₹ 200,000 in any of the bidding options
Retail Portion	The portion of the Issue being not more than 10% of the Issue consisting of [●] Equity Shares which shall be available for allocation to Retail

Term	Description
	Individual Bidder(s) in accordance with the SEBI Regulations
Revision Form	Form used by the Bidders, including ASBA Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s). Kindly note that QIB Bidders and Non-Institutional Bidders are not allowed to lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from ASBA Bidders, a list of which is available at the website of the SEBI (www.sebi.gov.in) and updated from time to time
Syndicate Agreement	Agreement to be entered into among the BRLMs, the Syndicate Member, our Company in relation to the collection of Bids in the Issue (other than Bids directly submitted to the SCSBs under the ASBA process and Bids submitted to Registered Brokers at the Broker Centres)
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Syndicate or Members of the Syndicate	The BRLMs and the Syndicate Members
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	The BRLMs and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters, our Company to be entered into on or after the Pricing Date
Working Day	Any day, other than Saturdays and Sundays, on which commercial banks in Mumbai are open for business, provided however, for the purpose of the time period between the Bid/Issue Closing Date and listing of the Equity Shares on the Stock Exchanges, “Working Days” shall mean all days excluding Sundays and bank holidays in Delhi or Mumbai in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010

Technical/Industry Related Terms /Abbreviations

Term	Description
Advanced Economies	Australia, Austria, Belgium, Canada, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong SAR, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Luxembourg, Malta, Netherlands, New Zealand, Norway, Portugal, San Marino, Singapore, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Taiwan Province of China, United

Term	Description
	Kingdom and United States
AGM	Annual General Meeting
BMEC	Bengaluru-Mumbai Economic Corridor
CIDCO	City and Industrial Development Corporation
DCR	Development Control Regulation
DMIC	Delhi Mumbai Industrial Corridor
EIA	Environment Impact Assessment
Emerging and Developing Economies	Afghanistan, Albania, Algeria, Angola, Antigua and Barbuda, Argentina, Armenia, Azerbaijan, The Bahamas, Bahrain, Bangladesh, Barbados, Belarus, Belize, Benin, Bhutan, Bolivia, Bosnia and Herzegovina, Botswana, Brazil, Brunei Darussalam, Bulgaria, Burkina Faso, Burundi, Cambodia, Cameroon, Cabo Verde, Central African Republic, Chad, Chile, China, Colombia, Comoros, Democratic Republic of the Congo, Republic of Congo, Costa Rica, Côte d'Ivoire, Croatia, Djibouti, Dominica, Dominican Republic, Ecuador, Egypt, El Salvador, Equatorial Guinea, Eritrea, Ethiopia, Fiji, Gabon, The Gambia, Georgia, Ghana, Grenada, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Hungary, India, Indonesia, Iran, Iraq, Jamaica, Jordan, Kazakhstan, Kenya, Kiribati, Kosovo, Kuwait, Kyrgyz Republic, Lao P.D.R., Lebanon, Lesotho, Liberia, Libya, Lithuania, FYR Macedonia, Madagascar, Malawi, Malaysia, Maldives, Mali, Marshall Islands, Mauritania, Mauritius, Mexico, Micronesia, Moldova, Mongolia, Montenegro, Morocco, Mozambique, Myanmar, Namibia, Nepal, Nicaragua, Niger, Nigeria, Oman, Pakistan, Panama, Papua New Guinea, Palau, Paraguay, Peru, Philippines, Poland, Qatar, Romania, Russia, Rwanda, Samoa, São Tomé and Príncipe, Saudi Arabia, Senegal, Serbia, Seychelles, Sierra Leone, Solomon Islands, South Africa, South Sudan, Sri Lanka, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Sudan, Suriname, Swaziland, Syria, Tajikistan, Tanzania, Thailand, Timor-Leste, Togo, Tonga, Trinidad and Tobago, Tunisia, Turkey, Turkmenistan, Tuvalu, Uganda, Ukraine, United Arab Emirates, Uruguay, Uzbekistan, Vanuatu, Venezuela, Vietnam, Yemen, Zambia and Zimbabwe
FSI	Floor Space Index
KNT	Khopla New Town
MBRT	Multi-brand retail trading
MKVDC	Maharashtra Krishna Valley Development Corporation
MLD	Million liters per day
MMR	Mumbai Metropolitan Region
MoEF	Ministry of Environment and Forests
MRS	Main receiving station

Term	Description
MRTTP Act	Maharashtra Regional and Town Planning Act, 1966
NAINA	Navi Mumbai Airport Influence Notified Area
NCR	National Capital Region
NGT	National Green Tribunal
SBRT	Single brand retail trading
SPA	Special planning authority
STP	Sewerage treatment plants
TOR	Terms of reference

Conventional Terms / Abbreviations

Term	Description
AED	United Arab Emirates Dirham
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS / Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
A.Y.	Assessment Year
Bn / bn	Billion
BPLR	Benchmark prime lending rate
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I Foreign Portfolio Investors	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II Foreign Portfolio Investors	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax

Term	Description
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CHF	Swiss Franc
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
Companies Act	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's Identification
DP / Depository Participant	A depository participant as defined under the Depositories Act
EIA Notifications	Environment Impact Assessment Notification, 1994, as amended in 2004 and the Environment Impact Assessment Notification, 2006
EIA Notification, 1994	Environment Impact Assessment Notification, 1994, as amended in 2004
EIA Notification, 2006	Environment Impact Assessment Notification, 2006
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
Equity Listing Agreement	Listing Agreement to be entered into with the Stock Exchanges on which the Equity Shares of our Company are to be listed
ESI Act	Employee State Insurance under the Employees State Insurance Act, 1948
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations
FPI(s)	A foreign portfolio investor as defined under the SEBI FPI Regulations
Financial Year / Fiscal / FY / Fiscal	Unless stated otherwise, the period of 12 months ending March 31 of that

Term	Description
Year	particular year
FIPB	Foreign Investment Promotion Board
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GDP	Gross Domestic Product
GIR	General Index Register
GoI or Government	Government of India
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	The Income Tax Act, 1961
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public offering
IST	Indian Standard Time
IT	Information Technology
LIBOR	London Interbank Offered Rate
MICR	Magnetic Ink Character Recognition
Mn	Million
Mutual Fund (s)	Mutual Fund (s) means mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. / NA	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Notified Sections	The sections of the Companies Act, 2013 that were notified on September 12, 2013, February 27, 2014 and March 26, 2014
NR	Non-resident
NRE Account	Non Resident External Account

Term	Description
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
RBI	The Reserve Bank of India
RoC	Registrar of Companies, Mumbai
RoNW	Return on Net Worth
₹/Rs./Rupees/INR	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000

Term	Description
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Sq. ft.	Square feet
STT	Securities transaction tax
State Government	The government of a state in India
Stock Exchanges	The BSE and the NSE
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
UK	United Kingdom
U.S. / USA / United States	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD / US\$	United States Dollars
VAS	Value added services
VAT	Value added tax
VCFs	Venture capital funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in the sections “Statement of Tax Benefits”, “Financial Statements”, “Outstanding Litigations and Material Developments” and “Main Provisions of Articles of Association” on pages 147, 310, 456 and 598, respectively, shall have the meanings given to such terms in these respective sections.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to “India” in this Draft Red Herring Prospectus are to the Republic of India and all references to the “U.S.”, “USA” or “United States” are to the United States of America.

Financial Data

Unless stated otherwise, the financial information in this Draft Red Herring Prospectus is derived from our audited restated consolidated and unconsolidated financial statements prepared in accordance with Indian GAAP and the Companies Act, 1956 and restated in accordance with the SEBI Regulations.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to one or two decimals and all percentage figures have been rounded off to two decimal place.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year.

There are significant differences between Indian GAAP, US GAAP and IFRS. The reconciliation of the financial information to IFRS or US GAAP financial information has not been provided. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company’s financial data. For details in connection with risks involving differences between Indian GAAP and IFRS see *“Significant differences exist between Indian GAAP and other accounting principles, such as IFRS, which may be material to investors’ assessments of our financial condition.”* in the section “Risk Factors” on page 58. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in the sections “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Conditional and Results of Operations” on pages 19, 177 and 430 respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the audited restated consolidated and unconsolidated financial statements of our Company prepared in accordance with Indian GAAP and the Companies Act, 1956 and restated in accordance with the SEBI Regulations.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” are to United States Dollar, the official currency of the United States;
- “Euro” or “€” are to Euro, the official currency of the euro zone;
- “AED” are to United Arab Emirates Dirham, the official currency of United Arab Emirates; and
- “CHF” are to Swiss franc, the official currency of Switzerland.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in “million” units. One million represents 1,000,000 and one billion represents 1,000,000,000.

In this Draft Red Herring Prospectus, our Company has presented information related to land in various units. The

conversion ratio of such units is as follows:

- 1 hectare = 2.47 acres
- 1 acre = 4,046.85 sq. mtrs
- 1 acre = 43,560.00 sq. ft
- 1 sq. mt. = 10.764 sq. ft

Exchange Rates

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and other currencies:

Currency	As on March 31, 2012 (₹)	As on March 31, 2013 (₹)	As on March 31, 2014 (₹)
1 USD	50.87	54.53	60.09
1 Euro	67.80	70.07	82.25
1 AED	13.85	14.85	16.36
1 CHF	51.49	57.73	68.14

Source: Daily exchange rates information system

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publications and sources. Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Definitions

For definitions, see "Definitions and Abbreviations" on page 2. In "Main Provisions of Articles of Association" on page 598, defined terms have the meaning given to such terms in the Articles.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans, prospects 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 forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated without expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them. Certain important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- delay or inability to obtain such permits, licenses or approvals or failure to otherwise comply with applicable laws, rules and regulations or changes in governmental policies or stricter or more burdensome regulations;
- If the State Government does not approve the proposals for development of Lavasa prepared by the SPA, in a timely manner or at all, or suggests material modifications to such proposals;
- The diversified economy we expect may not come to fruition;
- Any unexpected changes or developments, as we have completed only a part of our development plan for Lavasa in terms of the area purchased/leased and developed for infrastructure real estate;
- Delays in the completion of our development or projects at Lavasa;
- Inability to successfully implement our development plan; and
- Failure to maintain high levels of customer satisfaction.

For further discussion on factors that could cause the actual results to differ from the expectations, see “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 19, 177 and 430, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI Regulations, our Company and BRLMs will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II: RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any one or a combination of the following risks actually occur, our business, prospects, financial condition and results of operations could suffer and the trading price of our Equity Shares could decline and you may lose all or part of your investment. In addition, the risks set out in this section may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that we are governed, in India by a legal and regulatory environment which may be different from that which prevails in the United States and other countries in some material respects. In making an investment decision, prospective investors must rely on their own examination of us on a consolidated basis and the terms of the Issue including the merits and the risks involved. To obtain a complete understanding of our business, you should read the sections "Our Business" and "Management's Discussion and Analysis of Financial Condition and Result of Operations" on pages 177 and 430, respectively. If our business, result of operations or financial condition suffers, the price of our Equity Shares and the value of your investments in the Equity Shares could decline.

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

In this section, unless the context otherwise requires, a reference to our "Company" or to "we", "us" and "our" refers to Lavasa Corporation Limited, and our Subsidiaries and Associates on a consolidated basis. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from the audited restated consolidated and standalone financial statements of our Company.

Risks Relating to Our Business

1. ***Construction and development work in Lavasa was completely stopped for a period of approximately one year pursuant to a show cause notice of the Ministry of Environment and Forests, Government of India (the "MoEF"), which had a significant and material adverse effect on our business, financial condition and results of operations including our ability to repay our loans. Any such regulatory actions in the future which affect our development plan could have a material adverse effect on our business, financial condition and results of operations.***

On November 25, 2010, the MoEF issued a show cause notice to us alleging violations of the EIA Notifications and directing us to maintain status quo on all construction and development activity in Lavasa. Subsequently, on January 17, 2011, the MoEF passed an order against us, observing that we were in violation of Environmental Impact Assessment Notifications, but noting that they were prepared to consider the Lavasa project on merits subject to terms and conditions including imposition of penalties. We challenged the show cause notice and the order before the Bombay High Court through two separate writ petitions and both matters are currently pending. For details, see "Outstanding Litigation and Material Developments" on page 456.

As a result of the status quo order, construction and development work at Lavasa was completely stopped for a period of approximately one year, which had a material adverse effect on our business, financial condition and results of operations. Our revenue from operations decreased from ₹ 3,025.22 million in Fiscal Year 2011 to ₹ 281.72 million in Fiscal Year 2012.

We cannot assure you that we will not be subject to any regulatory action or action taken by lenders in the future, which could lead to a cessation of our operations or any other restrictions on our business, which may, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

2. ***The environmental clearance for the development construction of the first phase of our hill station township received by us from the MoEF provides certain conditions which we must comply with and which we may be unable to meet.***

On November 9, 2011 we received the environmental clearance (the "**EC Approval**") from the MoEF for the development construction of the first phase of the hill station township for 2,048 hectares. The EC Approval provides that the environmental clearance is for 2,000 hectares (residential area: 618.24 hectares; commercial area: 33.74 hectares; hotels area: 72.77 hectares; institutional area: 207 hectares; open space: 908 hectares; and other activities: 209 hectares). We are subject to strict compliance of the terms and conditions as stipulated in the EC Approval. The EC Approval further states that the MoEF reserves the right to add additional safeguard measures and if necessary can revoke the EC Approval in case of non-compliance of any of the conditions under applicable environmental laws. We are required to file a compliance report every six months with MoEF demonstrating compliance with the stipulated conditions in the EC Approval. For further details see "*Outstanding Litigation and Material Developments*" on page 456. It may be difficult for us to comply with some of these conditions in a timely manner or at all, failure to comply with some or any of these conditions or any other subsequent conditions which may be imposed by the MoEF in the future in a timely manner or at all which may result in the cancellation of the EC Approval. This may result in the Development Plan at Lavasa not being completed in a timely manner or at all and may have a material adverse affect on our business and results of operations. We have filed an appeal before the NGT against some of the conditions imposed on us under the EC Approval and have sought a dispensation from compliance of these conditions, which appeal remains pending as of the date of this Draft Red Herring Prospectus and we cannot ensure you that we will be successful in the appeal.

A public interest litigation ("**PIL**") has been filed before the Bombay High Court against our Company, the Union of India through the MoEF, and others. The petitioners have alleged that the Government of Maharashtra does not have the statutory power to grant the environmental clearance to our Company and that this power can be exercised by the MoEF after following the prescribed procedure. The petitioners have sought that construction of the hill station project be halted and construction be demolished and the Company be directed to restore the environment as prior to the project. Our Company, in its reply has stated that the Company has obtained an environmental clearance for the project for land measuring 2,000 hectares from the Government of Maharashtra on March 18, 2004. Further, our Company has argued that the Environment Impact Assessment Notification, 1994, as amended in 2004 and superseded by Environment Impact Assessment Notification, 2006, was not applicable to the extent of such 2,000 hectares, there being no requirement to obtain an environmental clearance from the MoEF under the same. Subsequently, we received a show cause notice dated November 25, 2010 and an order dated January 17, 2010 from the MoEF directing us to maintain status quo on all construction activities in Lavasa but mentioning that they were prepared to consider the project on merits and conditions of penalties. Subsequently, on November 9, 2011, we obtained the conditional EC Approval for 2,048 hectares from MoEF. The petitioners through a further affidavit alleged that the EC Approval was illegal as the MoEF was not the competent authority to grant the same and that the MoEF was not empowered to grant post-facto approval and that the clearance had not stipulated certain essential conditions prescribed by the expert committees that had examined the hill station project of our Company. The PIL is currently pending. For further details see "*Outstanding Litigation and Material Developments*" on page 456. If the outcome of the PIL is not favorable to us and if it is held that the EC Approval is not valid or that we are required to obtain further approvals and permissions, our Development Plan at Lavasa may not be completed in a timely manner or at all. This may have a material adverse affect on our business and results of operations.

There is an appeal pending before the NGT against our Company, MoEF and the Member Secretary, Maharashtra Pollution Control Board ("**MPCB**") against the grant of the EC Approval. The appellant has contended that the grant of the ex-post facto EC Approval by the MoEF on the basis that we had incurred significant expenditure and that the project had generated employment was invalid and was not contemplated under either the Environment (Protection) Act, 1986 or the Environment Impact Assessment Notification, 1994, as amended in 2004 and superseded by the Environment Impact Assessment Notification, 2006 (together the "**Environmental Notifications**"). Further, it is argued that the K.T. Ravindran Committee did not conduct a comprehensive appraisal of Lavasa. The appellant has prayed that the EC Approval be quashed and a proper amount in damages be imposed upon us. The matter has been

transferred to the Supreme Court and remains pending. For further details see "Outstanding Litigation and Material Developments" on page 456. If the outcome of this proceeding is not favorable to us and it is held that the EC Approval is not valid or that it is required to obtain further approvals and permissions, our Development Plan at Lavasa may not be completed in a timely manner or at all. This may have a material adverse effect on our business and results of operations.

By application dated August 9, 2009, we had applied for environmental clearance for an area measuring 5,000 hectares to the State Level Environment Impact Assessment Authority ("SEIAA"). By order dated November 9, 2011, the MoEF granted us EC Approval for 2,048 hectares of this 5,000 hectares. We have since made an application to the State Expert Appraisal Committee, Environment Department, Government of Maharashtra for environmental clearance for development of an additional area of 634 hectares on October 17, 2013, which remains pending as of the date of this Draft Red Herring Prospectus. On this basis, environmental clearance is pending from the SEIAA for an area of 3,586 hectares, which clearance is essential for the completion of our project in subsequent periods. We may not receive the pending environmental clearance in a timely manner or at all which may have a material adverse effect on our business and results of our operation.

3. ***Our purchase of land at Lavasa has been challenged by way of public interest litigation.***

The State of Maharashtra has declared the entire area of 18 villages in Mulshi and Velhe Taluka in Pune as a hill station, measuring approximately 23,014 acres based on our internal estimates pursuant to review of available land records. As of the date of the master title certificate, we have 10,225 acres of largely contiguous land within this designated area, consisting of approximately 10,119 acres of land that we purchased and 106 acres of land we have lease holding rights. A PIL has been filed before the Bombay High Court against the State of Maharashtra, the Collector, Pune and our Company amongst others wherein it has been alleged that our Company has purchased more than 10,000 acres of land in violation of Sections 9 and 10 of the Maharashtra Agricultural (Ceiling on Holdings) Act, 1961 (the "**Ceiling Act**"). Section 9, together with Section 10, of the Ceiling Act states that any land acquired in excess of the ceiling area shall be forfeited and shall vest in the State Government. The PIL has sought an injunction restraining our Company from developing the land and creating any third party interest in the land. While no interim orders have been passed, the matter is currently pending. For further details see "Outstanding Litigation and Material Developments" on page 456.

Such legal proceedings can distract management time and stall or delay our development plan for Lavasa. Further, if the outcome of the PIL is not favorable to us and it is held that we did not have the requisite permissions to purchase the land or that it is required to obtain further approvals and permissions, our Development Plan at Lavasa may not be completed in a timely manner or at all. This may have a material adverse effect on our business, prospects and results of operations and financial condition.

4. ***Our business is subject to extensive Government regulation, including in relation to the environment and land development, and the success of Lavasa depends upon our compliance with laws, rules, regulations and notifications promulgated by the central, state and local government bodies, including obtaining environmental clearance and renewing and maintaining statutory and regulatory permits, licenses and approvals from time to time. Any delay or inability to obtain such permits, licenses or approvals or failure to otherwise comply with applicable laws, rules and regulations or changes in governmental policies or stricter or more burdensome regulations, may have a material and adverse effect on our business, results of operations, financial condition and prospects.***

Our business model for developing Lavasa depends on our compliance with laws and regulations promulgated by central, state and local governments, which are responsible for land and development, land reform implementation, land conservation and rural housing and other rural development programmes, as well as obtaining requisite approvals, permissions, consents and NoCs from the MPCB, Environment Department, Government of Maharashtra, Office of the Fire Advisor and the MoEF amongst others, and/or receiving no objections for various activities proposed to be undertaken. For further details, see "Government and Other Approvals" on page 516.

We are subject to extensive government regulation and are required to comply with various requirements mandated by Indian real estate and environmental related laws and regulations, including policies and procedures established and implemented by local authorities. For example, the environment clearance dated November 9, 2011 granted by the MoEF for development of the hill station in Mulshi and Velhe Tehasil prescribes certain conditions such as earmarking of certain amount by our Company towards corporate social responsibility initiatives, preparing environment restoration plans and submitting monitoring reports to the regulatory authorities. There is no assurance that our Company will be able to comply with the conditions of the environment clearance in a timely manner or at all. Some of these conditions have been challenged by us before the NGT. There can be no assurance that these proceedings will be decided in our favor or that no liability will arise out of these proceedings. For details, see "Outstanding Litigation and Material Developments " and "Government and Other Approvals " on page 456 and 516, respectively. We may be required to incur substantial expenditure and spend considerable time and resources in complying with such conditions. If we fail to comply or a regulatory authority claims that we have not complied with any conditions in a timely manner, we may be required to make substantial expenditures to retain or replace such approval, license and our ability to undertake construction and development activities at Lavasa may be affected. The occurrence of any of the above could materially and adversely affect our business, financial condition and results of operations. In addition, the Government of Maharashtra may amend the Hill Station Regulations which may impact the floor space index for the construction of buildings in Lavasa. If any of these entities change their policies or imposes stricter or more burdensome regulations, our development plan may be materially and adversely impacted.

We are also required to obtain the permission of the Special Planning Authority (the "SPA") for any changes in the use or development of land which is a part of the area notified as a hill station pursuant to the Hill Station Regulations. Development of any new area requires us to obtain the permission of the SPA and the SPA may revoke or modify the permission granted if the change is inconsistent with the draft planning proposal which is approved by the SPA and the planning proposal that is finally approved by the State Government. We may experience problems in obtaining the requisite approvals or licenses in fulfilling the conditions precedent to any required approvals and may not be able to adapt to new laws, regulations or policies that may come into effect from time to time. If we experience material problems in obtaining or fail to obtain the requisite governmental approvals, the schedule of development and sale could be substantially disrupted, which may affect our financial performance. Certain approvals that we have applied for are currently pending and we may need to apply for renewal of approvals which may expire from time to time, in the ordinary course of our business. For further details of the approvals required by us, see "Government and Other Approvals" on page 516. If we fail to obtain approval from the State Government for the Statutory Proposals of the SPA, or if there is a delay in obtaining such approval, or if the State Government suggests any modifications to it, we may be required to modify our development plan appropriately, which may adversely affect our business, financial condition and results of operation.

While we have applied for these approvals and permits, including renewals thereof, we cannot assure you that we will receive these approvals and/or renewals in time or at all in relation to execution of our construction/development activities in Lavasa. For instance, while we have obtained EC Approval from the MoEF for 2,048 hectares of land subject to specified conditions, our application for environmental clearance for an additional 3,586 hectares of the project area for Lavasa remain pending with the SEIAA. Moreover, we have applied to the State Government to extend the jurisdiction of the SPA over an additional 2,731 acres, which is in the process of approval and which may also not be granted. For further details, see " Government and Other Approvals " on page 516.

If we fail to obtain the necessary approvals and permits or if there is any delay in obtaining these approvals and permits, it may disrupt the schedule of development and sale or lease of our projects, impede the execution of our business plans and may materially and adversely affect our business and financial condition. Additionally, any change in applicable law or regulations in relation to our business or of any of the businesses operating within Lavasa may also adversely affect our business, financial condition or results of operations. Further, in the future we will be required to apply and obtain fresh approvals and permits for our projects. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time frames anticipated by us or at all.

The Hill Station Regulations also contain certain development related restrictions and conditions. For example, the Hill Station Regulations provide that 33% of the total area under development should be kept as open space, gardens and/or parks and the minimum size of residential plots should be 500 square meters. Further, construction on slopes is permitted, subject to certain conditions, as part of the development. Additionally, no development is permissible in areas that sit 1,000 meters above sea level. Additionally we are required to comply with other requirements while undertaking construction, such as, the minimum dimension of recreational space shall not be less than 7.4 meters and in any layout or sub-division of land, 10% of the entire holding area is to be reserved as additional space for common facilities and amenities to be provided for the use of the plot holders. Currently, we believe that we are in compliance with these requirements and restrictions. However, in future, there may be additional requirements or restrictions applicable to our development at Lavasa.

These and other governmental policies affecting our business such as payment of stamp duty, registration requirements of property documents may change from time to time at the local, state and national level in India. Any such changes may require us to modify the manner in which we do business, or may result in our not being able to carry out specific planned or future projects within Lavasa. For further details relating to Governmental policies affecting our business, see "Regulations and Policies" on page 215.

Any non-compliance with applicable laws, rules and regulations may subject us to regulatory action, including penalties, seizure of land and other civil or criminal proceedings.

In the past, our Company had to stop construction and development at Lavasa pursuant to the show cause notice of MoEF issued to our Company on November 25, 2010 requiring that status quo be maintained on construction and development of construction and development at Lavasa. Subsequently, the MPCB has filed a criminal case before the Chief Judicial Magistrate, Pune against our Company and others in relation to alleged violation of the Environment (Protection) Act, 1986 and the EIA Notifications. For further details, see "Outstanding Litigations and Material Developments " on page 456. There can be no assurance that these proceedings will be decided in our favor or that no liability will arise out of these proceedings.

Ongoing legal proceedings including a PIL against us may delay the grant of the pending approval or may come with such additional conditions which may be difficult for us to comply with. Further, certain special interest groups and environmental activists are campaigning against granting the clearance and are seeking a stay on the development and construction work of the project. If we fail to obtain the environmental clearance from SEIAA, we would not be able to commence development for Periods 3 and 4 of our development plan. If there is a delay in obtaining this clearance, it may disrupt the schedule of our development plan and have a material adverse impact on our business, financial condition and results of operation. For details, see " Government and Other Approvals " on page 516.

5. ***We are subject to restrictive covenants in debt facilities provided to us by our lenders which may limit our strategic decisions and operations and we may not be able to service our debt or make repayments on a timely basis or at all thereunder which may materially and adversely affect our business, results of operations, financial condition and prospects.***

As of March 31, 2014, our consolidated debt was ₹ 33,978.89 million. For more information related to our current loan arrangements (excluding inter-corporate deposits ("ICDs")), see "Financial Indebtedness" on page 413.

Most of our financing arrangements are secured by substantially all of our movable and immovable assets. Our financing agreements typically include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions and also covenants which require, inter alia, our Promoters to maintain a minimum threshold of shareholding and management control in our Company.

Specifically, under some of our financing agreements, we require, and may be unable to obtain, consents from the relevant lenders for, among others, the following matters: (a) change in the capital structure of our Company; (b) formulating any scheme of amalgamation or reconstruction; (c) undertaking any new project,

implementation of any scheme of expansion or acquisition of fixed assets; (d) declaring dividends for any year out of the profits relating to that year or of the previous years; (e) any transfer of the controlling interest in our Company or making any drastic change in the management set-up; (f) buy back, cancellation, redemption of any of our Company's share capital which is outstanding; (g) any substantial change in the nature of the business; (h) any amendments to the Memorandum and Articles; (i) change in accounting standards or accounting year; (j) forming subsidiaries, and (k) further issue of capital whether on a preferential basis or otherwise. Furthermore, our arrangements with some of our lenders require us, in the event of a default in repayment or prepayment, to convert the whole or part of the outstanding amount into fully paid up Equity Shares. For further details, see the section titled "Financial Indebtedness" on page 413.

Our financing agreements also typically contain certain financial covenants including the requirement to maintain, among others, specified debt-to-equity ratios. These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document. Such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time.

We cannot assure you that we have complied with all such covenants in a timely manner or at all or that we will be able to comply with all such covenants in the future. A failure to observe the covenants under our financing arrangements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, levy of penal interest, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under our other financing agreements. If the obligations under any of our financing agreements are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. In addition, other third parties may have concerns over our financial position and it may be difficult to market our financial products. Any of these circumstances could adversely affect our business, credit rating, prospects, results of operations and financial condition. Moreover, any such action initiated by our lenders could result in the price of the Equity Shares being adversely affected.

Moreover, our ability to make payments on our indebtedness will depend on our future performance and our ability to generate cash, which to a certain extent is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, many of which are beyond our control. For instance, as of March 31, 2012, we had defaulted on the repayment of loans in the principal amount of ₹ 1,348.24 million and interest thereon amounting to ₹ 437.82 million. As of March 31, 2013, we did not default on the repayment of any principal but defaulted on the repayment of ₹ 299.38 million due as interest payments. As a result of the default, we and certain of our current and former directors appeared on the Credit Information Bureau List for the quarters ended March 31, 2013, June 30, 2013 and September 30, 2013, for default in payment of certain loan facilities provided by our consortium lenders. Although these defaulted repayments have since been rescheduled with the lenders, there is no assurance that these defaults will not occur in the future. As of March 31, 2014, we have defaulted on the repayment of loans in the principal amount of ₹ 235.93 million. As of June 25, 2014, loans in the principal amount of ₹ 297.70 million and ₹ 133.57 million in interest payments were overdue. For details of our current loan arrangements, see "*Financial Indebtedness*" on page 413. If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations, meet our contractual obligations, or to fund our other liquidity needs, we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our creditworthiness and/or any credit rating we may hold, which could harm our ability to incur additional indebtedness on acceptable terms.

6. ***A substantial portion of the Issue Proceeds are proposed to be paid to Steiner India Limited, a Group Company and a member of our Promoter Group.***

Our Company intends to utilize ₹ 1,000.00 million and ₹ 2,500.00 million out of the Issue Proceeds to fund the development of certain infrastructure facilities at Mugaon and the construction of certain buildings at Dasve and Mugaon, respectively, amounting to ₹ 3,500.00 million (constituting approximately 47% of the Issue Proceeds).

Pursuant to a master construction agreement dated March 25, 2014 (the "**Master Construction Agreement**"), we have appointed Steiner India Limited as our principal contractor for execution and completion of construction-related activities at Lavasa. Steiner India Limited is a wholly-owned subsidiary of Steiner AG, which is ultimately wholly owned by HCC, and as such, is a Group Company and forms part of the Promoter Group. Pursuant to the terms of the Master Construction Agreement, Steiner India Limited shall carry out all construction work at Lavasa with retrospective effect from October 1, 2013 on a cost plus fees basis. The fees to be paid to Steiner India Limited for any such construction work shall be 10% of the contract value. For further details, see "History and Certain Corporate Matters " and "Material Contracts and Documents for Inspection" on pages 220 and 607, respectively.

An amount of ₹ 3,500.00 million from the Issue Proceeds are estimated to be paid to Steiner India Limited towards the development of certain infrastructure facilities at Mugaon and construction of certain buildings at Dasve and Mugaon in accordance with the terms of the Master Construction Agreement. The fund requirements for these objects are based on internal management estimates and have been verified by an independent engineer. However, these fund requirements have not been appraised by any bank or financial institution. Furthermore, as the funding requirements are based on management estimates, the deployment schedule may change due to the factors mentioned above. For further details, see "Objects of the Issue" on page 133.

The costs are based on management estimates and our Company has neither executed any contracts/purchase orders nor obtained any third party quotations for the same. The costs and expenses are subject to a number of variables, including possible cost overruns and changes in management's views of the desirability of current plans, among others. Our management will have the discretion to revise the estimated costs and other expenses, which may impact the deployment of funds or may require us to obtain additional funding.

If the management estimates prove to be incorrect or there are cost over-runs, there may be an adverse impact on our profitability and business operations.

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

We generally conduct in-house necessary searches in land records prior to purchase of any land for the purposes of our development activities. We may not be able to assess or identify certain risks and liabilities associated with irregularities in title. As a result, some of our land in respect of which we have title may have one or more irregularities and we may not have good and marketable title to such land, *inter alia* including unregistered encumbrances, adverse possession rights over title, inadequate stamping and/or non-registration of deeds and/or agreements. If we do not derive, or are unable to obtain clear title to these lands and consequently are unable to carry out our operations in connection with such land, in a timely manner, our financial condition, profitability and results of operation may be adversely affected.

In contrast to other countries, India does not have a central title registry for real property. Title registries are maintained at the state and district level and since computerization of such records began only recently, may not be available online for inspection. Title registries and local revenue records may not be updated or complete. As such, legal defects and irregularities may exist in the titles to the properties purchased and to be purchased by us. Our rights in respect of these properties may be compromised by improperly executed, unregistered or insufficiently stamped conveyance instruments, unregistered encumbrances in favor of third parties, rights of adverse possessors, ownership claims of family members of prior owners, or other defects

that we may not be aware of. These defects may arise after land is purchased by us, and are not necessarily revealed by a title due diligence, on account of various factors including but not limited to incomplete land records, transactions without registered documents, the decentralized nature of maintenance of land registries and local revenue records, property-related litigation in India and family disputes in the sellers' family. Any defects or irregularities of title may result in litigation and/or the loss of development rights over the affected property. With respect to projects on leasehold land, revocation/ expiry of the lease and any defect or irregularity in the lessor's title may result in loss of our rights over affected property. For land that is in the process of being purchased, title verification is pending and there can be no assurance that such land will have clear title.

8. ***The environmental clearance granted by the MoEF to us has been challenged by a third party before the NGT.***

An appeal has been filed before the NGT against us, the MoEF and others seeking that the environmental clearance granted to us be quashed. It has been contended that the grant of ex-post facto clearance by the MoEF was not contemplated under either the Environment (Protection) Act, 1986 or the EIA Notifications. We have in our reply submitted that the appellant is not a 'person aggrieved' due to grant of the environmental clearance and that the environmental clearance is not in violation of either the Environment (Protection) Act, 1986 or the EIA Notifications. The matter is currently pending. For further details, see "Outstanding Litigation and Material Developments" on page 456. There can be no assurance that the proceedings will be decided in our favor. If the outcome of the proceeding is not in our favor, we may be required to seek fresh approval and our Development Plan for Lavasa may not be completed in a timely manner or at all.

9. ***There are certain criminal proceedings pending against our Company, one of our Promoter and certain Directors.***

There are certain criminal proceedings pending against our Company, one of our Promoter and certain Directors, brief details have been provided below:

Company:

- There is a criminal complaint filed against our Company, Vithal Maniar and others alleging illegal purchase of the properties bearing survey no. 79/2/4/2, 79/3/1 and other properties of village Dasve;
- There is a criminal complaint filed against our Company, Directors and others alleging that our Company failed to perform its obligations and made false representations in connection with a proposal for constructing and developing a business hotel at Dasve, Lavasa, amongst other things;
- There is a criminal case filed against our Company alleging forcefully dispossession of the complainant from the said premises; and
- There is a criminal revision application against our Company, our directors and others alleging forceful dispossession of the complainant from the said premises.
- There is a criminal complaint filed against our Company, Gautam Thapar, Anuradha Jitendra Desai, Vithal Maniar, Shalaka Gulabchand Dhawan and Sharad M. Kulkarni alleging violations of the Environment (Protection) Act, 1986 read with the EIA Notifications.

Promoter:

- There is a calendar case filed against our Promoter, HCC, and others, alleging that they had entered into a criminal conspiracy to cheat the Ennore Port Trust; and

- There is case filed against our Promoter, HCC, and others, accusing them of negligently carrying out construction work and for grossly violating safety measures at the Lucknow to Muzzafarabad National Highway site.

Directors:

Ajit Gulabchand:

- There is a calendar case filed against our Promoter, HCC, Ajit Gulabchand and others, alleging that they had entered into a criminal conspiracy to cheat the Ennore Port Trust.

Ajit Gulabchand, His Highness Gaj Singh, Gautam Thapar, Anuradha Desai, Sharad Kulkarni, Ram Gandhi, Vithal Maniar, Shalaka Dhawan and others:

- There is a criminal revision application against Ajit Gulabchand, His Highness Gaj Singh, Gautam Thapar, Anuradha Desai, Sharad Kulkarni, Ram Gandhi, Vithal Maniar, Shalaka Dhawan and others alleging forceful dispossession of the complainant from the said premises.

Gautam Thapar, Anuradha Jitendra Desai, Vithal Maniar, Shalaka Gulabchand Dhawan and Sharad M. Kulkarni:

- There is a criminal complaint filed against our Company, Gautam Thapar, Anuradha Jitendra Desai, Vithal Maniar, Shalaka Gulabchand Dhawan and Sharad M. Kulkarni alleging violations of the Environment (Protection) Act, 1986 read with the EIA Notifications.

Vithal Maniar:

- There is a criminal complaint filed against Vithal Maniar alleging illegal purchase of the properties bearing survey no. 79/2/4/2, 79/3/1 and other properties of village Dasve.

The impact of these litigations cannot be quantified. For further details, see “Outstanding Litigation and Material Developments” on page 456.

10. ***There are outstanding civil and criminal proceedings against us, our Directors, our Promoters and our Group Companies. An adverse outcome in any of these proceedings may affect our reputation and standing and impact our future business and could have a material adverse effect on our business, financial condition and results of operations.***

There are outstanding legal proceedings, both civil and criminal involving us, our Directors, our Promoters and our Group Companies. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, appellate tribunals and arbitrators.

Litigation against our Company

Sr. No.	Nature of cases	No. of outstanding cases	Amount Involved (in ₹ million)
1.	Public interest litigation	5	Amount not ascertainable
2.	Civil proceedings	62	Amount not ascertainable
3.	Criminal proceedings	5	Amount not ascertainable
4.	Revenue proceedings	46	Amount not ascertainable
5.	Arbitration proceedings	2	Amount not ascertainable
6.	Consumer proceedings	2	1.13
7.	Letters from gram panchayat	6	Amount not ascertainable
8.	Notices from statutory and	4	Amount not ascertainable

Sr. No.	Nature of cases	No. of outstanding cases	Amount Involved (in ₹ million)
	regulatory authorities		

Litigation against our Directors

Sr. No.	Nature of cases	No. of outstanding cases	Amount Involved (in ₹ million)
Ajit Gulabchand			
1.	Criminal proceedings	2	Amount not ascertainable
2.	Civil proceedings	1	Amount not ascertainable
3.	Regulatory proceedings	1	Amount not ascertainable
Gautam Thapar			
1.	Criminal proceedings	2	Amount not ascertainable
2.	Civil proceedings	1	Amount not ascertainable
Anuradha Jitendra Desai			
1.	Criminal proceedings	2	Amount not ascertainable
2.	Civil proceedings	1	Amount not ascertainable
Vithal Maniar			
1.	Criminal proceedings	3	Amount not ascertainable
2.	Civil proceedings	1	Amount not ascertainable
Shalaka Gulabchand Dhawan			
1.	Criminal proceedings	2	Amount not ascertainable
2.	Civil proceedings	1	Amount not ascertainable
His Highness Gaj Singh			
1.	Civil proceedings	1	Amount not ascertainable
2.	Criminal proceedings	1	Amount not ascertainable
Ram P. Gandhi			
1.	Civil proceedings	1	Amount not ascertainable
2.	Criminal proceedings	1	Amount not ascertainable
Sharad M. Kulkarni			
1.	Criminal proceedings	2	Amount not ascertainable
2.	Civil proceedings	1	Amount not ascertainable

Litigation against HCC

Sr. No.	Nature of cases	No. of outstanding cases	Amount Involved (in ₹ million)
1.	Criminal proceedings	2	Amount not ascertainable
2.	Civil proceedings	61	8,460.30 and USD 200,504.07
3.	Industrial and labor related proceedings	68	Amount not ascertainable
4.	Share related proceedings	10	Amount not ascertainable
5.	Tax proceedings	2	39.79
6.	Arbitration proceedings	5	298

Litigation against our Group Companies

Sr. No.	Nature of cases	No. of outstanding cases	Amount Involved (in ₹ million)
Steiner AG			
1.	Civil proceedings	6	Amount not ascertainable
2.	Conciliation proceedings	1	Amount not ascertainable
Dhule Palesner Tollway Limited			
1.	Civil proceedings	3	Amount not ascertainable
Charosa Wineries Limited			
1.	Civil proceedings	2	Amount not ascertainable
Badarpur Faridabad Tollway Limited			
1.	Civil proceedings	1	Amount not ascertainable
HCC Concessions Limited			
1.	Civil proceedings	1	Amount not ascertainable
Panchkutir Developers Limited			
1.	Civil proceedings	1	Amount not ascertainable

An adverse outcome in any of these proceedings may affect our reputation and standing and impact our future business and could have a material adverse effect on our business, prospects, financial condition and results of operations. We cannot assure you that any of these proceedings will be decided in favor of us, our Directors, our Promoters or our Group Companies or that no further liability will arise out of these proceedings. For further details of outstanding litigation against us, our Directors and our Promoters, see "Outstanding Litigation and Material Developments" on page 456.

11. ***Our ability to develop Lavasa in accordance with our proposed designs and development plan, in a timely manner or at all may be adversely affected if the State Government does not approve the proposals for development of Lavasa prepared by the SPA, in a timely manner or at all, or suggests material modifications to such proposals.***

Pursuant to a notification dated June 12, 2008 issued under the MRTP Act ("SPA Notification"), the Government of Maharashtra has appointed us as an SPA in connection with land owned and proposed to be developed by us in 14 villages. Under the terms of the MRTP Act, an SPA is required, from time to time, to submit its proposals for the development of the land in the area as detailed in the SPA Notification (being land either currently owned by us or land which is proposed to be purchased by us), ("Statutory Proposals"), to the State Government after having invited and considered suggestions and objections from the public. The State Government may in turn, after consultation with the Director of Town Planning, approve such Statutory Proposals either with or without modification or may disapprove such Statutory Proposals. The Statutory Proposals is required to be prepared taking into consideration the provisions of any regional plan or a draft thereof, any development plan, building bye-laws and regulations, which are already in force in the area notified under the SPA Notification. For details, see "Our Business – Our governance platform".

Prior to the SPA Notification, pursuant to permission dated June 7, 2008, the Office of the Collector, Revenue Department, District Pune, had approved and granted non-agricultural permission to our Company for our proposed hill station development at Village Dasve and Padalghar for a total area of 636.82 hectares.

We have also submitted an application for extension of the SPA jurisdiction was submitted to State Government of Maharashtra in March 2013 for a total area of 2,731 acres, which is pending. In the event, if we are unable to get the said extension of SPA jurisdiction then this may have a material adverse affect on our business and results of operations.

Currently, draft Statutory Proposals for land owned and proposed to be developed by us have been approved by the SPA and have been submitted to the State Government for its approval. For more details, see "Our Business – Our governance platform" on page 183. If the State Government does not approve the

Statutory Proposals that we have submitted in a timely manner or at all, or suggests any material modifications to such Statutory Proposals, our ability to develop Lavasa in accordance with our development plan and Master Plan could be adversely affected, which in turn could adversely affect our business, financial condition and results of operations. In addition, such refusal of approval or modification of the development plan may adversely impact the arrangements that we have entered into with various partners for future developments, which may result in claims from these counterparties and adversely impact our results of operations and financial condition.

As of June 18, 2014, we have permission from the State Government to purchase agricultural land of up to 16,478 acres. We have made an application dated June 4, 2014 to the Development Commissioner (Industry) for an extension of time period to purchase agricultural lands for bona fide industrial use. For further details, see "Government and other Approvals" on page 516. We expect to purchase an additional approximately 5,959 acres of land within the hill station notified area on an opportunistic basis which, we expect, will generate additional sources of revenue for us. In the event if we are unable to purchase such additional land our business prospects, results of operation and financial condition may be materially adversely affected.

12. ***We have entered into related party transactions and may continue to do so in future also, which may adversely affect our competitive edge and better bargaining power had these transactions been entered with non-related parties resulting in relatively more favorable terms and conditions and better margins but may have been able to obtain more favorable terms if such transactions had been entered into with unrelated parties.***

We have entered into, and may in the future enter into, certain transactions with our Promoters and Promoter Group companies, Group Companies, Subsidiaries, Associates and Directors. During the financial year ended March 31, 2014, we had entered into various transactions with our Promoters, Promoter Group, Directors and their Relatives and Group Companies. For example, we have, pursuant to the Master Construction Agreement appointed Steiner India Limited, as our principal contractor for execution and completion of construction related activities at Lavasa. Steiner India Limited is a wholly owned subsidiary of Steiner AG, which is ultimately owned by HCC. Steiner India Limited is a group company and forms part of the Promoter Group.

These transactions also have included acquiring the land or proposing to acquire the land. However, there can be no assurance that we could not have obtained better and more favorable terms had our Company not entered into such related party transactions. Our Company may enter into such transactions in future also and we cannot assure you that in such event there would be no adverse affect on results of our operations. For details of our related party transactions, please see the section entitled "Related Party Transactions" on page 308.

13. ***As we are not in a mature industry, we will not be aided by an established industry knowledge, which could cause us to make sub-optimal strategic or operational decisions.***

Lavasa will be a hill city in India when finished and, to the best of our knowledge, there are no industry competitors developing similar private cities in India as of the date of this Draft Red Herring Prospectus. Lavasa is therefore largely without precedent and we are not aided by any industry knowledge which exists in more mature industries. Accordingly, we may pursue strategies that are suboptimal for our business segments and may, as a participant in a young industry, shift strategies frequently which could also have a material adverse impact on our business prospects and results of operations.

14. ***The Lavasa vision involves significant risk in that the diversified economy we expect may not come to fruition completely or in a timely manner or at all, which would have an impact upon the profitability of our subsidiaries and associates and would cause us to have excess real estate and infrastructure capacity.***

We believe that once completed Lavasa would be a city with a diversified economy offering employment opportunities and containing a wide variety of housing options, hospitality offerings, retail, office and entertainment spaces, educational institutes and health and wellness centers. In addition, we are proposing

to develop complementary business opportunities in the hospitality, education, tourism and leisure, healthcare and retail sectors through investments in our subsidiaries and associates. It is possible that our vision may not come to fruition completely or in a timely manner or at all. While we have entered into various arrangements with hospitality and educational companies for the sale of the right to develop and/or lease of real estate, it is possible that residents and visitors of Lavasa use their residential units primarily as second and/or holiday homes. If we are unable to attract adequate businesses to set up offices in Lavasa, the residents of Lavasa may possibly use their residential units as second homes. Moreover, if our vision of a diversified economy is not achieved, then the profitability of our subsidiaries and associates relating to hospitality, tourism, education and health could be adversely affected and there may be excess capacity in our residential and commercial units and infrastructure, which, in either case, would have a material adverse effect on our business segments and results of operations.

15. ***Some of our financing agreements require prior consent of our lenders for undertaking a number of corporate actions, including for initiating and consummating the Issue, a majority of which have not been obtained as on date of this Draft Red Herring Prospectus.***

Under some of our financing agreements, we are required to obtain prior consents from the respective lenders to undertake certain actions, including initiating and consummating the Issue, altering the memorandum and articles of association of our Company, prepayment of such loans, effecting any change in the capital structure, issuing any fresh capital and for completion of other requirements pertaining to the Issue.

As on the date of this Draft Red Herring Prospectus, we have applied for such consents for the Issue from thirteen (13) lenders and have yet to receive consents from ten (10) lenders. While our Company intends to obtain all the necessary consents in relation to the Issue from the remaining lenders prior to the filing of the Red Herring Prospectus with the RoC, undertaking the Issue without obtaining such lender consents in a timely manner or at all, or in contravention of any conditions contained in such consents, may constitute a breach of the respective loan agreements. Any such default will enable the lenders to cancel any outstanding commitments, accelerate the repayment and enforce their security interests and may also trigger cross-defaults of other loan facilities. Further, such lenders may also curtail our ability to utilise a portion the Issue Proceeds for repayment or prepayment of certain debt availed to us. For further details of the proposed objects of the Issue, see “Objects of the Issue” on page 133. This may have a material adverse effect on the business, prospects and financial conditions of our Company. We are also subject to restrictive covenants in debt facilities provided to us by our lenders which may limit our strategic decisions and operations and we may not be able to service our debt or make repayments on a timely basis or at all thereunder which may materially and adversely affect our business, results of operations, financial condition and prospects.

16. ***As of the date of this Draft Red Herring Prospectus, we have completed only a part of our development plan for Lavasa in terms of the area purchased/leased and developed for infrastructure real estate, which may not be a fair indication of the success of our future plans. Any unexpected changes or developments may adversely affect our future performance, financial condition and results of operation.***

Our development plan, which is an evolving and adaptive document, targets the development of 10,006 acres of land and is spread over three development periods. As of the date of the master title certificate, we have approximately 10,225 acres of largely contiguous land. In addition to the above, we will consider opportunistically purchasing additional developable land within the area declared as a hill station pursuant to the Hill Station Regulations on an opportunistic basis and though we expect, that this will generate additional sources of revenue for us, there is no certainty of the same.

As of June 17, 2014, we have leased real estate or sold built up structures for or signed term sheets or entered into agreements to lease for an aggregate of 12.10 million square feet. This total comprises 3.74 million square feet of residential real estate, 0.62 million square feet of commercial real estate, 3.78 square feet of institutional real estate, 2.30 square feet of hospitality real estate and 3.77 million square feet of social real estate which includes (i) land which we developed on a standalone basis, (ii) land developed by our Subsidiaries and Associates and (iii) land developed by third parties. Our development plan, by

contrast, targets the development of 148.71 million square feet of real estate development. For additional details related to our development plan, see "Business – Our Master Plan and Development Plan" on page 186.

As a substantial part of the development plan still remains to be initiated, the current status of our progress cannot be construed as an indication of our future performance or our ability to successfully complete the remainder of our development plan.

We may experience unforeseen problems, changes in consumer demands and preferences, changes in regulations, non-receipt of environmental clearances, or adverse developments which may adversely affect our ability to complete our development plan, introduce changes to our development plan or cause delays in its implementation. Any such changes may adversely affect our business, financial condition and results of operation.

17. ***Lavasa's location may not attract residents and businesses and the competition that may arise from neighboring cities such as Mumbai, Pune and other corridors could adversely affect our results of operations.***

We are located at a distance of 216 kilometers from Mumbai via Chandni Chowk (an area on the outskirts of Pune) and 42 kilometers from Chandni Chowk. The nearest international airport from Lavasa is the Lohagaon Airport at Pune, which is approximately 72 kilometers north-east of Lavasa and another international airport is the Chhatrapati Shivaji International Airport at Mumbai, which is approximately 220 kilometers away from Lavasa. Further, the nearest railway station from Lavasa is located at Pune, at a distance of approximately 65 kilometers from Lavasa. Although international airports are currently proposed at Chakan near Pune and Panvel in Navi Mumbai, located approximately 99 kilometers and 145 kilometers, respectively, from Lavasa, we cannot assure you that these will be completed in the time expected or at all. The lack of an airport and railway stations in Lavasa and the fact that Lavasa is not an established urban centre may deter potential residents from living in Lavasa. We face the risk that potential residents may use Lavasa as a second/holiday home, which would lead to our vision for Lavasa not coming to fruition.

Further, we are currently in the process of developing a tunnel at Mugaon which would reduce the distance between Lavasa and Mumbai. The completion of the Mugaon tunnel is desirable in order to ensure connectivity of Lavasa with Mumbai as the tunnel will reduce the distance to approximately 199 kilometers and the discomfort of travelling on a winding hill road that presently provides the main access to Lavasa. Any failure to complete this tunnel in the expected time or at all could affect the convenience of access to Lavasa for residents, visitors and investors and thereby adversely affect our business, financial condition and results of operations.

Furthermore, our location could also prove to be a disadvantage as we may face competition from (i) the cities of Mumbai and Pune to the extent that these cities offer improved infrastructure development and facilities as compared to existing facilities; and (ii) new urban centers which are being developed or may be developed in the Mumbai Pune corridor. The aforementioned competition may impact our ability to attract potential future residents and thereby adversely affect our ability to develop and sell or lease our projects.

18. ***We may be unable to successfully implement our development plan.***

We may face various difficulties in the implementation of our development plan for Lavasa. There may be certain modifications required to suit market conditions and regulatory, contractual or other issues that may arise in the future. Additionally, we may be subject to several unforeseen changes in consumer preferences, laws and regulations, including claims and defects in title, competition from new players in the market and changes in pricing for real estate and raw materials. In particular, periods after Period 2 of our development plan presently contemplate the development of 89.83 million square feet. There can be no assurance that we would develop all of this area as planned or at all. For instance, we have faced delays in the implementation of the development plan as a result of the order of the show cause notice issued by the MoEF dated November 25, 2010 directing us to maintain status quo on construction and development of

construction and development at Lavasa. There can be no assurance that we would not face similar delays in the future. Also, we may be required to change our development plan if the State Government does not approve the proposals related to development of Lavasa as submitted by the SPA, or suggests any material modifications to such proposals. Further, we may need to change our development plan to provide for any unforeseen changes. Subject to statutory requirements, the discretion to make changes to our development plan rests solely with our management and we may depart from our current strategies relating to various elements of our development plan. Any failure to identify changing requirements could result in our development plan not catering to the requirements of future residents which may adversely affect the attractiveness of Lavasa.

In our limited operating history thus far, we have adapted our strategy on account of market conditions and regulatory actions. We cannot assure you that we will not change our development plan in the future or that any changes our development plan in the future would be successful or that we may be able to successfully anticipate any changes requiring us to modify our strategy. At present, our development plan is dependent upon a high volume of supply of non-residential development, which we expect would drive the demand for residential units in the future. We cannot assure you that this strategy would be successful. Further, there is a risk that the decisions of the management, as viewed by the market and investor community, may be considered sub-optimal for our end-objectives.

19. ***Our estimates relating to permanent population, number of tourists, employment base and infrastructure standards in Lavasa as disclosed under "Our Business" and elsewhere in this Draft Red Herring Prospectus are based on our internal estimates and we cannot assure you that we will be able to achieve these estimates.***

Based on the land we hold as of June 18, 2014 measuring 10,574 acres in addition to 294 acres land for which we have entered into agreements for sale for purchase, we estimate that Lavasa can accommodate a permanent population of approximately 240,000 with facilities for approximately two million tourists per annum and an employment base of approximately 80,000. We aim that every square foot of non-residential asset development will lead to approximately two square feet of residential asset demand. For further details, see "Our Business – Overview" on page 177.

These estimates are based on our internal estimates and have not been independently verified by an expert or at all and accordingly we cannot assure you that we will be able to achieve these. Furthermore, if we are unable to implement our development plan due to market conditions, regulatory hurdles or requirements or other issues, we will likely be unable to achieve these estimates which would further adversely affect our results of operations.

20. ***Our performance and growth are dependent on the performance of the Indian economy and, more generally, the global economy. A protracted global recession would have a material adverse effect on us.***

Our activities and results are affected by international, national and regional economic conditions. Starting in September 2008, a steep downturn in the global economy, sparked by uncertainty in credit markets and deteriorating consumer confidence, has sharply reduced global growth, credit and risk appetite.

If global macroeconomic conditions deteriorate, due to, for instance, the recent economic turmoil caused by fears related to the ability of European sovereign debt issuers to repay their debt or refinance it at acceptable rates, our outlook and growth prospects will weaken and financial weakness among our potential customers and partners may exacerbate the negative trend in market conditions, which could have a material adverse effect on demand for our projects and on our business, financial condition and results of operations.

The economy could also be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, changes in interest rates, commodity and energy prices and various other factors. General economic conditions may affect the financial stability of our customers and prospective customers and/or the demand for our residential and commercial real estate. Any further

slowdown in either the Indian economy or the global economy may materially and adversely affect our business, financial condition, results of operations and the price of our Equity Shares.

21. ***The audit reports in respect of our audited consolidated financial statements as at and for the years ended March 31, 2014, 2013, 2012 and 2011 contain certain qualifications which are not adjusted in our audited restated consolidated statements.***

There are certain qualifications to the auditors' reports in respect of our audited consolidated financial statements as at and for the years ended March 31, 2014, 2013, 2012 and 2011 that relate primarily to uncertainty regarding environmental clearance and EC Approval. For details on the qualifications and the impact on our financial statements and financial position, see "Management's Discussion And Analysis Of Financial Condition and Results Of Operations - Auditor Remarks" on page 452. The impact on our financial position and results of operations of these qualifications are unclear or unascertainable. Moreover, if we are required to further restate our consolidated accounts to adjust for these qualifications for any reason, including due to regulatory requirements, it could have a material adverse effect on our financial condition, results of operations, business and prospects.

22. ***Our businesses operated through our Subsidiaries and Associates may not be synergistic and we may not be able to achieve economies of scale across all of them. Further, the success of some of the businesses is connected to the success of the other related businesses.***

We believe that Lavasa will offer infrastructure and city management services and, once all the towns in Lavasa are operational, it would be a city with a wide variety of housing options, hospitality offerings, retail, office and entertainment spaces, educational institutes and health and wellness centers. Accordingly, our businesses operated through our Subsidiaries and Associates comprise several diverse industries, which may not necessarily be synergistic in nature and we may not be able to achieve economies of scale across all of them. Further, the success of some of our businesses is connected to the success of other related businesses, for example, the success of convention centers planned in Lavasa depends upon the success of the hotels in Lavasa and, accordingly, if the results and revenues of one of our businesses is less than expected, our other businesses and our financial condition could be adversely affected.

23. ***Failure to maintain high levels of customer satisfaction would limit the attractiveness of Lavasa, thereby adversely affecting our business financial condition and results of operation.***

Given the unprecedented nature of the Lavasa development, our success depends upon our ability to maintain customer satisfaction, starting from the registration process, construction through to handover, post-sale operations and maintenance. Continued quality of services is important to help sustain the growth of sales of built-up structures and/or leases of our properties and further development. Failure to do so would limit our real estate transactions and limit the attractiveness of Lavasa. Additionally, a failure to anticipate the demands and preferences of potential future residents and businesses may lead to a failure to adequately develop Lavasa as a city. Further, failure to anticipate such demand and preferences or any reduction in market off-take may also lead to a decline in interest from future potential partners and may cause our existing partners to be less willing to invest in Lavasa. This may adversely affect our business, financial condition and results of operations.

24. ***We are a company with a limited operating history, with no proven successful precedent of the same scale in the private sector space. Therefore, investors may not be able to assess our prospects on the basis of past results or in comparison with a peer industry.***

We were incorporated as a limited liability company under the Companies Act, 1956 in 2000. Our vision of developing a privately constructed city of the scale of Lavasa with a private entity as the principal development and management authority is unprecedented in India. Our past performance should not be construed as an indication of our future performance. Companies in their early stages of development present substantial business and financial risks and may suffer significant losses. Additionally, neither we nor our Promoters have experience in developing integrated townships or similar real estate developments. With no comparable benchmarks, of similar nature or size, it can be difficult to compare a growth path for

the development. Lavasa is still in the early stages of its development, and has demonstrated success on a small scale but the extrapolation of this track record in the future can be unreliable.

25. ***We may not be able to successfully manage the growth of our operations.***

As a result of our relatively short operating history and our ambitious growth strategy, our proposed expansion and diversification will place significant demands on our management as well as our financial, accounting and operating systems. Pursuant to our development plan, , we have invested in large-scale physical infrastructure such as roads, water dams, sewage and drainage, and power transmission, housing and essential amenities early in our life cycle, followed by a focus on the development of a diverse economic activity base, which includes commercial, hospitality, educational, healthcare, tourism and leisure and social activities.

Our growth strategy carries significant risks and challenges, including that: (1) our various business initiatives may not be accepted by potential customers; (2) our marketing strategies for our business segments may be less effective than planned and may fail to effectively reach our targeted consumer base; (3) we may incur greater costs than we currently envision as a result of the continued development and launch of our new projects; (4) we may experience a slowdown in leases/sales of certain of our real estate assets, *inter alia*, including built up spaces as a result of the introduction of new projects in similar locations; and (5) we may experience delays or other difficulties which impact our ability, or the ability of our third party contractors and developers, to develop and construct our projects in a timely manner.

There can be no assurance that we will be able to execute our growth strategy on time and within the estimated budget, or that we will meet the expectations of our customers. In order to manage growth effectively, we must implement and improve operational systems, procedures and controls on a timely basis, which, as we grow and diversify, we may not be able to implement, manage or execute efficiently and in a timely manner or at all, which could result in delays, increased costs and diminished quality and may adversely affect our results of operations and our reputation. If we are unable to manage our growth effectively, our business, financial condition and results of operations will be adversely affected.

26. ***There may be delays in the completion of our development or projects at Lavasa. Any such delays may adversely affect our reputation and ability to complete our development plan in time, which may have a material adverse affect on our business, financial condition and results of operation.***

Our development plan is an evolving and adaptive document. Though our development plan is divided into certain periods, to achieve the overall development of Lavasa in a timely manner, we are required to meet various timelines for different developments, all of which may not be within our control. To illustrate, we expect the Mugaon tunnel to be operational in Fiscal Year 2018 and the infrastructure for Mugaon to be substantially completed during Fiscal Year 2019. Although typically we have prepared preliminary management and development plans for all of our projects in a timely manner in the past, we are yet to formulate our financing plans for certain of these projects and have not applied for any regulatory consents or approvals for some of these projects. As such our projects are subject to significant changes and modifications from our currently estimated plans and timelines as a result of factors outside our control, including, among others availability of raw materials and financing, increases in construction costs, natural disasters, reliance on third party contractors and the risk of decreased market demand during the development of a project. Such changes and modifications may have a significant impact on our projects and development plan in general. Moreover, we had faced delays in the completion of developments in Dasve during the period from November 2010 to November 2011 when we were not undertaking construction activities as a result of the show cause notice issued by the MoEF. While the development plan is subject to change, there have been delays in handing over possession of residential units. Any changes or modifications in our development plan or delay in the completion of developments under our existing plan may have a material adverse affect on our business and results of operations.

27. ***The breadth of our vision may distract our management who may be unable to achieve or maintain required expertise for each business segments operated through our subsidiaries and associates which may hamper our business operations.***

The breadth of our vision may serve to distract management who may be unable to achieve or maintain an essential level of expertise in each segment of our business due to too many competing segmental interests. If our management is unable to achieve or maintain a necessary level of expertise or if we do not realize synergies across our business segments, our results of operations would be adversely impacted. Further, given the diverse nature of our business segments, we may be unable to recruit and retain adequately qualified professionals who may instead opt for companies with narrower strategies, which may hamper the growth of our business operations.

28. ***We have been leased approximately 349 acres of land located within the catchment area of Warasgaon dam pursuant to a 30-year lease from Maharashtra Krishna Valley Development Corporation ("MKVDC"). The lease is subject to certain terms and conditions and under litigation and we may not be able to renew it.***

We have been leased approximately 349 acres of land located within the catchment area of Warasgaon dam pursuant to a 30-year lease from MKVDC by an agreement dated September 23, 2002. Of these 349 acres of land, approximately 319 acres are submerged land and approximately 30 acres are unsubmerged land. The lease is subject to the performance of certain terms and conditions. We may not be able to renew the lease after its expiration and after expiration of the lease period, we would be required to surrender the land, together with the structures we have constructed thereon, to MKVDC. We may not be able to recover the costs incurred during the lease period for developments on this unsubmerged land and submerged land. While PILs have been filed challenging the allotment of 141.15 hectares of land to us under the MKVDC Act, as of the date of this Draft Red Herring Prospectus, the matter is currently pending. If the outcome of the proceeding is not in our favor and MKVDC revokes the lease agreement, then we may lose our lease holding rights over this land. In the event that MKVDC does not renew the lease agreement or renews the lease subject to onerous conditions, our business, financial condition and results of operations could be materially and adversely affected.

29. ***Our inability to purchase the remaining parcels of land required for completion of Lavasa on acceptable terms in a timely manner or at all may affect our future development.***

We purchase parcels of land, along with development rights over parcels of land in various locations from various landholders, over a period of time, for future development. These parcels of land are subsequently consolidated to form a substantially contiguous land mass, upon which we undertake development. As of the date of the master title certificate, we have purchased approximately 10,119 acres of land for development, and will consider opportunistically purchasing additional developable land within the area notified as a hill station pursuant to the Hill Station Regulations for purposes of progressing our development plan.

We cannot assure you that we will be able to purchase and obtain undisputed legal title to and possession of the land best suited for our projects. In the initial stages of Lavasa, we were able to purchase land at lower costs compared to the present costs of the land within the areas notified as a hill station covering Lavasa. However, as the project plans have gradually become public, land procurement has gradually grown more difficult and expensive. Additionally, landowners who refuse to sell their land to us may also cause difficulty in city management as they will not be bound by the policies governing Lavasa. This may also affect the contiguity of land parcels required for the development of Lavasa.

Since formal transfer of title or land development rights with respect to such land is completed only after all requisite governmental consents and approvals have been obtained and all conditions precedent to such agreements with the land owners have been complied with, we are subject to the risk that pending such consents and approvals and compliance with conditions precedents, if any, sellers may transfer the land to other purchasers or that we may not be able to obtain title or land development rights with respect to such land. In any such event, partial payments made to sellers as consideration to purchase certain land or land

development rights may be forfeited and we may be unable to recover such consideration under certain circumstances.

The failure to purchase land on acceptable terms or at all may cause us to change, delay or limit the size of development at Lavasa and materially and adversely affect our competitive position, business, financial condition and results of operation. Further, any failure to recover the partial payment made by us with respect to such land, could adversely affect our business, prospects, financial condition and results of operations.

30. ***The development of Lavasa is dependent upon our ability to anticipate market trends in Lavasa and the Mumbai - Pune corridor in particular and in India in general. Further, we face competition from developers in the Mumbai - Pune corridor and the areas between Mumbai and Pune.***

At present, our focus is centered around a single location, which entails a business and market risk and risks, *inter-alia*, relating to defects in title in the land that we purchase due to exposure to a single real estate market. It also exposes us to significant localized risks of both natural and unnatural calamities – earthquakes, landslides, terrorist attacks, civil disturbances, regional conflicts, other acts of violence, outbreak of an infectious disease or any other serious public health concerns, all of which could have a long-term impact on the brand and future prospects of Lavasa.

Since we commenced our operations relating to development of Lavasa, we have executed and registered lease deeds, agreements to lease, and/or have issued allotment letters (where the agreements to lease with respect to such allotment letters are pending execution and/or registration) with various customers in connection with the lease of an aggregate of 1,673 apartments, 513 villas (including sale of built up area), 135 villa plots and 399 rental housing units (including sale of built up area). As we aim to continue to develop, sell built up structures and/or lease land and/or real estate assets across products in the residential, commercial, institutional, hospitality and social sectors, it is essential that we are able to correctly anticipate market trends and release the right amount of supply at the right time, in line with market conditions, to sustain our business.

The development of Lavasa may be subject to market conditions and regulatory developments that are different from the real estate, infrastructure, hospitality, education, tourism and leisure, healthcare and retail markets in other parts of India. Any failure to anticipate market trends in this regard may adversely affect our business, financial conditions and results of operation. A failure to purchase additional land will also affect our development plan and our ability to execute our operations in accordance with the development plan in a timely manner or at all.

Further, our operations encompassing the development of Lavasa are significantly affected by changes in government policies, economic and other conditions, such as economic slowdown, demographic trends, employment levels, availability of financing, interest rates, or demand for real estate, performance of the hospitality, entertainment, information technology and other sectors or the public perception that changes if any of these events may occur generally in India, and in the areas between Mumbai and Pune in particular. These factors can negatively affect the demand for and pricing of our projects and, as a result, may materially and adversely affect our financial condition, results of operations and our ability to service our debts. The financial, commercial and real estate markets in Maharashtra may perform differently from, and may be subject to market conditions and regulatory developments that are different from, such markets in other parts of India. Demand for residential and commercial units in Lavasa may decrease if potential purchasers/investors do not view Lavasa as an attractive place to live in and invest.

These and other factors may contribute to fluctuations in prices at which we sell residential and commercial units in Lavasa which may adversely affect our business, financial condition and results of operations.

31. ***The demand for real estate assets in Lavasa is subject to fluctuations in property values and rental income over time and our success may be adversely affected by poor demand for an integrated city or adverse real estate cycles as we would have excess real estate and infrastructure capacity.***

Historically, the Indian real estate market has been subject to fluctuations, a phenomenon that can affect the optimal timing for the purchase of land, the sale and/or lease of residential and commercial units and/or our ability to attract investment in the various businesses proposed to be carried out in Lavasa. We cannot assure you that real estate market volatility will not continue to affect the Indian real estate market, and our various operations amongst others, including the development and sale of real estate assets, in the future. As a result, we may experience fluctuations in property values over time which in turn may materially and adversely affect our business, financial condition and results of operations.

While we have not experienced market volatility significantly impacting our real estate sales of built-up structures and/or leases, as we continue to launch units in the market, our real estate sales of built-up structures and/or leases would be less insulated from the market trends, and the pricing and phasing of supply would need to be viewed in the context of competitive developments in Pune, Mumbai and the Mumbai Pune corridor. There could be cycles of poor real estate absorption/tractions in the lifecycle of the Lavasa development. Any such adverse market trends may adversely affect our business, results of operation and financial condition.

32. ***Our proposed commercial Subsidiaries and Associates bear significant market risks and in order to build sufficient market traction, may need to discount their products which would have a material adverse effect on our operations.***

Certain of our Subsidiaries and Associates would hold our commercial properties and offer them on lease to companies. Currently we have leased 106,384 square ft. to DRL for the purpose of setting up and operating retail, food and beverage and other such outlets. In the initial years, as it is important for the project to be recognized as a successful commercial destination, these Subsidiaries and Associates would face significant pricing pressures. If Lavasa is not recognized as a successful commercial destination, then residents may just use our properties as second homes which would place additional pricing pressures on our consumption businesses (for instance our hotels may need to reduce room rates) and our vision for Lavasa would not come to fruition which would have a material adverse impact on our operations.

If the market underperforms our expectations in this regard, the performance of these Subsidiaries and Associates would be affected, thereby adversely affecting us. Firstly, the equity returns for the stakeholding in these companies would be diminished. Secondly, reduced market size could curtail the orders being placed for the development of commercial space.

33. ***Our inability to anticipate and respond to consumer requirements would result in a failure to appropriately anticipate demand which would lead to a shortage or excess of real estate or infrastructure capacity.***

Our ability to identify suitable clients and anticipate their requirements is fundamental to our business and involves certain risks including identifying and developing appropriate projects, meeting the demands of the clients for such projects, understanding and responding to the expectations and market demands. Our growth and success will therefore depend on the provision of high quality projects to attract and retain clients who are willing and able to pay rent/lease premium or purchase prices at suitable levels, and on our ability to anticipate the future needs and expansion plans of these clients. Growing disposable income of India's middle and upper income classes, together with changes in lifestyle, has resulted in a substantial change in the nature of their demands. Increasingly, consumers are seeking better housing and better amenities such as schools, retail areas, health clubs and parks in new residential developments. Our focus is to develop Lavasa as a city with a variety of housing and hospitality options, retail, office and entertainment spaces, educational institutes and health and wellness centers. We believe that as a city development of the scale of Lavasa has not been previously undertaken in the private sector, we will face challenges in, among other things, developing projects according to the differing tastes of our potential customers and obtaining the requisite approvals from local authorities. In addition, privately planned cities

have historically been uncommon in India and if we fail to anticipate and respond to consumer requirements, we could lose potential customers, which in turn could materially and adversely affect our business, financial condition and results of operations.

Our growth and success will depend on the provision of quality office space to attract and retain clients who are willing and able to pay rent or purchase prices at suitable levels, and on our ability to anticipate the future needs and expansion plans of these clients. We will incur significant costs for the integration of modern fittings, contemporary architecture and landscaping. In addition, our commercial customers may choose to purchase or develop their own commercial facilities, which may reduce the demand for our commercial properties from these customers.

34. ***Leases of our residential and commercial units with sale of built-up area in certain instances will be affected by the ability of our prospective customers to enter into long term leases for property and availability of financing to potential customers, particularly buyers of residential properties.***

As a result of the prevailing conditions of the global and Indian credit markets, it is expected that buyers and lessors of property in India will remain cautious, sale prices and rentals of residential properties and rentals of commercial properties will likely continue to face downward pressure and consumer sentiment and market spending will remain cautious in the near-term. Further, changes in interest rates affect the ability and willingness of prospective real estate customers, particularly the customers of residential properties, to obtain financing for the purchase or lease of properties. The interest rate at which our customers may borrow funds for the purchase or lease of our properties affects the affordability of our real estate projects. In particular, a large number of our residential customers finance their purchases/rentals through third-party mortgage financing. The recent economic downturn has caused a greater fluctuation in the interest rates and general uncertainty in the market, which could have a negative impact on our sales. Additionally, the lack of a robust secondary market for real estate in India could also reduce the willingness of prospective buyers to purchase our properties. While we have successfully marketed our development in the past, this may not continue nor may a secondary market develop in the future. These factors may materially and adversely affect our business, financial condition and results of operations.

35. ***Some of the agreements with lessees and with our customers require us to pay a penalty in the event of delays in completion and handover of units or projects to them.***

We enter into agreements with our customers, which require us to complete the development of the unit or villa by a certain date stipulated in such agreements. Further, our agreements for the lease of land and sale of villas and agreements for the lease of apartments contain penalty provisions that if we fail to deliver the possession of villas or apartments within the prescribed time for reasons that are not beyond our control, we are liable to pay the customer interest at the rate of 12% per annum or 2% over and above the State Bank of India cash credit rate, whichever is higher at the relevant time until the date of delivery of such possession. Accordingly, the aggregate of all penalties in the event of delays may adversely impact the overall profitability or the project and therefore adversely affects our business and financials and result of operations. We cannot assure you that we will always complete the construction or development of our properties in accordance with the timelines specified in such agreements, and as a result we may be liable for penalties in terms of such agreements. Delays in the completion of the construction of our projects will adversely affect our reputation. Further, such penalties that may become payable by us will have an adverse effect on our financial condition and results of operations.

36. ***Fluctuations in market conditions between the time we construct and enter into lease arrangements may affect our ability to sell our real estate assets at expected prices, which could adversely affect our business, financial condition and results of operations.***

We are subject to potentially significant fluctuations in the market value of our land in Lavasa and constructed inventories. We could be adversely affected if market conditions deteriorate or if we have purchased land or construct inventories at higher costs during stronger economic periods and the market value of the land or the constructed inventories subsequently declines during weaker economic periods. In addition, deviations from planned times to completion could have a material adverse affect due to, among

other things, changes to the national, state and local business climate and regulatory environment, local real estate market conditions, perceptions of prospective customers with respect to the convenience and attractiveness of Lavasa, and changes with respect to competition from other property developments. Changes to our business environment during such time may affect the costs and revenues associated with the development and can ultimately affect the profitability of the development. If such changes occur during the time it takes to complete a certain project, our return on such project may be lower than expected, which could materially and adversely affect our business, financial condition and results of operations. Moreover, real estate assets are relatively illiquid, which may limit our ability to respond to changes in economic or other conditions. If real estate prices in India generally or at Lavasa specifically fall our results of operations would be adversely affected.

Further, we receive milestone or part payments on our real estate properties and if a purchaser/lessor, on account of fluctuations in the market or for other reasons, discontinues making payments, the partially constructed property would continue to show as an inventory in our financial statements and, accordingly we may have excess real estate capacity which would adversely affect our business, financial condition and results of operation.

In addition, an inability to sell our real estate assets at the desired pricing levels may materially and adversely affect our financial condition, results of operations, cash flows, our ability to service our debts and the trading price of our Equity Shares.

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

We are subject to the property tax regime in Maharashtra. These taxes could increase in the future, and new types of property taxes may be levied which would increase our overall development and other costs. Property conveyances are subject to stamp duty. For details, see "Regulations and Policies" on page 215. If these duties increase, or any new type of property tax or stamp duty is introduced, the cost of leasing properties will rise which may affect the demand for villas, apartments and plots adversely. 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 purchase costs and lease premium and rentals 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 materially and adversely affect our business, financial condition and results of operations.

38. ***Land is subject to compulsory acquisition by the Government and compensation in lieu of such acquisition may be inadequate. Any such acquisition of land or properties in Lavasa by the Government for compensation which may not be adequate may adversely affect our business, financial condition and results of operations.***

The right to own property in India is subject to restrictions that may be imposed by the Government. In particular, the Government under the provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and Land Acquisition Act, 2013 has the right to compulsorily acquire any land if such acquisition is for a "public purpose", after making payment of compensation to the owner. However, the compensation paid pursuant to such acquisition may not be adequate to compensate the owner for the loss of such property. For more details, see "Regulations and Policies" on page 215. The likelihood of such actions may increase as the central government and State Government seek to acquire land for the development of infrastructure projects such as roads, railways and airports. Additionally, we may face difficulties in interpreting and complying with the provisions of the Land Acquisition, 2013 due to limited jurisprudence on them. In the event our interpretation differs from or contradicts with any judicial pronouncements or clarifications issued by the Government. In future, we may face regulatory actions or we may be required to undertake remedial steps. Any such action in respect of any of the properties in Lavasa may adversely affect our business, financial condition or results of operations.

39. ***Legal proceedings in relation to our land and payment of additional money for settlement of disputes, reworking of the premium or fees on land to the Government may increase the procurement cost.***

The 10,225 acres of land held by us includes 9,619 acres of Class I freehold land (namely land which can be transferred without government permission,) as well as 606 acres of Class II land which can be transferred subject to the payment of a premium to the District Collector of Pune, including ceiling surplus distributed land purchased by us with the approval of the District Collector of Pune. For purchases of Class II land, we are required to pay 'Nazarana', or premium, to the District Collector of Pune. Class II lands also involve payment of premia or fees to the Government, determination of which at times suffers from lack of clarity in interpretation of legal provisions. In addition, Class II land can be further transferred, subject to the payment of Nazarana to the District Collector of Pune if imposed. Hence, in the case of Class II lands too, the possibility of claims for additional compensation or premium may arise. Further, there is a risk that in spite of all due care being taken in the procurement of land, legal proceedings in relation to title of land and/or claims for additional compensation may be brought. There may be a number of uncertainties relating to land title which may result in loss or impairment of our title in our land. Title to land is often fragmented and land may have multiple owners. Land may also have irregularities of title, such as non execution or non registration of conveyance deed and inadequate stamping, and may be subject to encumbrances which we may not be aware in spite of searches conducted by us. We may be unable to identify disputes, unregistered encumbrances or adverse possession rights over title to the land we purchase.

Prior to purchase of or entering into sale agreements with respect to any land we conduct searches in land records available with the concerned Authorities. Through an internal assessment process, we analyze information about land that we propose to purchase. However there can be no assurance that such information is accurate, complete or up to date. An inability to identify disputes, unregistered encumbrances or adverse possession rights over title or payment of Nazarana for Class II lands may increase the procurement costs of these lands, thereby adversely affecting our business, financial condition and results of operations.

40. ***The development plan for Lavasa faces significant opposition from local communities and other parties, which may adversely affect our results of operations and financial condition.***

The development plan for Lavasa faces opposition from the local communities where Lavasa is located and from special interest groups. In particular, local communities, oppose our land purchases and construction activities due to various reasons including the perceived negative impact such activities may have on the environment and increased demand on resources such as water from the rivers and reservoirs which may negatively impact or restrict such local communities access to resources. For instance, there are some land cases filed by the owners of land in Lavasa alleging irregularities in the purchase of land. Opposition by local communities, non-governmental organizations and other parties to the land purchase process and development activities may delay the development plan for Lavasa which may adversely affect our results of operations and financial condition.

41. ***Our development plan may fail to anticipate the construction/development of diverse institutions essential in the development of a city.***

In the course of development of Lavasa, we may realize that either by design or by over-sight, we have not undertaken the development of diverse social and economic institutions, which are necessary for the development of a city. We cannot assure you that we will be able to predict and/or cater to the future demands and requirements for community and cultural institutions of our future residents. Any failure to anticipate and cater to such demand may deter potential residents from living in Lavasa and may adversely affect resident satisfaction and our business, financial condition and results of operation.

42. ***Our water requirements may not be met due to hydrological conditions or water flows inconsistent with our expectations and there are certain water bodies contiguous with Lavasa that we will not be able to access.***

Our water is proposed to be mainly sourced from the ten small dams or "check dams" that we plan to

construct in our submergence and catchment area. Of these check dams, in order to ensure availability of water, we have constructed Dasve check dam and a 35.5-kilometer water distribution network. In addition, another check dam at Gadle is under construction. These check dams would create permanent water bodies in these villages enabling development of lakefront real estate. The remaining check dams will likely be developed in the rest of the towns in Lavasa to create additional water bodies.

Whilst we aim to develop additional water bodies, there can be no assurance that the water supply will be consistent with our projections or requirements, the long term historical water availability will remain unchanged in the future or no material hydrological event or drought will impact the current hydrological conditions. Additionally, we are under an obligation under our agreement with MKVDC to release water under extraordinary circumstances as determined by MKVDC from two check dams in the submergence area representing 27.5% of our expected water supply requirements. On seven occasions in the past five years, we have had to release water to the main Warasgaon lake as per instructions received from the irrigation department of the Government of Maharashtra. Such events may adversely affect our water requirements.

43. ***We may incur significant infrastructural costs and maintenance if our lessees/residents default on the payment of maintenance charges.***

Significant infrastructural costs are attributed to the development of various projects including the establishment, construction and maintenance of services which include but are not limited to telecommunications and the internet. These infrastructural costs, maintenance charges, taxes on the property and stamp duty are generally directly borne by the lessees/residents. Accordingly, if a lessee/resident defaults on the payment of maintenance charges or if we otherwise are unable to pass such costs to our lessee/resident, we would have to bear such costs. In the event that the number of such defaults becomes significant, our business, financial condition, results of operations and prospects could be materially and adversely affected.

44. ***The Registrar of Companies, Maharashtra, under the Companies Act, 1956, by way of a letter dated January 1, 2013 (the "Letter"), called for information under Section 234 of the Companies Act, 1956.***

The Registrar of Companies, Maharashtra, by way of the Letter, had sought clarifications as to whether our Company is in compliance with the provisions of Sections 67(3) and 73 of the Companies Act, 1956 and alleged that our Company had more than 50 debenture holders as per its annual returns for fiscal years 2011-12 and 2012-13. By a reply dated January 8, 2013, we provided the requested information and clarified that the debentures were allotted to eight debenture holders. We may be subject to further requests for information or clarification regarding the Letter from the Registrar of Companies, Maharashtra in the future.

45. ***The State Government could acquire our infrastructure assets at marginal cost which would adversely affect our business, financial condition and results of operations.***

We are in the business of city development, with an integrated offering of three distinct business lines – real estate, infrastructure and consumption. Our infrastructure business relates to the development, ownership and management of our infrastructure assets as well as the collection of revenues in the form of management fees. Presently, there is no clarity on the structure of the local authority for the management of Lavasa as the Gram Panchayat is continuing its statutory existence along with the SPA. Should there be any conflict between the Gram Panchayat and us on the levy of local taxes, management fees or maintenance of services, the State Government may exercise its power to acquire our infrastructure at nominal cost. In such an event, one of our key revenue streams may be adversely affected leading to an adverse impact on our business, financial condition and results of operation.

46. ***The extent and reliability of infrastructure in and around Lavasa and any failure in our IT systems could adversely affect our results of operations and financial condition. Further, any change in technology may render our current technologies obsolete or require us to make substantial capital investments.***

Any congestion or disruption in rail and road networks, electricity grid, communication systems or any other infrastructure facility could disrupt our normal business activity. To reduce access time to Lavasa, we are currently constructing roads which include a tunnel and an alternative access road which are expected to be completed by Fiscal Year 2018. Further, we are also developing infrastructure related to water treatment and distribution, power, sewerage and solid waste treatment. For details, see "Our Business – Our Infrastructure Business" on page 200. However, these projects may not be successful in addressing some of the infrastructure issues our visitors and residents may face in travelling to and living in Lavasa. These problems could interrupt our business operations, which could adversely affect our business, prospects, financial condition and results of operations.

Any failure in our IT systems in general could disrupt our ability to track, record and analyze work in progress or cause loss of data and disruption to our operations, including an inability to assess the progress of our projects, process financial information or engage in normal business activities. Any such disruption could have an adverse effect on our business.

Additionally, our business is subject to rapid and significant changes in technology. Although we strive to keep our technology in accordance with the latest international technological standards, the technologies currently employed may become obsolete or subject to competition from new technologies in the future. For details, see "Our Business – Information, Communication and Technology" on page 213. The cost of implementing new technologies or expanding capacity could be significant and could adversely affect our results of operations.

47. ***Any disruption in power supply to Lavasa could adversely affect its development.***

Our primary source of power is the 110 KV transmission line laid from Tata Power's existing grid network at Nive, which is approximately 16 kilometers from Lavasa. We expect that Tata Power and the Maharashtra State Electricity Distribution Company Limited will be the primary agencies involved in the provision of power to Lavasa from their respective grids to the MRS at Bhoini.

Given Lavasa's location, there exists a possibility of natural/unnatural damage of transmission network, especially in the monsoon season. In the event the power supply to Lavasa falls below the required amount, we may be required to arrange alternate sources of power. There can be no assurance that we will be able to make such alternate arrangements on acceptable terms or at all. This could have a material adverse effect on our business, financial condition and results of operations.

48. ***Our vision of providing reliable civic amenities and safety and security services may not be successful and any break down in these services may adversely affect our business, financial condition and results of operation.***

Safety and security at Lavasa is provided through two separate levels: first, a government police force provided by the Government of Maharashtra; and second, a Lavasa-trained and recruited security force, plus necessary contracted security guards and traffic wardens, all under the supervision of our city management team. Lavasa safety and security personnel are expected to work closely with the state police. The bulk of day-to-day safety and security work is performed by Lavasa-employed or Lavasa-contracted personnel, who have to rely on state police to intervene in cases of serious crime, arrest and criminal investigation. For further details, see "Business – Our City Management – Safety and Security".

Any break-down in the above civic amenities may lead to safety and security related problems in Lavasa, which we may not be able to effectively handle. We may also face liabilities for any safety, security or fire related incidents in Lavasa, which may also adversely affect our business reputation. Any such events may adversely affect our business, financial condition and results of operation.

49. ***The Government of Maharashtra may withdraw the SPA status granted to us or may modify or introduce regulations and policies that adversely impact our development plan.***

By notification dated June 12, 2008, the Government of Maharashtra has appointed us as an SPA in connection with land owned by us. The SPA has the power to sanction and implement development plans and authorize building permissions and approvals for construction, subject to the directions of the Government of Maharashtra. However, the SPA does not have the right to grant any relaxation in the development control regulations that are currently applicable to the notified area under its jurisdiction and is required to follow the sanctioned regional plan. Any violations in development control regulations and provisions of the regional plan may subject us to legal action by the District Collector, Pune. There is a risk that the Government of Maharashtra could modify or introduce regulations and policies that could adversely impact our development plan. These changes could materially and adversely affect our business, results of operation and financial condition. Further, the Government of Maharashtra may withdraw the SPA status granted to us with respect to a part or the whole of the land we own and propose to develop, whether on its own accord or as a result of or in response to litigation. For instance, a writ petition has been filed and is currently pending before the Bombay High Court challenging the notification of the Government of Maharashtra appointing us a 'special planning authority'. For further details, see "*Outstanding Litigation and Material Developments*" on page 456. If the outcome of the proceeding is not in our favor or if the Government of Maharashtra reacts to the outcome in an adverse manner to us, we may lose our SPA status and we may be required to apply to the District Collector for grants of building permissions. This may delay the development of land at Lavasa. Moreover, we have applied to the State Government to extend the jurisdiction of the SPA over an additional 2,731 acres, which is in the process of approval and which may also not be granted.

50. ***We have entered into management agreements for certain of our hotels, which may not be renewed on terms acceptable to us or at all, thereby affecting our business, financial condition and results of operation.***

We have entered into management agreements for certain of our hotels as we do not have the expertise to operate the hotels on our own. For example, we have entered into management agreements with AAPC India Hotel Management Private Limited for the management of Mercure Lavasa, Novotel Lavasa, Formule 1, Pullman Lavasa and Grand Mercure. The term of these agreements is usually 20 years and is subject to renewal.

In the event that we are unable to renew these agreements on acceptable terms or at all, our Subsidiaries and Associates may no longer be able to operate these hotels under the existing arrangements. If this were to occur, our business and results of operations could be adversely affected. Additionally, we may be unable to negotiate new management agreements that we may require in the future on acceptable terms or at all, which may adversely affect our business, financial conditions and results of operation.

51. ***Although we expect that Lavasa would attract tourists in specific months of the year, certain conditions including increased seasonality, competition, and adverse travel conditions pose a threat to the profitability of the proposed hospitality projects.***

A large number of hospitality projects are currently proposed to be developed in Lavasa. For details of these hospitality projects in Lavasa, see section titled "*Business – Our consumption business – Our hospitality consumption business*" on page 204. Revenues and cash flows in the tourism industry are affected by seasonality depending on the location and categories of hotels. We expect that Lavasa would attract a higher number of tourists in specific months of the year (from August to May). Accordingly, we expect that our revenues may generally be higher during these months of each fiscal year compared to the other months of the fiscal year. However, if our expectations with respect to the duration of our high tourist period do not come to fruition, then we will likely be subject to the more traditional hospitality seasonality which typically includes shorter higher revenue periods than the period we anticipate. Any disruptions of our operation or adverse external factors affecting business during these key seasons or a shorter than expected tourist season may lead to a reduction in our revenues and may have a material adverse effect on our business, financial condition and results of operations. In addition, competition amongst the various

proposed hospitality projects in Lavasa could lead to reduced profitability if hotels in Lavasa compete for the same clientele.

The success of the proposed hospitality projects will depend on our ability to forecast and respond to demands in the hospitality industry. More generally, the hospitality industry entails additional risks that are distinct, including the supply of hotel rooms exceeding demand, the failure to attract and retain business and leisure travellers as well as adverse international, national or regional travel or security conditions. If we fail to successfully develop and market projects in our hospitality business, we may be unable to fully develop all of our land or fully utilize development rights over such land, which could materially and adversely affect our business, financial condition and results of operations. Our failure or inability to successfully develop proposed tourism and leisure offerings may also affect the business of our hospitality segment. Any adverse developments in the growth of commercial activity in Lavasa could adversely affect the hospitality industry in Lavasa.

52. ***A shortage of skilled personnel could adversely affect our proposed hospitality business.***

The success of the proposed hospitality projects in Lavasa depends on our ability to attract and recruit talented and skilled personnel having relevant experience in the hospitality industry. We face strong competition to recruit and retain skilled and professionally qualified staff. The future performance of our proposed hospitality business will depend upon the continued services of these persons. A shortage of personnel having the requisite skills for the hospitality business could adversely affect our business, financial condition and results of operation.

53. ***The hotel industry is subject to significant regulation and any failure to comply with the relevant regulations may adversely affect our business, results of operation and financial conditions.***

Our hospitality business is subject to numerous laws and regulations, including those relating to the preparation and sale of food and beverages, such as health and liquor licensing laws. Our Subsidiaries or Associates engaged in the hospitality business are also subject to laws and regulations governing relationships with employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. If we are held to be in violation of the relevant regulatory requirements, we may have to pay fines, modify or discontinue our operations, incur additional operating costs or make capital expenditures.

54. ***Our education business requires upfront investment and we rely upon our partners for the success of our education consumption business.***

We have tied up with international and national educational institutions to establish an education infrastructure traversing primary, secondary, tertiary and continuing education. Further, we intend to have primary, secondary, tertiary, continuing and training educational institutions located at Lavasa and we will have a share in the ongoing revenue of these institutions through (i) lease premiums or (ii) potential dividend payments from our Subsidiaries or Associates. For details, see "*Our Business – Our education consumption business*" on page 208. Our education business requires upfront investment, for instance, for the construction of school buildings and other infrastructure. We cannot assure you that we will be able to generate the necessary funds required for our education business on acceptable terms or at all. If we are unable to raise the capital needed for our education business or experience delays in raising such funds, it may adversely affect our business, financial condition and results of operation. Moreover, the success of our education consumption business depends upon our ability to attract suitable partners with whom we will either form Subsidiaries or Associates or our ability to attract educational institutions to whom we would lease land for them to commence their operations in Lavasa. We may be unable to identify such partners or institutions, which may adversely affect our education consumption business, thereby adversely affecting our business, financial condition and results of operation.

55. ***Changes in Government education policies could adversely affect our business, results of operations and financial conditions.***

Our educational facilities can be broadly categorized as primary, secondary, tertiary and continuing education. We are dependent upon maintaining compliance with the Government's education policies for our primary and secondary schools. Any changes in the Government and/or its literacy programmes and policies may adversely affect our business, results of operations and financial condition. For instance in August 2009, the Government of India enacted the Right of Children to Free and Compulsory Education Act, 2009 which mandates that any school providing education from class one to class eight, and not receiving any kind of aid or grants from the government shall reserve 25% seats for students of weaker section and disadvantaged group and provide them with free and compulsory elementary education. Our educational facilities are required to comply with this and any other Governmental policies introduced in the future. There can be no assurance that such policies and/or programmes of the Government will not adversely affect our business and results of operations.

56. ***The success of our education business is dependent on our ability to attract suitably qualified and experienced professionals.***

The educational facilities present at Lavasa can be broadly categorized as primary, secondary, tertiary and continuing education. Within the formal education category are schools, degree colleges and institutes for professional courses. For more information related to our education business see "Our Business" on page 177.

The success of the above categories within our education business segment depends upon our ability to attract suitably qualified professionals such as professors, teachers and instructors. There is significant competition for such professionals from other more established educational institutions. In addition, our remote location may make it more difficult to attract such professionals. Given our short operating history and Lavasa's location, we cannot assure you that we will be able to attract such professionals. Any failure to attract, train and retain such professionals may adversely affect the viability of our education business segment and have an adverse affect on our business, results of operation and financial condition.

57. ***Our subsidiary, Apollo Lavasa Health Corporation Limited, is required to obtain certain licenses, registrations and other approvals and renewals for our healthcare business, and the failure to obtain these approvals in a timely manner or at all may materially adversely affect our operations.***

We have exclusive arrangements in place with Apollo Hospitals Enterprise Limited, a recognized Indian healthcare provider, to develop a healthcare and wellness centre at Lavasa, spread across 200 acres. For details, see "Our Business" on page 177.

Apollo Lavasa Health Corporation Limited is required to obtain certain licenses, registrations and other approvals and renewals for our healthcare business. If it does not receive such approvals, we may be unable to offer certain of our services or may be required to discontinue operation of our hospitals and other health and wellness centers, and this may have a material adverse effect on our business, financial conditions and results of operation.

58. ***Compliance with applicable safety, health, environmental and other governmental regulations may be costly and adversely affect our competitive position and results of operations.***

We are subject to central and local laws, rules and regulations governing, among other things, the:

- conduct of our operations;
- additions to facilities and services;
- adequacy of medical care;

- quality of medical equipment and services;
- discharge of pollutants to air and water and handling and disposal of bio-medical, radioactive and other hazardous waste;
- qualifications of medical and support personnel;
- confidentiality, maintenance and security issues associated with health-related information and medical records; and
- screening, stabilization and transfer of patients who have emergency medical conditions.

Safety, health and environmental laws and regulations in India are stringent and it is possible that they will become significantly more stringent in the future. If we are held to be in violation of such regulatory requirements, including conditions in the permits required for our operations, by courts or governmental agencies, we may have to pay fines, modify or discontinue our operations, incur additional operating costs or make capital expenditures. Any public interest or class action legal proceedings related to such safety, health or environmental matters could also result in the imposition of financial or other obligations on us. Any such costs could adversely affect our competitive position and results of operations. For more information on the regulations applicable to us, see "*Regulations and Policies*" on page 215.

59. ***Our inability to keep up with rapid technological advances and meet the challenges related to our healthcare operations could adversely affect our business.***

The healthcare industry is subject to rapid and significant changes in technology. Our inability to keep up with rapid technological advances could have a material adverse effect on our financial results. Further, medical equipment typically needs to be replaced frequently as innovation can rapidly make existing equipment obsolete. Replacement of equipment may involve significant costs, as well as foreign currency risks, since some equipment is imported from other countries. In addition, because of the high costs of medical equipment, we may not maintain back-up equipment, and, therefore, if such equipment is damaged or breaks down, our ability to provide services to our patients may be impaired.

60. ***Challenges that affect the healthcare industry may also have an effect on our operations.***

We are impacted by the challenges currently facing the healthcare industry. We believe that the key ongoing industry-wide challenges are providing quality patient care in a competitive environment and managing costs.

In addition, our business and results of operations may also be affected by other factors that affect the entire industry, including us, such as:

- technological and pharmaceutical improvements that increase the cost of providing, or reduce the demand for, healthcare;
- general economic and business conditions, both nationally and regionally;
- demographic changes; and
- changes in the distribution process or other factors that increase the cost of supplies.

In particular, the patient volumes and operating income at our hospitals are subject to economic and seasonal variations caused by a number of factors, including, but not limited to:

- unemployment levels;

- the business environment of local communities;
- the number of uninsured and underinsured patients in local communities;
- seasonal cycles of illness;
- climate and weather conditions; and
- physician recruitment, retention and attrition.

Any failure by us to effectively face these challenges could have a material adverse effect on our results of operations.

61. ***Our location may deter patients from availing themselves of the medical facilities in the hospitals located in Lavasa.***

We have entered into exclusive arrangements with Apollo Hospitals Enterprise Limited for health and wellness development at Lavasa, covering hospitals, wellness research development and medical education. However, our location, at a distance of 216 kilometers from Mumbai and 42 kilometers from Pune, and the lack of an airport and a railway station at Lavasa may deter patients from availing the medical facilities in Lavasa. In addition, we do not expect to benefit from the population density of large Indian cities such as Mumbai. If the proposed hospital developed pursuant to the aforementioned arrangements is not able to maintain sufficient patient volume, our business, financial condition and results of operation may be adversely affected.

62. ***Our healthcare business is dependent on doctors, nurses and other healthcare professionals and the loss of, or inability to attract or retain, such persons could adversely affect our business and results of operations.***

Our performance and the execution of our growth strategy depend substantially on our ability to attract and retain leading doctors and other healthcare professionals in the fields and regions relevant to our growth plans. We compete for these personnel with other healthcare services providers, including providers located overseas. In addition, our remote location may make it more difficult to attract such professionals.

If we are unable to attract or retain skilled consultants, the number of our patients and our income from our health and wellness related subsidiary may decrease, as the quality of consultants is an important factor in patients' choices of hospitals. Given our short operating history and Lavasa's location, we cannot assure you that we would be able to attract and retain skilled consultants and other medical personnel. Our inability to attract and retain consultants and other medical personnel could result in a decrease in the quality of our services and we could be forced to admit fewer patients to our hospitals and could have a material adverse effect on our results of operations.

63. ***While we have registered our trademark "Lavasa", we have not obtained certain registrations in relation to protection of our intellectual property, including inter alia trademarks. We have applied for registration of trademarks of our logos and of those of our Subsidiaries and Associates. Until we receive registration, these trademarks enjoy limited legal protection and if our application is rejected, we may be unable to use such trademarks.***

While we have registered our trademark "Lavasa" under various classes, we currently have not obtained certain registrations in connection with the protection of our intellectual property. Such failure to protect our intellectual property rights may adversely affect our competitive business position, financial condition and profitability. If any of our unregistered trademark or propriety rights are registered by a third party, we may not be able to make use of such trademark or propriety rights in connection with our business and consequently, we may be unable to capitalize on our brand recognition. Until such time that we receive registered trademarks, we can only seek relief against "passing off". Accordingly, we may be required to invest significant resources in developing a new brand. Further, the intellectual property protection

obtained by us may be inadequate and/or we may be unable to detect any unauthorized use and/or we may need to undertake expensive and time-consuming litigation to protect our intellectual property rights and this may have an adverse effect on our profitability.

As of the date of this Draft Red Herring Prospectus, we have applied for the renewal of registration of our trademarks and those of our Subsidiaries and Associates under different classes. For details, see "*Business – Our intellectual property*" on page 210. Pending our application for registration, our trademarks and trade names and the trademarks and trade names of our Subsidiaries and Associates will have limited legal protection. We may therefore incur significant legal costs to protect our trademarks and trade names and the trademarks and trade names of our subsidiaries and associates from any unauthorized use, or to defend any proceedings brought by third parties who allege that our or our subsidiaries' or associates' trademarks or trade names or our use of them is in infringement of their intellectual property rights. In addition, if our application for registration of our subsidiaries and/or associates' trademarks or trade names as well as our trademarks and trade names, is not approved, we may not be able to use such trademarks or trade names in connection with our different projects, which could require us to incur additional costs and therefore adversely affect our brand name and trade name recognition.

64. ***Our experience at Lavasa may not be relatable to future city development opportunities and may not help us win such opportunities.***

We will consider undertaking future city development projects on an opportunistic basis and we would aim to apply our Lavasa related industry and market knowledge to such opportunities. It is possible that our experience with Lavasa may not prove relatable with future city development opportunities because such projects may be significantly different from Lavasa in terms of location and natural setting, accessibility, local regulatory framework, government policies, economic drivers and customer preferences. Further, we do not have any intellectual property rights over material parts of our business and may not enjoy a competitive advantage over our competitors, who may be able to replicate or improve upon our business model and if a future opportunity is located in a different state, we may be unable to leverage our competitive advantage due to lack of familiarity with local conditions. In addition, if our vision of creating a city with a diversified economy is not achieved, our brand and image will suffer and, accordingly, we may not have a competitive advantage with respect to winning future projects. If Lavasa does not prove to be relatable to future city development opportunities or if we are unsuccessful in leveraging our Lavasa experience in terms of winning potential opportunities, our results of operations would be adversely affected.

65. ***We may not be able to ensure that we are able to participate in the development of future cities along with our Promoters HCC and/or HREL, and/or their affiliates. Further, our Promoters, HCC and/or HREL may have a conflict of interest with us in connection with future city development opportunities.***

We may consider undertaking future integrated city projects on an opportunistic basis and applying our Lavasa related industry and market knowledge and/or intellectual property to such opportunities. However, our Promoters HCC and HREL may either themselves or through their respective subsidiaries and affiliates also seek to develop such future cities. HREL is a real estate development company and HCC and HREL both have subsidiaries and affiliates whose main objects permit them to undertake such future city development projects. Pursuant to a consultancy agreement dated September 9, 2010 with our Company, HCC and HREL have agreed that the intellectual property, whether registered or not, pertaining to the development, operations, management, planning and maintenance of any future new cities shall vest exclusively with us. If we propose to develop such new cities either by itself or through any of our subsidiaries, neither HCC, HREL or any of their affiliates shall develop such a new city. In the event that the development of any such new city is not proposed to be carried out by us or any of our subsidiaries, HCC and/or HREL have agreed to appoint us as a consultant to HCC, HREL, and/or any of their respective affiliates which propose to undertake to develop such new cities.

The consummation of any such future transactions would however be subject to the execution of additional agreements as may be mutually agreed by us and the entities undertaking such city development at the appropriate point of time. As such, if these additional agreements are not executed in a timely manner or at

all, we may not be able to ensure that the rights as contemplated in the consultancy agreement do in fact accrue to us.

Further, in light of the potential conflict of interests between HCC/HREL/their affiliates and our Company, you will not have the opportunity to evaluate the manner in which these conflicts, if any, are resolved. For more information on these potential conflicts of interest, see "Related Party Transactions" on page 308.

66. ***Lavasa receives a high amount of annual rainfall, which may lead to flooding, thereby causing a halt in construction and development activities, which may delay the completion of Lavasa. Further, the high annual rainfall may also deter potential residents from living in Lavasa.***

Lavasa normally receives a high amount of annual rainfall, especially in the monsoon months of June to September. For example, for the period from April 1, 2013 to November 30, 2013, the average annual rainfall in Dasve is 4,668.2 millimeters, in Mose is 2,767.4 millimeters, and in Dhamanohol is 7,695.1 millimeters (three villages in Lavasa) based on our measurements. In particular, Dhamanohol, on account of its location and elevation, receives more rainfall than the other planned towns in Lavasa and for the period from April 1, 2013 to November 30, 2013, it received 7,695.1 millimeters of rainfall based on Company measurements. A high amount of rainfall may lead to floods which may delay and disrupt the construction/development activities in Lavasa, thereby adversely affecting our business, financial condition and results of operation.

Further, potential residents may be deterred from living in Lavasa on account of the high amount of rainfall received in the monsoon months, which may lead to failure of our vision to have a strong economy at Lavasa and adversely affect our business plans.

67. ***Certain of our Group Companies have incurred losses or have had negative net worth in the last three fiscal years.***

Certain of our Group Companies have incurred losses in the last three financial years, as set out in the table below:

Name of entity	Profit/(Loss) after tax (Amount in ₹ Million)		
	Fiscal 2014	Fiscal 2013	Fiscal 2012
HCC Infrastructure Company Limited	(1,250.35)	(1,275.09)	(732.72)
HCC Operations & Maintenance Limited	(4.62)	(0.05)	-
HCC Concessions Limited	(47.36)	125.45	(62.66)
Dhule Palesner Tollway Limited	(1,326.04)	(1,552.50)	(148.16)
Badarpur Faridabad Tollway Limited	(621.96)	(667.05)	(455.41)
Nirmal BOT Limited	(4.14)	(115.11)	6.57
HCC Power Limited	(0.48)	(1.18)	(2.90)
Pune Paud Toll Road Company Limited	(41.88)	(48.04)	(66.50)
Highbar Technologies Limited	(3.45)	(18.30)	(28.12)
Steiner India Limited	(49.43)	(76.29)	(14.92)
Panchkutir Developers Limited	(0.16)	(0.05)	(0.96)
HRL Township Developers Limited	(0.03)	(0.05)	(0.04)
HRL (Thane) Real Estate Limited	(0.54)	(0.34)	(0.12)
Nashik Township Developers Limited	(0.45)	(15.24)	(0.16)
Maan Township Developers Limited	(0.05)	(0.05)	(0.16)
Narmada Bridge Tollway Limited	(298.72)	-	-

Name of entity	Profit/(Loss) after tax (Amount in ₹ Million)		
	Fiscal 2014	Fiscal 2013	Fiscal 2012
Powai Real Estate Developers Limited	(0.02)	(0.05)	(0.03)
HCC Realty Limited	(0.02)	(0.05)	(0.03)
HCC Aviation Limited	(0.58)	(1.72)	(36.58)
Charosa Wineries Limited	(120.75)	(87.98)	(106.14)
HCC Mauritius Enterprises Limited (in USD)	(0.83)	(1.78)	(0.97)
HCC Construction Limited	(0.04)	(0.03)	(0.02)
Highbar Technologies FZ-LLC (in AED)	(0.04)	(0.15)	(0.58)
Euro Hotel SA (in CHF)	(0.04)	(0.01)	(0.01)

Name of entity	Profit/(loss) (Amount in million)		
	Year ending December 31, 2013	Year ending December 31, 2012	Year ending December 31, 2011
SNC Valleiry Route de Bloux (in Euro)	(0.00)*	(0.00)	0.00
Steiner Gmbh (in Euro)	(0.15)	(0.01)	(0.03)

* For the period January 1, 2013 to March 31, 2014

68. ***Changes in environmental regulations applicable to our Company may adversely affect our ability to implement our development plan and our business and results of operations.***

The MoEF has issued a draft notification (“**Draft Notification**”) notifying certain areas as eco-sensitive. This includes 13 villages, including Dasve and Mugaon, for which our Company has been granted an in-principle sanction for development by the State of Maharashtra. Under the terms of the Draft Notification, all new and expansion projects of building and construction with built up area of 20,000 square metres and above and all new and expansion of townships and area development projects with an area of 50 hectares and above or with built up area of 150,000 square metres or more, shall be prohibited. However, the Draft Notification provides that this prohibition shall not be applicable to proposals which have been submitted to the Expert Appraisal Committees, the MoEF, State Level Expert Appraisal Committee / State Environmental Impact Assessment Authority before April 17, 2013.

The State Government of Maharashtra has declared an area of 18 villages, measuring approximately 9,316.19 hectares (based on our internal estimates pursuant to review of available land records) as a “hill station”. Since our development plan contemplates development over different time periods, we are currently in the process of purchasing certain of such lands and have not applied for environmental clearance for development of certain portions of the “hill station”. In the event the Draft Notification is notified in its current form, this may affect our ability to implement our development plan for that portion of land.

Further, while our application for grant of environmental clearance for 2,952 hectares dated August 5, 2009 is currently pending before the State Expert Appraisal Committee State Environment Department, Government of Maharashtra, there can be no assurance that the Draft Notification will be notified in its current form or that the exception currently contemplated for proposals submitted before April 17, 2013,

will be available. In the event the final notification does not provide for this exception, our ability to develop such area of land may be adversely impacted. Additionally, we have also made an application to the State Expert Appraisal Committee, Environment Department, Government of Maharashtra for environmental clearance for development of an additional area of 634 hectares on October 17, 2013. The exemption for proposals submitted before April 17, 2013 currently contemplated in the Draft Notification will not be available in relation to this application and we may be unable to undertake development activities in the aforementioned area. Since the Draft Notification is subject to comments from different state governments and other stakeholders, we cannot currently determine the impact of the Draft Notification, once notified, on our business. If we are prevented from developing all or part of our lands as a result of the Draft Notification or a final notification, our business, results of operations, financial condition and prospects will be materially and adversely affected.

69. ***Our Promoters have given corporate guarantees in relation to certain debt facilities provided to us, which if revoked may require alternative guarantees, repayment of amounts due or termination of the facilities.***

Our Promoters have given corporate guarantees in relation to certain debt facilities availed by us aggregating to approximately ₹ 9,965.05 million as of March 31, 2014. In the event that any of the guarantees are revoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. See "*Financial Indebtedness*" on page 413.

70. ***We may have certain contingent liabilities and capital commitments not provided for which may materially and adversely affect our financial condition.***

As of March 31, 2014, we had contingent liabilities of ₹ 612.90 million and capital commitments of ₹ 1,082.52 million. Any or all of these contingent liabilities and commitments may become actual liabilities. In the event that any of our contingent liability materializes, our business, financial condition and results of operations may be materially and adversely affected. Our capital commitments not provided for could adversely affect our financial condition if such commitments are not executed according to the terms and conditions of the respective contracts.

71. ***Our business is capital intensive and our success depends upon our ability to find funding on acceptable terms.***

Our business is highly capital intensive, requiring substantial capital to develop and market Lavasa. Among other things, development costs are required to finance the purchase of materials and engineering and construction work on our projects. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our projects, unanticipated expenses, regulatory changes and engineering design changes. To the extent our capital expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest cost and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per share and the value of your investment in our Equity Shares could be adversely affected.

- Our ability to obtain additional financing on favorable commercial terms, if at all, will depend on a number of factors, including:
- our future financial condition, results of operations and cash flows;
- the amount and terms of our existing indebtedness;
- general market conditions for financing activities by integrated city development companies; and

- economic, political and other conditions in the markets where we operate.

Additionally, stricter provisioning and risk weighting norms imposed by the RBI in relation to real estate loans by banks and housing finance companies could reduce the attractiveness and availability of property or developer financing and the RBI or the Government of India may take further measures designed to reduce or have the effect of reducing credit to the real estate sector. If the demand for, or supply of, real estate financing at attractive rates or terms were to diminish or cease to exist our business, financial condition and results of operations could be materially and adversely affected.

Further, a development of the scale of Lavasa requires large upfront investments and includes long periods of time before revenues are realized. Our revenue realization is on a phased manner. However, significant capital expenditure is expected to be incurred in the initial years, largely on account of purchase of land and infrastructure development. As there are gaps in time between our initial investments in projects and revenue recognition, our funding requirements are substantial. The financing is planned through multiple sources including, but not limited to, equity, term loans, securitized debt, quasi-equity, funding, etc.

We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew existing funding or to obtain additional financing on acceptable terms and in a timely manner could materially and adversely impact our planned capital expenditure, which, in turn, could materially and adversely affect our business, financial condition and results of operations.

72. ***We recognize revenue on the "percentage of completion method" on the basis of our management's estimates of the project cost, which may prove to be based on inaccurate estimates.***

We recognize the revenue from our construction projects on the "percentage completion method" of accounting in accordance with Indian GAAP. Revenue from such sale of under-construction properties is recognized on the basis of the percentage of completion method by reference to the physical percentage of the work completed, as certified by our technical personnel, in relation to a contract or a group of contracts within a project. This revenue recognition policy is applicable to developments for which we have entered into an agreement prior to completion of construction. The revision to projected costs is recognized in the financial statements of the period/year in which such revisions are determined and this may lead to fluctuations in our revenues in that accounting period/year. Amounts received from customers are accounted as advances from customers as part of the current liabilities till the sale agreement executed. These estimates may prove to be incorrect and may affect our financial statements.

Moreover, in the event of any change in law or Indian GAAP that would result in a change to the method of revenue recognition, our results of operations may be materially and adversely affected.

73. ***We have taken certain loans including unsecured loans, which may be recalled by our lenders and / or Promoters at any time.***

Certain of our indebtedness can be recalled at any time. As of March 31, 2014, ₹ 1,997.16 million, or 5.88% of our total indebtedness, constituted unsecured loans, and of this amount, loans in the amount of ₹ 997.16 million constituting inter-corporate loans from our Promoters can be recalled at any time. If our lenders exercise their right to recall a loan, it could have a material adverse affect on our business, prospects and financial position.

74. ***Our Promoters may dilute their holding in us and any such reduction in control over our affairs by our Promoters may negatively affect our public image and reputation and thereby adversely impact our dealings with suppliers and third parties and cause downward pressure on the price of our Equity Shares, which could adversely affect our business, financial condition and results of operations.***

Under certain of our loan agreements with lenders, our Promoters are required to maintain 51% shareholding in us. However, we may re-negotiate these loan agreements to allow us to reduce the Promoters' shareholding. We cannot assure you that our Promoters would continue to have majority shareholding in us and would continue to exercise any control over our affairs. Any reduction in control

over our affairs by our Promoters may negatively affect our public image and reputation and thereby adversely impact our dealings with suppliers and third parties and cause downward pressure on the price of our Equity Shares, which could adversely affect our business, financial condition and results of operation.

75. ***Labour unrest, protest or strikes can bring operations to a standstill and affect market sentiments.***

Our manpower requirements are significant and we have 801 permanent employees (including employees at our subsidiaries and associate companies), and 4,337 contract laborers who work on construction and development activities through Steiner India Limited and our subsidiaries or associate companies as of June 17, 2014. Any unrest in the workforce, protests or strikes by our employees or labour from sub-contractors can bring the operations of the project to a standstill. For instance, on May 15, 2014 contract laborers working in the manufacturing unit of an Subsidiary, Lavasa Bamboocrafts Limited, stopped work and the strike continued for a period of 19 days. In the event of a labour dispute, if our contractors are unable to successfully negotiate with workmen, it could result in work stoppages or increased operating costs as a result of higher than anticipated wages or benefits. This would have a significant impact on customer sentiment, and also impact the market perception and brand value of the development. Additionally, given Lavasa's locations, we may find it difficult to find labour willing to move to Lavasa or have to incur inordinate costs for such labour which may delay the progress of our developments or increase our costs excessively.

We enter into contracts with independent contractors to complete specified assignments and these contractors are required to source the labour necessary to complete such assignments. Further, our results of operations could be adversely affected by any statutory and/or regulatory requirements pertaining to labour, strikes, work stoppages or increased wage demands by our employees and/or contract labour availed by us or any other kind of disputes with our employees and/or contract labour availed by us.

76. ***Increased raw material, labour and other costs, may adversely affect our results of operation and feasibility of the Lavasa development.***

As there is a significant amount of construction activity in Lavasa planned in the short and medium term, our business would be affected by the availability cost and quality of raw materials and labour. The prices and supply of raw materials and labour depend on factors not under our control, including general economic conditions, competition, production levels, transportation costs and import duties. In particular, on account of Lavasa's location, transportation and supply costs of labour and raw materials to Lavasa are high. Additionally, inflation would play a critical role in the cost of construction, and could directly impact the profitability of the development and the peak funding requirements. We cannot assure you that we will be able to procure quality raw materials at competitive prices or at all which may adversely affect our business. In addition, during periods of significant increases in the price of building materials, we may not be able to pass price increases through to our customers, which could reduce or eliminate our profits with respect to such development. Our principal raw materials include steel and cement. Any increase in the costs of our principal raw materials may adversely affect our business, financial condition and results of operation.

77. ***The successful completion of Lavasa requires the services of third parties, including service providers, suppliers and independent contractors. The failure of a third party to perform its obligations could impose additional financial and performance obligations resulting in reduced profits or, in some cases, significant losses.***

The successful completion of Lavasa requires the services of third parties including architects, engineers, contractors and suppliers of labour and materials. The timing and quality of construction of the various projects within Lavasa 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 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 materially and adversely affect our business, financial condition and results of operations.

We contract with independent contractors for construction. If a contractor fails to perform its obligations satisfactorily with regard to a project, we may be unable to develop the project within the intended timeframe, at the intended cost, or at all. We have also engaged Steiner India Limited as our total services contractor and depend on them to a large extent for our continued construction of our projects. Our relationship with Steiner India Limited may deteriorate or disagreements may arise which may not be resolved promptly or at all. In such circumstances, we may be required to incur additional cost or time to develop the property to the appropriate standard of quality and in a manner consistent with our development objective, which could result in reduced profits or in some cases, significant losses. We may also not be able to recover compensation for any resulting defective works or materials. 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.

78. ***We rely on our partners for the success of our businesses being operated by our Subsidiaries and Associates.***

We have entered into tie-ups with companies and other entities and, in many instances, have formed Subsidiaries or Associates with these companies. Arrangements governing our Subsidiaries and Associates may provide us with only partial control over the operations of the subsidiary or associate under certain circumstances. Where we are a minority participant in an associate, the partner may make significant decisions without our consent that affect our interests, such as delaying project execution timetables. In addition, it may be necessary for us to obtain consent from a partner before we can cause the subsidiary or associate to distribute profits to us or there may be disputes between us and our partners. These and other factors may cause our partners to act in a way contrary or conflicting to our interests, or otherwise be unwilling to fulfill their obligations under our arrangements, which could have a material adverse effect on our business, financial condition and results of operation. Further, even when our arrangements provide us with majority control in our subsidiaries, we may disagree with our partners on key issues, which may affect the overall success of the relevant subsidiary.

79. ***Delays in the completion of our development or projects or complying with our construction contract schedules may impact our business.***

Property developments typically require substantial capital outlay during the construction period which may take an extended period of time to complete, and before a potential return can be generated. The time and costs required to complete a property development may be subject to substantial increases due to several factors, including shortages of, or price increases with respect to, construction materials (which may prove defective), equipment, technical skills and labor, purchase of land, construction delays, unanticipated cost increases, changes in the regulatory environment, adverse weather conditions, third party performance risks, environmental risks, changes in market conditions, delays in obtaining the requisite approvals and permits from the relevant authorities, court orders or notices or orders from regulatory authorities and other unforeseeable problems and circumstances. Any of these factors may lead to delays in, or prevent the completion of, a project and result in costs substantially exceeding those originally budgeted for. The cost overruns may not be adequately compensated by contractual indemnities, which may affect our business, financial condition and results of operations. In addition, any delays in completing our projects as scheduled could result in penalty payments to customers, dissatisfaction among our customers, resulting in negative publicity and lack of confidence among investors and potential residents. Additionally, we may not achieve the economic benefits expected of our development and failure to obtain expected economic benefits could adversely affect our business, financial condition and results of operations. In the event there are any delays in the completion of our development our business, financial condition and results of operations would be adversely impacted.

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

There are certain unanticipated or unforeseen risks that may arise in the course of property and infrastructure development due to adverse weather and geological conditions such as storm, hurricane, lightning, flood, landslide and earthquake. Additionally, our operations may be subject to hazards inherent in providing architectural and construction services, such as risk of equipment failure, impact from falling objects, collision, work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage.

81. ***Our insurance may be insufficient to cover liabilities relating to inclement weather and natural disasters and risks that may cause significant interruption of operations.***

Procurement and construction works carried out in respect of our projects involve a number of hazards including earthquakes, flooding, tsunamis and landslides. For Fiscal Year 2014, the total sum insured under our various insurance policies is approximately ₹ 24,607.99 million. While we insure against loss due to the occurrence of accidents in the conduct of our business, subject to, in our view, customary exclusions and deductibles, there can be no assurance that all risks are adequately insured against, that a particular claim will be paid or that we will be able to procure adequate insurance coverage at commercially reasonable rates in the future. Natural disasters in the future may cause significant interruption to our operations, disruption to our properties and damage to the environment that could have a material adverse impact on us. Additionally, we may not be able to renew insurance policies in a timely manner or at all and/or may be required to make higher premium payments.

82. ***Some of our Subsidiaries and Associates are likely to require a considerable amount of time before they can break even.***

Our Company's hospitality, healthcare, tourism and leisure, education, retail and city management and infrastructure businesses will be carried out, at least in part, by our Subsidiaries and Associates. For additional details relating to our business lines carried out by these Subsidiaries and Associates, see our structure chart in "Our Business" on page 177. These companies have a fairly long gestation cycle before they break even and start yielding returns on the equity stake held by us. In particular, to our knowledge, it generally takes healthcare companies between five to seven years and infrastructure companies about eight to 10 years to commence making profits from their initial operations.

In this long gestation cycle, we may need to use our development costs to fund the growth of the operations of our subsidiaries and associates, which may lead to a shortage of funds for our general corporate and development costs purposes. We may also require additional financing during this gestation period which may be unable to procure on acceptable terms or at all. Further, our partners in these subsidiaries and associates may be unwilling or unable to endure a long gestation period which would impact their appetite to invest in such projects. We may also face pressures from equity shareholders during the gestation cycle. All of these events may adversely affect our business, financial condition and results of operation.

83. ***We may encounter problems with our Subsidiaries and Associates that may adversely affect our business.***

We have, and expect in the future to have, interests in subsidiaries and associates in connection with our development plans for Lavasa. If there are disagreements between us and our partners regarding our business and operations of our subsidiaries and associates, we cannot assure you that we will be able to resolve them in a manner that will be in our best interests or which will maintain our business relationship with our partners. Over time, we expect to hold minority stakes in certain of our associates and subsidiaries and, accordingly, if for whatever reason a partner in our associate or subsidiary chooses to forego investing in or maintaining the associate or subsidiary, we may not be in a position to require investments by them or the maintenance of certain standards. In addition, our partners may (i) have economic or business interests or goals that are inconsistent with ours; (ii) take actions contrary to our instructions, requests, policies or objectives; (iii) be unable or unwilling to fulfill their obligations; (iv) have financial difficulties; or (v) have

disputes with us as to the scope of their responsibilities and obligations. Any of these and other factors may materially and adversely affect our business relationships with our partners, which may in turn materially and adversely affect the performance of our subsidiaries and associates, which may in turn materially and adversely affect our financial condition and results of operations.

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

The Consolidated FDI Policy (the "**Policy**") imposes certain conditions on investment in real estate sector in India. It permits foreign direct investment of up to 100% subject to the project fulfilling certain specified conditions. The Policy, however, is subject to differing interpretations. For example, foreign direct investment is subject to the condition that for joint ventures with Indian partners the "minimum capitalization" should be US\$ 5 million. However, there is some ambiguity on what is meant by "minimum capitalization". In addition, although the Policy stipulates that funds have to be brought in within six months of "commencement of business of the Company", the term "commencement of business of the Company" has not been defined or explained and may also be subject to differing interpretations.

There can be no assurance as to the position the Government of India will take in interpreting the provisions of the Policy. Further, while the Government of India has permitted FDI of up to 100% without prior regulatory approval in townships, housing, built-up infrastructure and construction and development projects, the same is subjects such investment to certain restrictions. Our Company's inability to raise additional capital as a result of these and other restrictions may adversely affect the business and prospects of our Company.

85. ***If we fail to comply with existing or future environmental, employee-related or health and safety laws and regulations or any other local laws or regulations, our business and results of operations may be adversely affected.***

In the normal course of our business operations, we are required to comply with various laws and regulations relating to the environment. Although we believe that we comply in all material respects with all applicable statutes and with the regulations, we may incur substantial costs to comply with requirements of environmental laws and regulations in the future. Environmental laws in India have been increasing in stringency and it is possible that they will become significantly more stringent in the future. These regulations may require us to investigate and clean-up hazardous or toxic substances and materials and be liable for the costs of removal or remediation of such substances and materials. Such liability may be imposed irrespective of whether we knew of, or were responsible for, any environmental damage or pollution or the presence of such substances and materials. The cost of investigation, remediation or removal of these substances and materials may be substantial. Environmental laws may also impose compliance obligations on owners and operators of property with respect to the management of hazardous materials and other regulated substances. Failure to comply with these laws can result in penalties or other sanctions and we cannot assure you that we will be at all times in full compliance with these regulatory requirements. In addition, future laws, ordinances or regulations and future interpretations of existing laws, ordinances or regulations may impose additional environmental liability. We may therefore be subject to costs, liabilities or penalties relating to environmental matters which could materially and adversely affect our business, financial condition and results of operations.

Some parts of the land surrounding the notified area where Lavasa is being developed are categorized as forest land. Any development on such land requires us to obtain certain approvals and permission from the relevant governmental authorities. For example, we have obtained permission from the MoEF for the construction of a tunnel through forest land at Mugaon. There may be instances in the future that require us to undertake development on the forest land. In the event we are unable to obtain relevant approvals or permissions, we may not be able to execute our plans, which we have an adverse impact on our business operations.

If any part/aspect of Lavasa is shut down, we will continue to incur costs in complying with regulations, appealing any decision to stop construction, continuing to pay labour and other costs which continue even

if construction has ceased. As a result, our overall operating expenses may increase, adversely affecting our business and results of operations. We are also subject to health and safety laws and regulations as well as laws and regulations governing our relationship with our employees in areas such as minimum wages, maximum working hours, overtime, working conditions, hiring and terminating employees, contract labour and work permits.

The success of our strategy to modernize and optimize our existing operations is contingent upon, among other factors, receipt of all required licenses, permits and authorizations, including local land use permits, building and zoning permits, environmental, and health and safety permits. As a result of change in laws or regulations in India, we may incur significant costs in order to maintain compliance with such laws and regulations and this may delay or prevent project completion.

Our operations are subject to various regulatory requirements. There can be no assurance that a failure to comply with any such regulations would not result in penalties, revocation of permits or licenses for our operations or litigation that may adversely affect our business, financial condition and results of operations.

With increasing awareness and pressure for ecological protection, several regulatory reforms may be introduced in the future, directed towards making environmental protection more stringent. These could lead to restrictions on the developable area or the nature of development, which may affect our development plan. For details of the environmental laws and policies relevant to our business, see "*Regulations and Policies*" on page 215.

86. ***Significant differences exist between Indian GAAP and other accounting principles, such as IFRS, which may be material to investors' assessments of our financial condition.***

Our financial statements, including the financial statements provided in this Draft Red Herring Prospectus, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of IFRS. IFRS differs in significant respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

ICAI, the accounting body that regulates the accounting firms in India, has announced a road map for the adoption of, and convergence with, the International Financial Reporting Standards, or IFRS in conjunction with IND-AS, pursuant to which all companies in India, such as our Company, will be required to prepare their annual and interim financial statements under IFRS, based on certain criteria. Based on the certain criteria, our Company may be required to adopt IFRS. Because there is significant lack of clarity on the adoption of and convergence with IFRS and there is not yet a significant body of established practice on which to draw in forming judgments regarding its implementation and application, we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IFRS than under Indian GAAP. As we transition to IFRS reporting, as required, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. There can be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition could have a material adverse effect on our stock price.

87. ***Improper or questionable conduct or practices may delay the development of Lavasa and affect the results of our operations.***

The construction and real estate industries are not immune to the risks of improper or questionable practices. Large construction projects in all parts of the world provide opportunities for corruption. Such corruption may include bribery, deliberate poor workmanship or the deliberate supply of low quality materials. If we, or any other person involved in Lavasa is the victim of or involved in any such corruption,

our ability to complete the various business segments in Lavasa as planned may be disrupted thereby materially affecting our business, financial condition and results of operations.

88. ***Our success depends largely upon our highly-skilled professionals and our ability to attract and retain these professionals.***

Our ability to successfully complete projects and to attract new clients depends largely on our ability to attract, train, motivate and retain highly-skilled professionals, particularly project managers and other professionals, including engineers, architects and design consultants and skilled workers. If we cannot hire and retain highly-skilled personnel, our ability to execute new projects and to continue to expand our business, will be impaired and consequently, our revenues could decline. We may not be able to re-deploy and retrain our professionals to keep pace with continuing changes in technology, evolving standards and changing needs of our clients. As a result of the recent growth in the construction industry in India and the expected future growth, the demand for highly-skilled professionals and workers has significantly increased in recent years. In addition, a significant increase in the wages paid by competing employers could result in a reduction of our skilled workforce, increases in the wage rates that we pay or both. If we are unable to attract and retain professionals and skilled workers, our business, results of operations and financial condition may be adversely affected.

89. ***Our Promoters, Directors and the key management personnel of our company may have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.***

Our Promoters are interested in us to the extent of any transactions entered into or their shareholding and dividend entitlement in us. Our Directors are also interested in us to the extent of remuneration paid to them for services rendered as our Directors and reimbursement of expenses payable to them. Our Directors may also be interested to the extent of any transaction entered into by us with any other company or firm in which they are directors or partners. For further information, see "Management" and "Promoters and Promoter Group" on pages 263 and 279, respectively.

90. ***We do not own our registered office and other premises from which we operate.***

We do not own the premises at which our registered office is located in Mumbai. Pursuant to a letter dated November 2, 2009, our Promoter, HCC has permitted us to share the premises located at 247Park licensed to our Promoter HCC by Vikhroli Corporate Park Private Limited and pay Vikhroli Corporate Park approximately ₹ 30.0 million annually for the use of such premises. If there is any change in the control of our Company or if we cease to be a subsidiary of HCC, we may no longer be entitled to make use of the premises in which our Registered Office is currently situated.

91. ***Any delay and/or other adverse events and circumstances in connection with the activities for which we propose to deploy the proceeds of the Issue could adversely affect our financial condition, business plan and operations.***

We propose to deploy the net proceeds of the Issue *inter-alia* (a) to finance the development of certain infrastructure components in Lavasa, and (b) to finance construction of certain buildings at Dasve and Mugaon. The aforementioned activities are subject to a number of variables, including possible cost overruns and changes in our management's views of the desirability of current plans. Any unanticipated increase in the costs in connection with the aforementioned activities could adversely affect our estimates of the cost and our ability to implement our development plan. In addition, the aforementioned activities could be delayed and/or adversely affected as a result of failure to receive statutory and/or regulatory approvals in a timely manner or at all, technical difficulties, human resource, technological or other resource constraints, or for other unforeseen reasons, events or circumstances. Such delays and/or adverse events and/or circumstances could in turn adversely affect our financial condition, our business plan and operations.

92. ***Any variation in the utilisation of the Issue Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior Shareholders' approval.***

We propose to utilize the Issue Proceeds for the following purposes:

- (a) to finance the development of certain infrastructure facilities at Mugaon;
- (b) to finance construction of certain buildings at Dasve and Mugaon;
- (c) to fund the repayment or prepayment of certain debt availed by our Company; and
- (d) general corporate purposes.

For further details of the proposed objects of the Issue, see the section "*Objects of the Issue*" on page 133. At this juncture, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Issue Proceeds as disclosed in the Red Herring Prospectus without obtaining the Shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Issue Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations.

Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the Shareholders who do not agree with our proposal to modify the objects of the Issue, at a price and manner as may be prescribed by SEBI. SEBI has not yet prescribed any regulations in this regard and such regulations may contain onerous obligations. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilisation of the Issue Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price which may be prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Issue Proceeds, if any, which may adversely affect our business and results of operations.

Risks Relating to India

93. ***Natural disasters, terrorist attacks, civil disturbances, regional conflicts and other acts of violence in India and abroad may disrupt or otherwise adversely affect the Indian economy, the health of which our business depends on, or an outbreak of an infectious disease or any other serious public health concerns, any of which could have a material adverse effect on our business, results of operations, financial condition, cash flows and prospects.***

The occurrence of natural disasters, including hurricanes, earthquakes, tornadoes, fires, explosions, pandemic diseases, the H1N1 swine flu virus, and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations or financial condition. Although constructed and maintained to withstand certain natural events, our developments and projects in Lavasa may not survive such catastrophic events, or may experience substantial damage. This may result in losses with regard to our works in progress and expose us to claims from our customers.

Certain events that are beyond our control, such as terrorist attacks and other acts of violence or war. South Asia has, from time to time, experienced instances of civil unrest and political tensions and hostilities, including riots, regional conflicts and other acts of violence both within among neighboring countries,

including India. Political tensions could create a perception that there is a risk of disruption of services provided by India-based companies. India could become engaged in armed hostilities, particularly hostilities that are protracted or involve the threat or use of nuclear weapons. Any of these events may adversely affect worldwide financial markets and could potentially lead to a severe economic recession and/or impact investor confidence in India's economy and may, either directly or indirectly, materially and adversely affect our business, results of operations, financial condition, cash flows and prospects.

Moreover, the outbreak of an infectious disease or any other serious public health concern such as swine influenza around the world could have a negative impact on economies, financial markets and business activities worldwide, which could have a material adverse effect on our business. Although, we have not been adversely affected by such outbreaks, we can give no assurance that a future outbreak of an infectious disease among humans or animals or any other serious public health concern will not adversely affect our business, prospects, financial condition and results of operations or damage our brand.

94. ***Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.***

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the real estate sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

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

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

96. ***The market value of an investor's investment may fluctuate due to the volatility of the Indian and global securities markets.***

Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities. The SENSEX, BSE's benchmark index, reduced by around 25 per cent., representing approximately 5,100 points, in the calendar year 2011 followed by an increase of around 25 per cent., representing approximately 3,900 points in the calendar year 2012, and subsequently increasing further by around 8 per cent., representing approximately 1,600 points in calendar year 2013. The stock exchanges in India, in line with global developments, have witnessed substantial volatility in 2011, 2012 and 2013. As of February 28, 2014, 200 day volatility of the SENSEX as per Bloomberg data stood at a figure of 18.4 relative to 11.0 for the Dow Jones Industrial Average, 16.4 for the Hang Seng Index and 11.1 for the Strait Times Index (Singapore).

The Indian Stock Exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements.

97. ***The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs.***

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. Further, companies meeting certain financial thresholds are also required to constitute a committee of the board of directors for corporate social responsibility activities and ensure that at least 2% of the average net profits of the company during three immediately preceding financial years are utilized for corporate social responsibility activities. Penalties for instances of non-compliance have been prescribed under the Companies Act, 2013, which may result in inter alia, our Company, Directors and key managerial employees being subject to such penalties and formal actions as prescribed under the Companies Act, 2013, should we not be able to comply with the provisions of the New Companies Act within the prescribed timelines, and this could also affect our reputation.

To ensure compliance with the requirements of the Companies Act, 2013 within the prescribed timelines, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. While we shall endeavor to comply with the prescribed framework and procedures, we may not be in a position to do so in a timely manner.

The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations). We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013, which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

98. ***Our business and activities may be regulated by the Competition Act, 2002.***

The Competition Act, 2002, as amended (the "**Competition Act**") was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India (the "**CCI**") to separate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties.

Any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of customers in the relevant market is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. Further, the Competition Act prohibits abuse of dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and liable to be punished.

On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. The combination regulation

provisions require that the acquisition of shares, voting rights, assets or control or mergers or amalgamations which cross the prescribed asset and turnover based thresholds shall be mandatorily notified to and pre-approved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, which sets out the mechanism for implementation of the combination regulation provisions under the Competition Act. It is unclear as to how the Competition Act and the CCI will affect the business environment in India.

The applicability or interpretation of the Competition Act to any merger, amalgamation or acquisition proposed by us, or any enforcement proceedings initiated by the CCI, either suo moto or pursuant to any complaint, for alleged violation of any provisions of the Competition Act may adversely affect our business, financial condition and results of operations.

99. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.***

The Government of India has proposed the introduction of the Direct Taxes Code ("DTC"), to revamp the implementation of direct taxes. If the DTC is notified and becomes applicable, the tax impact discussed in this Draft Red Herring Prospectus may not accurately reflect the provisions of the DTC. In addition, the application of various Indian and international sales, value-added and other tax laws, rules and regulations to our products and services, currently or in the future which are subject to interpretation by applicable authorities, if amended/ notified, could result in an increase in our tax payments (prospectively or retrospectively) and/ or subject us to penalties, which could affect our business operations.

The governmental and regulatory bodies in India may notify new regulations and/ or such policies which will require us to obtain approvals and licenses from the government and other regulatory bodies or impose onerous requirements and conditions on our operations in addition to what we are undertaking as on date. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, financial condition and results of operations.

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

According to a report released by RBI, India's foreign exchange reserves totalled over U.S.\$ 321 billion as of June 20, 2014. Foreign exchange reserves have shored up of late and are up U.S.\$ 5.1 billion year-on-year. However, any decline in foreign exchange reserves could adversely affect the valuation of the Indian Rupee and could result in reduced liquidity and higher interest rates that could adversely affect our future financial performance and the market price of our Equity Shares.

Risks Relating to Investment in our Equity Shares

101. ***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, among other things, volatility in the Indian and global securities markets, the results of our operations and performance, 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 liberalization and deregulation policies and significant developments in India's fiscal regulations.

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 Issue Price.

102. ***After the completion of the Issue, our Promoters will own, a substantial portion of our outstanding Equity Shares and a sale or the anticipated sale by them could adversely affect the price of the Equity Shares.***

As of the date of this Draft Red Herring Prospectus, our Promoters hold 68.70% of our Equity Shares. After the completion of the Issue, our Promoters will continue to own a substantial portion of our outstanding Equity Shares. Sale of large number of our Equity Shares by our Promoters could adversely affect the market price of our Equity Shares. Similarly, the perception that any such primary or secondary sale may occur could adversely affect the market price of our Equity Shares. Upon completion of the Issue, 20.00% of our post-Issue paid-up capital held by certain of our Promoters will be locked up for a period of three years from the date of allotment of Equity Shares in the Issue. For further information relating to such Equity Shares that will be locked up, see "Capital Structure" on page 101. All other remaining Equity Shares that are outstanding prior to the Issue will be locked up for a period of one year from the date of allotment of Equity Shares in the Issue.

103. ***Our Promoters will continue to retain majority control in us after the Issue, which will enable them to control our business, influence the material policies and outcome of matters submitted to shareholders for approval in circumstances where Promoters' interests may not align with or may be adverse to other shareholders' or our interests.***

Upon completion of the Issue, our Promoters will beneficially own a majority of our post-Issue equity share capital. As a result, our Promoters will have the ability to exercise significant influence our business, policies and affairs including matters requiring shareholders' approval, including approval of mergers, strategic acquisitions or joint ventures or sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and Directors, policies for lending, investment and capital expenditures. This control could delay, defer or prevent a change in control of us, impede a merger, consolidation, takeover or other business combination involving us, without the support of our Promoters, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us even if it is in our best interest. In addition, for so long as our Promoters continue to exercise significant control over us; they may influence our material policies in a manner that could conflict with the interests of our other shareholders. Our Promoters may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree. Any of the foregoing factors could have a material adverse effect on our business, financial condition and results of operations.

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

Subsequent to listing, the Equity Shares will be subject to a daily circuit breaker imposed on listed companies which does not allow transactions beyond certain volatility in the trading price of the listed equity shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our Company's circuit breaker is set by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform our Company of the percentage limit of the circuit breaker from time to time, and may change it without its knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

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

Under current Indian tax laws, capital gains arising from the sale of Equity Shares within 12 months in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of equity

shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties 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 jurisdiction on a gain upon the sale of our Equity Shares.

The above discussion is based on the tax laws currently in force in India.

106. ***Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

Under foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing or reporting requirements and does not fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

107. ***Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.***

Our Company has not paid any dividend on its Equity Shares during the last five Fiscals. The amount of future dividend payments, if any, will depend upon a number of factors, including but not limited to our future earnings, financial condition, cash flows, working capital requirements, contractual obligations, applicable Indian legal restrictions and capital expenditures. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing agreements our Company may enter into to finance our fund requirements for our business activities. There can be no assurance that we will be able to pay dividends in the future. For additional details relating to our dividend policy including prior dividends paid on our Preference Shares, see "Dividend Policy" on page 309.

108. ***There is no guarantee that the Equity Shares will be listed on the BSE and the NSE in a timely manner or at all.***

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

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

Any future equity issuances by our Company may lead to the dilution of investors' shareholdings in our Company. In addition, any sales of substantial amounts of the Equity Shares in the public market after the completion of the Issue, including by our Promoters or other major shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could materially impair future ability of our Company to raise capital through offerings of the Equity Shares. Our Promoters currently hold an aggregate of 68.70% of the outstanding Equity Shares. After the completion of the Issue, our Promoters and members of our Promoter Group will continue to hold a substantial portion of the outstanding Equity Shares. We cannot predict the effect, if any, that the sale of the Equity Shares held by

our Promoters or other major shareholders or the availability of these Equity Shares for future sale will have on the market price of the Equity Shares.

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

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after the Equity Shares in this Issue have been allotted. Approval will require all other relevant documents authorizing the issuing of the Equity Shares to be submitted. There could be failure or delays in listing the Equity Shares on the Indian Stock Exchanges.

The Equity Shares are proposed to be listed on the Indian Stock Exchanges. Further, pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and commence trading. Investors "book entry," or "demat", accounts with Depository Participants are expected to be credited within three Working Days of the date on which the Basis of Allotment is approved by the Designated Stock Exchange. Thereafter, upon receipt of final approval from the Designated Stock Exchange, trading in the Equity Shares is expected to commence within 12 Working Days from Bid/Issue Closing Date.

We cannot assure you that the Equity Shares will be credited to the investors' demat account, or that the trading in the Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining the approvals would restrict your ability to dispose of the Equity Shares.

Prominent Notes:

1. Public issue of [•] Equity Shares for cash at a price of ₹ [•] per Equity Share (including a premium of ₹ [•] aggregating up to ₹ [•] million. This is an Issue for at least 10% of the post-Issue paid-up equity share capital of our Company and the Issue will constitute [•] % of the post-Issue paid-up Equity Share capital of our Company.
2. Our Company was incorporated as Pearly Blue Lake Resorts Private Limited on February 11, 2000 under the Companies Act. The name of our Company was changed to The Lake City Corporation Private Limited on December 12, 2000. Our Company was converted into a public limited company on March 3, 2003 and consequently, the name was changed to The Lake City Corporation Limited. The name of our Company was changed to Lavasa Corporation Limited on June 8, 2004. For details of changes in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 220.
3. The net worth of our Company as of Fiscal Year 2014 was ₹ 9,318.24 million as per our Company's audited restated unconsolidated financial statements and ₹ 2,837.51 million as per our Company's audited restated consolidated financial statements.
4. The net asset value per Equity Share was ₹ 9.73 and ₹ 1.58 as of March 31, 2014, as per our audited restated unconsolidated financial statements and audited restated consolidated financial statements, respectively.
5. The average cost of acquisition of Equity Shares by our Promoters, HCC and HREL is ₹ 29.12 and ₹ 7.64 per Equity Share, respectively. For further details, see "*Capital Structure*" on page 101.
6. Except as disclosed in the section "Group Companies", none of our Group Companies have business interests or other interests in our Company. For details of transaction with Group Companies, see the section "Related Party Transactions" on page 308.
7. The details of related party transactions entered into by our Company with the Group Companies and our subsidiaries during the last financial year, the nature of transactions and the cumulative value of transactions are as follows:

Particulars	(Amount in ₹ Million)
Project and other services received during the year	872.09
Project and other services given during the year	500.74
Interest expense on Inter Corporate Deposit received	106.13
Interest income on Inter Corporate Deposit given	226.36
Construction / Land Sale	1,001.14
Addition to Fixed assets as part of concession agreements	266.05
Inter Corporate Deposit taken during the year	499.56
Inter Corporate Deposit repaid during the year	50.00
Inter Corporate Deposit given during the year	2,764.21
Inter Corporate Deposit received back during the year	2,564.13
Equity Share Contribution during the year	121.09
Preference Share Contribution during the year	2,913.55
Corporate Guarantees Received on behalf of the Company & Outstanding	9,965.05
Corporate Guarantees and Bank Guarantees Given & Outstanding	8,432.39
Outstanding Balances included in Trade Payable/Current Liabilities	1,020.46
Outstanding Balances included in Trade Receivable/Current Assets	4,587.97
Intercompany Deposit given Outstanding	4,251.73
Intercompany Deposit Received Outstanding	997.16
Advance/Deposit Given and outstanding at the end of the year	114.45
Advance/Deposit received and outstanding at the end of the year	9,971.74

8. There has been no financing arrangement whereby the Promoter Group, the directors of our Promoters, the Directors and their relatives have financed the purchase by any other person of securities of our Company other than in normal course of the business of the financing entity during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with SEBI.
9. Any clarification or information relating to the Issue shall be made available by the Book Running Lead Managers and us to the investors at large and no selective or additional information will be available for a section of investors in any manner whatsoever. Investors may contact any of the Book Running Lead

Managers who have submitted the due diligence certificate to SEBI for any complaints pertaining to the Issue.

10. All grievances pertaining to the Issue and all future communications in connection with queries related to Allotment, credit of Equity Shares, refunds, non-receipt of Allotment Advice and other post-Issue matters should be addressed to the Registrar to the Issue. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB and the Syndicate Members at the Specified Locations with whom the Bid cum Application Form was submitted. In addition to the information indicated above, the ASBA Bidder should also specify the Designated Branch or the collection centre of the SCSB or the address of the centre of the Syndicate Member at the Specified Locations where the Bid cum Application Form was submitted by the ASBA Bidder

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

The information in this section is extracted from various government publications and industry sources. Neither we nor any other person connected with the Issue has independently verified the information provided in this section. The industry sources and publications referred to in this section 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 that their reliability cannot be assured and, accordingly, investment decisions should not be based on such information.

Urbanization in India

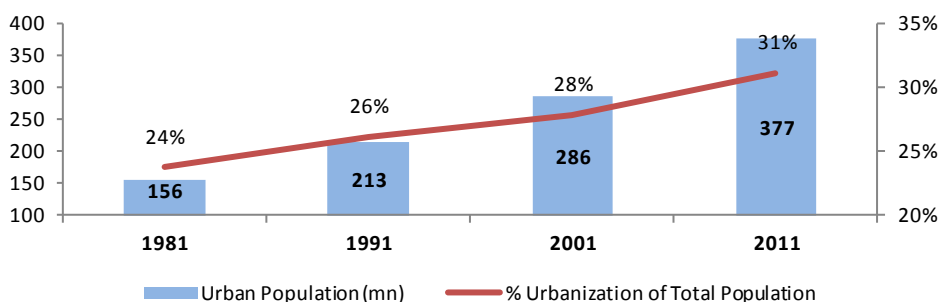
The state of urbanization in India

The GDP growth in India is on the back of growth in the services industry. The contribution of the services sector to India's GDP has increased consistently over the years and contributed to 60 percent of the total GDP in 2013. The table below shows the contribution of the services industry over the years.

Share of Service Sector in GDP (constant price)			
	1990	2000	2013
Percentage Share	43%	50%	60%

(Source: Reserve Bank of India, Handbook of Statistics on Indian Economy, 2012-13)

India is moving towards a service oriented economy. According to the Planning Commission of India, surging growth and employment in cities will prove a magnet for such cities (Source: Planning Commission, Government of India, Approach to the 12th Plan). India's urban population grew from the 286 million reported in the 2001 Census to 377 million in 2011, as depicted in the following graph.



(Source: Census 2011, Government of India)

The United Nations projects that by 2030, the urban population of India would be approximately 606 million. By 2030, 227 million more people will live in India's cities, the largest addition to an urban population of any country by 2030 outside of China. As seen in the table below, India is expected to contribute to approximately 35% of the total increment urban population of the top 10 economies in the world (GDP PPP as on 2013). (In the same period, India is expected to add another 72 million people in the rural areas.) (Source: United Nations World Urbanization Prospects, 2011 Revision, updated October 2012)

	GDP PPP basis, 2013 (in Billion US\$)	Urban Population Addition (2010 to 2030)	Total Population Addition (2010 to 2030)
United States	16,800	56,182	51,296
China	13,395	297,363	51,741
India	5,069	227,037	298,868
Japan	4,699	1,856	(6,318)
Germany	3,233	770	(2,833)
Russia	2,556	511	(6,529)

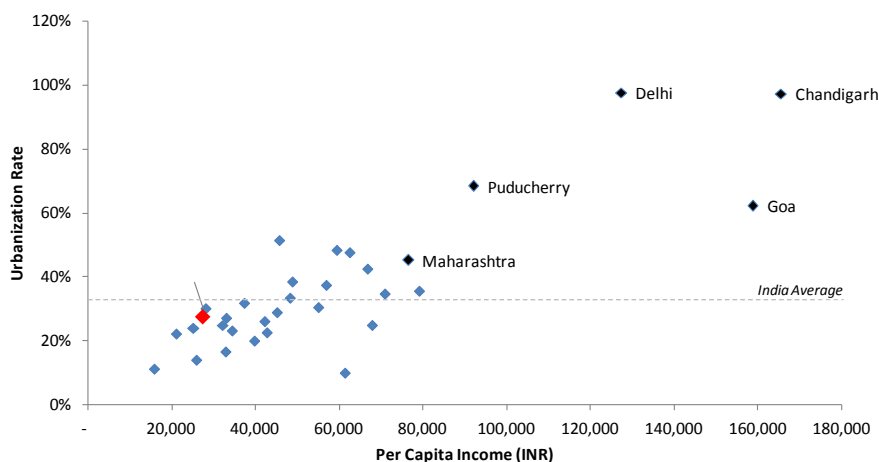
	GDP PPP basis, 2013 (in Billion US\$)	Urban Population Addition (2010 to 2030)	Total Population Addition (2010 to 2030)
Brazil	2,423	30,707	25,545
United Kingdom	2,391	7,991	7,279
France	2,278	9,081	5,680
Mexico	1,843	23,674	21,975

(Source: International Monetary Fund, World Economic Outlook Database, April 2014;

United Nations World Urbanization Prospects, 2011 Revision, updated in October 2012)

Increasing urban population and services growth is expected to increase urban India's contribution to total GDP. According to PricewaterhouseCoopers, India's GDP in 2030 is expected to increase to US\$ 13.7 trillion from US\$ 4.1 trillion in 2010. The urban share of India's GDP is expected to increase from 62-63 percent in 2010 (as per Planning Commission estimates) to 69 percent by 2030 (as per Elara Capital research). As per the Planning Commission, by 2030, India's largest cities will be bigger than many countries today. (Source: India's and Japan's GDP in 2030 from PricewaterhouseCoopers, World in 2050 The BRICs and Beyond: Prospects, Challenges and Opportunities, January 2013; India's GDP in 2010 from International Monetary Fund, World Economic Outlook Database, April 2014; Urban share of India's GDP in 2030 from Elara Capital Report, Urban share of India's GDP in 2010 from Planning Commission of India, Mid-term Appraisal Report of the 11th Five Year Plan, 2010; India's 'Urban' Dividend: A USD 974 Bn opportunity, October 9, 2013; Planning Commission, Government of India, Approach to the 12th Plan).

The increasing urbanization and increasing share of urban GDP translates to increasing prosperity. As seen from the below graph, there is a significant correlation between urbanization rate of a state and its per capita income. Almost all states having high rates of urbanization have high per capita incomes.



(Source: Census 2011, Government of India; Ministry of Statistics and Programme Implementation, Government of India)

Economics aside, the average quality of life in urban India (vis-à-vis rural India) appeals to sections of migrant population. People in rural areas typically tap the opportunities that cities provide for employment, entrepreneurial avenues and education. As per Elara Capital Research, India's cities will be the key to addressing income disparity in the economy by swiftly moving workers from the lower-productivity farming sector in rural India to higher-productivity industry and services. (Source: Elara Capital, India's 'Urban' Dividend: A USD 974 Bn opportunity, October 9, 2013; Planning Commission, Government of India, 12th Five Year Plan, 2013)

Given India's backlog of years of underinvestment and incremental demands of rising urbanization, India requires approximately INR 40 trillion of additional capital investment by 2025. The President of India has stated, in June 2014, that "Taking urbanization as an opportunity rather than a challenge, the government will build 100 cities focused on specialized domains and equipped with world class amenities," (Source: Elara Capital, India's 'Urban' Dividend – A USD 974 bn Opportunity, October 9, 2013; Address by the President of India to the Parliament, June

9, 2014).

Corridors and Clusters

The Working Group on Urban Strategic Planning for 12th five year plan recommended that development of new cities should be along the transport and industrial growth corridors. The new cities on growth corridors need to be located near existing large / metropolitan cities / growth centers connected with high-speed transit networks so that they can take advantages of the agglomeration forces. Some of the major upcoming economic and industrial corridors in India are discussed below. (Source: Ministry of Housing and Urban Poverty Alleviation, Government of India, Report of the Working Group on Urban Strategic Planning for 12th five year plan, October 4, 2011)

The Real Estate Sector in India

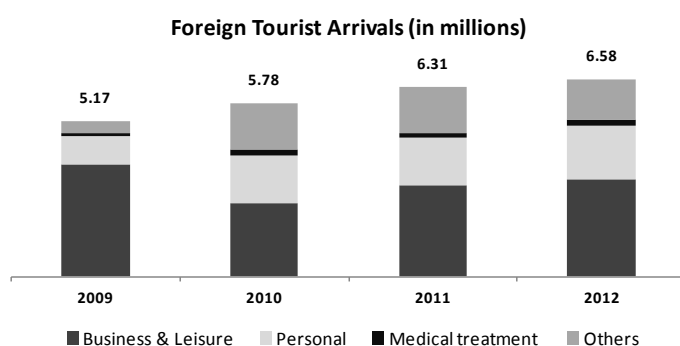
India is among the top countries in terms of housing and workspace needs and housing is the second largest generator of employment in India (Source: Indian Economic Survey 2012-13, Ministry of Finance, Government of India). As per the Central Statistical Office, Government of India, the 'real estate and ownership of dwellings and business services' sector valued at Rs 5,352 billion in 2012-13. (Source: Central Statistical Office, Government of India, Press Note on First Revised Estimates of National Income, January 31, 2014)

To support the growth of the housing and real estate sector, the Government of India has announced various measures like the Interest Subsidy Scheme for housing for the urban poor and setting up of the Credit Risk Guarantee Fund Trust for low income housing. With support from lending institutions, housing credit has grown substantially over the years, resulting in increased market penetration. (Source: Ministry of Finance, Government of India, Indian Economic Survey 2012-13).

The government has allowed FDI of up to 100 percent in construction development projects for townships, housing and built-up infrastructure. FDI in construction development of US\$ 23.3 billion was witnessed between April 2000 and March 2014 and has received the second largest share of 11 percent of the total FDI inflows in the same period. (Source: Fact Sheet on Foreign Direct Investment from April, 2000 to March, 2014, DIPPI)

The Tourism and Hospitality Industry in India

As per the Ministry of Tourism, Government of India, tourism possesses the potential to stimulate other economic factors through its forward and business linkages with a host of sectors including hospitality, education, health and banking. The consumption demand emanating from tourist expenditure also creates more employment and generates a multiplier effect on the economy. (Source: Ministry of Tourism, Government of India, Annual Report 2012-13)



(Source: India Tourism Statistics, 2012, Ministry of Tourism, Government of India)

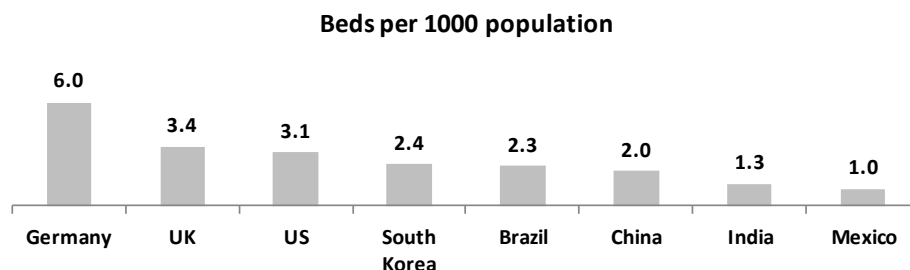
As indicated above, the number of foreign tourist arrivals has been growing steadily across the last few years. According to the Ministry of Tourism, India recorded 6.85 million foreign tourist arrivals in 2013. (Source: Ministry of Tourism, Government of India, India Tourism Statistics, 2013)

The Healthcare Industry in India

Healthcare services are critical to society and the economy, as they play an important role in reducing mortality rates

and enhancing the quality of life. As per CRISIL estimates, the healthcare delivery industry is estimated to be INR 3 trillion in 2012-13. (Source: CRISIL, Customised Research Bulletin, Sector Focus: Real Estate, February 2013).

The graph below shows the comparison of beds per 1000 population of India with other countries, as per PricewaterhouseCoopers.



(Source: PricewaterhouseCoopers, Enabling access to long-term finance for healthcare in India, October 2013)

Healthcare infrastructure gaps remain substantial, with only 1.3 beds per 1,000 population, significantly lower than the other BRIC economies and the World Health Organization guideline of 3.5 beds per 1,000 population. (Source: PricewaterhouseCoopers, Enabling access to long-term finance for healthcare in India, October 2013)

India will conservatively need to add 650,000 beds by 2017, to improve access to healthcare infrastructure from the current 1.3 beds per 1,000 population in 2011 to 1.7 beds per 1,000 population in 2017. While this will still be less than half the WHO recommended guideline, it will be the minimum required to build India's healthcare access towards the Vision 2020 goal of 2.0 beds per 1,000. (Source: PricewaterhouseCoopers, Enabling access to long-term finance for healthcare in India, October 2013)

The addition of these 650,000 beds in India by 2017 will require a capital investment of INR 1,625 billion. This translates to more than 50 percent of India's annual healthcare expenditure. Based on the publicly announced government plans (centre and state), PricewaterhouseCoopers estimates that approximately 130,000 beds (20 percent) will be put up in the government or the public sector. The addition of approximately 520,000 beds by the private healthcare providers would imply a capital investment of approximately INR 1,300 billion by 2017 (Source: PricewaterhouseCoopers, Enabling access to long-term finance for healthcare in India, October 2013).

The Education Industry in India

India's emergence as a knowledge based economy has been driven by its human capital strength. As per census 2011, over 32 percent of India's population lies between the age group of 0 – 14 years. This means that the number of people in India needing primary education exceeds the entire population of United States of America. (Source: PricewaterhouseCoopers, India – Higher Education Sector Opportunities for Private Participation, January 2012)

K-12 Schools

Education expenditure as a percentage of GDP rose from 3.3 percent in 2004–05 to over 4 percent in 2011–12. Per capita public expenditure on education increased from ₹ 888 in 2004–05 to ₹ 2,985 in 2011–12. (Source: Planning Commission, Government of India, 12th Plan five year plan, 2013)

The Planning Commission, Government of India, mentions the importance of private providers (including NGOs and non-profits) can play an important role in elementary education. During the first three years of the Twelfth Plan, 2,500 Model Schools in PPP mode would be rolled out in non-EBBs (Educationally Backward Blocks) in a phased manner. The indicative 12th five year plan gross budgetary support for Ministry of Human Resource development is ₹ 4.53 trillion of which ₹ 3.43 trillion is allocated towards Department of School and Secondary Education. (Source: Planning Commission, Government of India, 12th Plan five year plan, 2013)

The Retail Industry in India

As per Ministry of Finance, the Indian retail industry accounted for 14 – 15 per cent of GDP and is estimated to be worth US\$ 500 billion. India's consumption pattern has been shaped by:

- Expanding Middle Class
- Rising Income and Spending Powers
- Majority of youth in total population
- Rapid Urbanization

(Source: Ministry of Finance, Government of India, Emerging Global Economic Situation, January 2014)

The Indian retail sector is broadly divided into Organized and Unorganized Retail:

- Organized / Modern Retail: The organized retail segment comprised of 10 percent of the total retail market, as per Ministry of Finance estimates. *(Source: Ministry of Finance, Emerging Global Economic Situation: Opportunities and Policy Issues for Services Sector, January 2014)*
- Unorganized / Traditional Retail: The retail sector is still highly unorganized in nature and is mainly dominated by family owned businesses /shops. However, with the emergence of organized retailing, the share of the unorganized market is gradually decreasing. *(Source: FICCI, Sectoral Investment Landscape across India, January 2014)*
- Over the course of years, various new formats of retailing have emerged, online retail being one of the fastest growing channels. *(Source: FICCI, Sectoral Investment Landscape across India, January 2014)*

Amusement & Entertainment Industry in India

As per CARE research estimates in January 2013, the size of the amusement parks industry in India is estimated to be around ₹ 26 billion with around 150 amusement parks in India. The Indian amusement park industry witnesses an annual footfall of around 58-60 million. *(Source: CARE Research, Amusement Park Industry, January 2013)*

An amusement park may have different combination of dry and wet rides, snow parks, restaurants and eateries as primary offerings whereas few large amusement parks also have a resort with a restaurant and banquet hall, spa and recreational facilities, golf course, etc., as secondary facilities. Rising urbanization, increased spending on leisure and growth in tourism are key growth drivers for the industry. Gradually, the industry is shifting towards 'entertainment hub' model providing an amusement park along with water park, resort, shopping mall, golf course etc. *(Source: CARE Research, Amusement Park Industry, January 2013)*

SUMMARY OF BUSINESS

Overview

We are a city development and management company engaged in the development, and management of Lavasa, a hill city development in India. The state of Maharashtra has declared an area of 18 villages in Mulshi and Velhe Tehasil in the district of Pune as a “hill station”, measuring approximately 23,014 acres (based on our internal estimates pursuant to review of available land records). As of June 18, 2014, we have approximately 10,574 acres of largely contiguous land available for development within this designated area. This land consists of approximately 10,119 acres of land that we have purchased and 455 acres of land is held on lease by us. We were granted an in-principle approval by the State of Maharashtra to develop this land which was separately notified as a hill station pursuant to which we maintain exclusive development rights over the land that we either own or hold on lease. In addition, we have entered into agreements for sale for the purchase of an additional 294 acres of land for which we have paid a substantial part of the purchase price. Our vision is to develop Lavasa as a city which provides opportunities for its residents and visitors to live, work, learn and play in harmony with nature. Based on the land we have available for development as of June 18, 2014, measuring 10,574 acres and 294 acres of land for which we have entered into agreements for sale for purchase, we estimate that Lavasa can accommodate a permanent population of approximately 240,000 with facilities for approximately two million tourists per annum.

Cities comprise a myriad of businesses that are typically provided by multiple private and public entities and are governed by diverse regulatory frameworks. At Lavasa, we are developing businesses which, we believe, will complement each other and over a period of time will facilitate the overall development of the city. We aim to develop a “365-day economy”, meaning that Lavasa will not simply be a weekend or tourist destination; instead, we aim to develop an economy at Lavasa where we expect to share in the revenue streams related to our ongoing consumption and infrastructure businesses. We expect that our initial investments in core infrastructure assets such as roads, dams, bridges, power, water, and sewage network may lead to real estate revenues and to consumption driven revenues from businesses located within Lavasa. Through our continued emphasis on infrastructure and city management, we aim to achieve resident satisfaction which in turn, we believe, may lead to additional real estate transactions and consumption opportunities in the hospitality, education, tourism and leisure, healthcare and retail sectors. We are consciously cultivating these interlinked and co-dependent businesses within the framework of our governance platform which we believe will contribute to this economic integration. Driven by our focus on integration, we are organized as follows:

- **Governance.** Pursuant to a notification dated June 12, 2008 issued under the Maharashtra Regional and Town Planning Act, 1966 (the “**MRTP Act**”) (“**SPA Notification**”), the Government of Maharashtra has appointed our Company as a special planning authority (“**SPA**”) in connection with land owned and proposed to be developed by us.

Under the MRTP Act, a SPA is required to, from time to time, submit its proposals for the development of the land in the area as detailed in the SPA Notification, (being land either currently owned by us) (“**Statutory Proposals**”) to the government of Maharashtra (the “**State Government**”) after having invited and considered suggestions and objections from the public. The State Government may in turn, after consultation with the Director of Town Planning, approve such Statutory Proposals either with or without modification. The Statutory Proposals are required to be prepared taking into consideration the provisions of any regional plan or a draft thereof, any development plan, building bye-laws and regulations, which are already in force in the area notified under the SPA Notification.

Prior to the SPA Notification, pursuant to a letter dated June 7, 2008, the Office of the Collector, Revenue Department, District Pune, has approved and granted permission to our Company for our proposed development at Dasve and Padalghar for a total area of 636.82 hectares. Currently, the Draft Planning Proposal and Draft Development Control Regulations (the “**Lavasa DCRs**”) have been approved by the SPA and have been submitted to the State Government for sanction. These Lavasa DCRs are to be within the framework of the Hill Station Regulations and the development control rules, regulations, and notifications issued by the State Government of Maharashtra, as applicable to the notified area in the Pune district (the “**Pune Region DCRs**”). The SPA supervises and ensures that all development within the notified area is in accordance with the Lavasa DCRs and the Pune Region DCRs.

- **Real estate.** Our real estate business aims to continue to purchase, develop and sell built up structures and/or lease land and/or real estate assets across the residential, commercial, institutional, hospitality and social sectors. Our revenues are primarily derived from real estate sales and leases of built up structures and/or land leases, grant of long term leasehold interests in the underlying land and, to a lesser extent, the lease of certain assets and our consolidated revenue from this business was ₹ 893.18 million for Fiscal Year 2013 and ₹ 1,162.81 million for Fiscal Year 2014.
- **Infrastructure.** We develop and own assets related to dams, water and sewage, drainage, solid waste management, power, roads, street lighting, landscaping, public utilities and information, communication and technology. We expect that our information, communication and technology infrastructure will include telephone, mobile and broadband networks, e-governance and a data center. In addition, we also develop and maintain social infrastructure such as townhalls, parks and gardens, post offices and police and fire stations. Several key infrastructure assets have been completed in Dasve (which forms part of the first town that we are developing in Lavasa) and we expect to replicate these across other towns in Lavasa. In addition, our city services management team manages our public amenities, safety and security utilities information systems administration and finance and customer services. Based on an engineer's certificate dated June 17, 2014 from Taamra Engineering Consultants India Private Limited, on the land that we plan to develop, we expect to treat 100% sewage and solid waste generated, to have 100% piped water and sewage, to have our storm water drains cover 120% of our road network and have designed our water supply network and facilities to deliver 216 liters per capita per day.
- **Consumption.** Our consumption business comprises businesses in the hospitality, education, tourism and leisure, healthcare and retail sectors and aims to achieve ongoing annuity revenues through tie-ups with corporate and other institutions in the relevant sectors.
 - *Hospitality and Meetings, Incentives, Conventions and Exhibits ("MICE").* Our hospitality and MICE business comprises hotels, service apartments, a convention center and clubs. Together with our partners, we aim to offer hotels of various categories ranging from budget to high-end hotels. Four hotels developed by us (Ekaant, Fortune Select Dasve, Waterfront Shaw and Mercure Lavasa) are currently operational. We have also developed an international convention center in Dasve with a plenary capacity of 1,500 people. We also have a town and country club, Dasvino, which is operational. As of June 17, 2014, we have three hotel properties under construction in Dasve under the brands of Novotel, Holiday Inn Express and Formule 1. Further, we have entered into a land lease agreement with Hazel Hotels and Resorts Private Limited to develop an 87-room hotel at Dasve and an agreement to lease to develop hospitality and retail/serviced apartments. We have also executed a lease deed with J. Vora Hotels and Resorts Limited to develop a 52-room budget hotel in Dasve, which is under construction and is expected to commence operations by the end of Fiscal Year 2015.
 - *Education.* We have tied up with international and national educational institutions to establish an education infrastructure traversing primary, secondary, tertiary and continuing education aimed at providing quality education centered on recognized national and international curricula. Our revenue from the education business is derived from lease income from the educational institutions and, in some instances, ongoing revenue pursuant to our shareholdings in these businesses. As of the date of this Draft Red Herring Prospectus, we have entered into land lease agreements with Symbiosis Society and a Bangalore based university, entered into an agreement to lease with NSHM Knowledge Campus, and have arrangements with institutions such as Educomp Infrastructure and School Management Limited, and Ecole Hoteliere de Lausanne whereby we will develop educational institutions jointly with these entities. The Ecole Hoteliere Lavasa, which we have developed pursuant to a consulting agreement with Ecole Hoteliere de Lausanne is currently operational.
 - *Institutional.* We have arrangements in place with various institutions or corporate entities whereby we lease out land and enter into arrangements for built space with them for the development of retail, corporate guest houses, and/or training centers. While these leases form part of our real estate revenues, we view these institutional clients as contributors to our 365-day

economy initiative through potential employment generation. As of the date of this Draft Red Herring Prospectus, we have entered into a memorandum of understanding with L&T Infrastructure Finance Company Limited to lease two parcels of land for their mixed use development including back-end operations and a training center in Dasve and Mugaon. We have also entered into a term sheet with the HT Media Limited to lease land. Further, we have also executed a term sheet and an agreement to lease two land parcels in Mugaon to Girias Investment Private Limited for the development of buildings for mixed use, such as residential and commercial uses including a training center. Further, we have leased land to the State Bank of India for setting up branch premises, branch manager's residence, holiday home, VIP rooms and ATMs in Dasve and have entered into a lease deed with Passionate Developers Private Limited for mixed use development including hospitality, commercial and education in Mugaon.

- *Tourism and leisure.* We intend to offer various tourism and leisure amenities such as golf training, boating, nature trails, water sports, outdoor sports, adventure sports and theme based entertainment parks with an intention to draw visitors to Lavasa. As of the date of this Draft Red Herring Prospectus, our adventure sports (Xthrill), outdoor training, water sports (Lakeshore), indoor golf and multimedia fountain facilities are currently operational. We have agreements in place for a golf training academy at Mugaon and to design a golf course at Dhamanohol. Further, we have entered into a licence agreement with Golden Five Limited for rowing and training activities with the Sir Steve Redgrave Rowing Academy. In addition, we have an existing area over 150,000 square feet at Dasve which can be developed for an indoor theme park in the future.
- *Healthcare.* We have entered into arrangements with Apollo Hospitals Enterprise Limited for health and wellness development at Lavasa spread over 200 acres, covering primary hospitals, wellness research development and medical education and have developed a hospital with a capacity of 60 beds at Dasve.
- *Retail.* We are developing commercial retail spaces with an intention to lease such spaces and in some cases lease land on a long term basis for the lessee to set up diverse retail businesses. We are developing retail spaces ranging from single brand flagship stores to retail squares concentrated in the town center. Brands such as Bata, Keppy's, Café Coffee Day, Venky's Xpress, Charosa Wineries, Granma's Homemade, Pizzavala, Past Times, Orient8, Chor Bizzare, Tabakh, Chaat Waat, American Diner, Mapro Garden, Fun Square and Smokin' Joes have entered into agreements for retail space with us. Out of these, Granma's Homemade, Pizzavala, Past Times, Orient8, Chor Bizzare, Tabakh, Chaat Waat, American Diner, Café Coffee Day, Smokin' Joes and Charosa Wineries have already commenced operations. Further, the State Bank of India and the Union Bank of India have established their branches at Dasve.

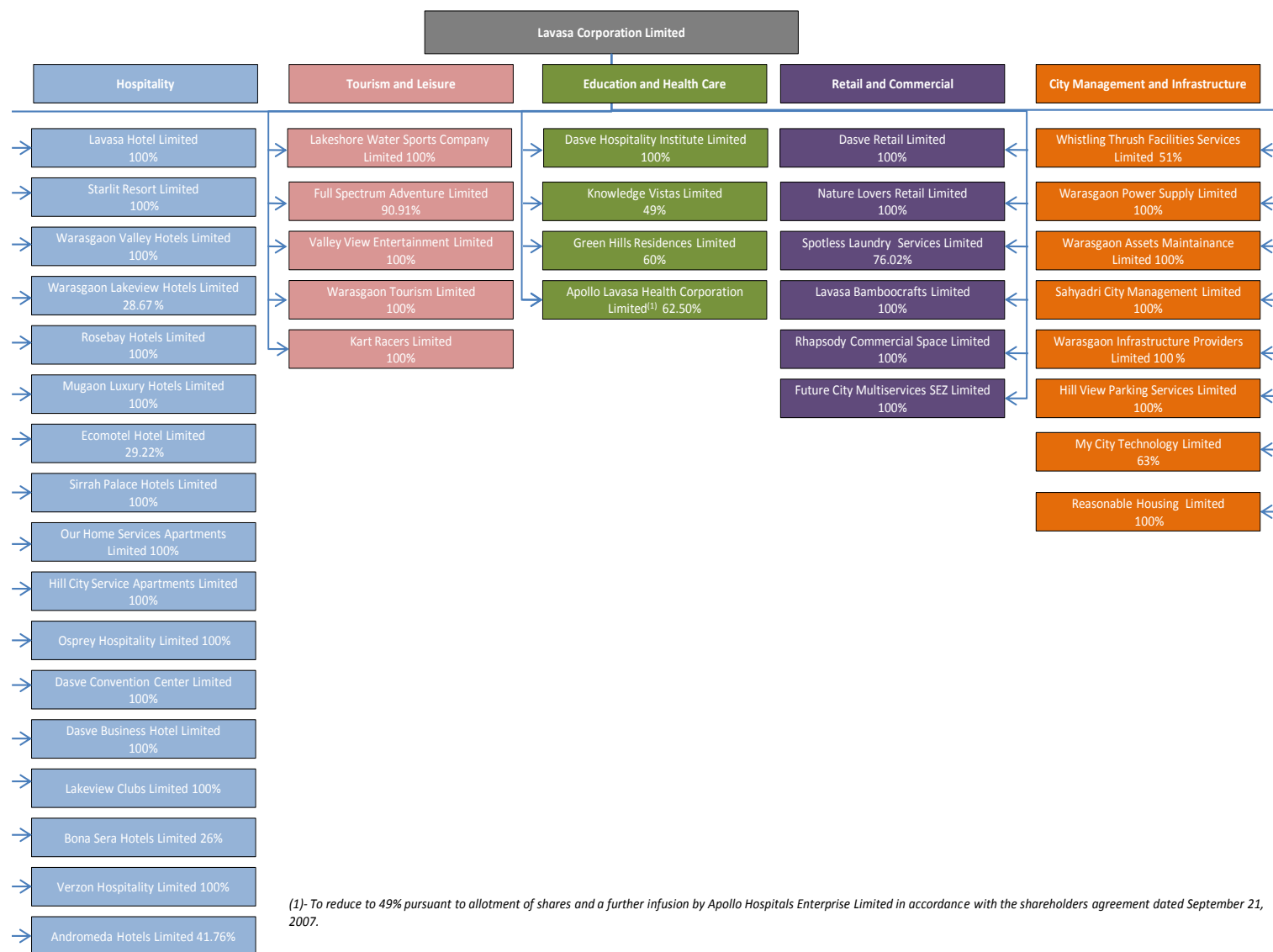
We view Lavasa as a replicable model for the development of future cities and we will, in our view, have a competitive advantage with respect to bidding for and efficiently developing and executing such future cities. We will, on an opportunistic basis, evaluate options for developing future cities and marketing our city management services to other developers of new cities. We believe that city services, which we seek to provide through our city services management team, are a key feature of our replicable model for the development of future cities. We have created various special purpose vehicles to manage the infrastructure assets of Lavasa that will provide services ranging from electric power, water, sewer, natural gas, facility maintenance, management of low income housing, local transport, solid waste collection and disposal, parking and providing places for public assembly and recreation. For details, see “—Our City services management team”. Our special purpose vehicles for city management are: Warasgaon Infrastructure Providers Limited, Warasgaon Power Supply Limited, Warasgaon Asset Maintenance Limited, Reasonable Housing Limited, Hill View Parking Services Limited, and Sahyadri City Management Limited.

We are jointly promoted by HCC, an engineering, construction and infrastructure development company in India, through its wholly-owned subsidiary company HREL. HCC, through its subsidiary, HREL holds a 68.70% stake in Lavasa Corporation Limited.

The following chart shows Lavasa Corporation Limited together with its various projects in the hospitality, healthcare, tourism and leisure, education, retail and city management and infrastructure businesses:

Lavasa Corporation Limited (Subsidiaries and Associates)

Structure Chart



(1)- To reduce to 49% pursuant to allotment of shares and a further infusion by Apollo Hospitals Enterprise Limited in accordance with the shareholders agreement dated September 21, 2007.

Our Strengths

We believe our principal competitive strengths are as follows:

Market opportunity and our market position

According to Elara Capital, given India's backlog of years of under-investment and incremental demands of rising urbanization, India requires approximately ₹ 40 trillion of additional capital investment by 2025. (Source: *Elara Capital, India's 'Urban' Dividend – A USD 974 bn Opportunity, October 9, 2013*). The primary drivers of this demand are the expected increase in the proportion of the Indian population living in cities and expected growth in India's GDP.

We are appointed as a special planning authority in connection with 9,031 acres of largely contiguous land owned by us within an estimated area of 23,014 acres across 18 villages in Mulshi and Velhe Tehsil in the district of Pune which has been designated by the Government of Maharashtra as a hill station. We have applied to the State Government to extend the jurisdiction of the special planning authority over an additional 2,731 acres. We believe that barriers to entry will prevent competitors from capturing some of this market opportunity, as a development of the scale of Lavasa requires significant upfront investments and revenue starts accruing after long periods of time. For instance, while we commenced real estate development and sales of built up structures and/or leasing arrangements in 2007 in Town 1, we started the purchase of land in 2002 and started the development of infrastructure in 2003. We initially commenced the development of the basic infrastructure required at Lavasa (such as roads, water, power and sewage) and are now focussing on expanding or upgrading this infrastructure, as required for future development within Lavasa. Further, we have developed our city management services over a period of more than five years, which we believe is a differentiating feature of Lavasa, in comparison with other cities in India. Regulatory approvals and consents are required to purchase land for the purpose of establishing and developing a city and a successful city development requires expertise and partnerships across various sectors of the economy, including infrastructure, education, hospitality, tourism and city management services. Accordingly, there are barriers to entry into the city development industry and we believe that we are in a position to participate in any opportunities of a similar scale that may arise in India.

Our location

Lavasa lies at the intersection of the upcoming Delhi-Mumbai Industrial Corridor and the proposed Bengaluru-Mumbai Economic Corridor. Lavasa is located 42 kilometres from Chandni Chowk, an area on the outskirts of Pune and 216 kilometres from Mumbai (via Chandni Chowk), and, accordingly, Lavasa also lies in close proximity to the Mumbai-Pune corridor, one of India's largest economic corridors, which has an estimated population of 35.6 million as per the 2011 census of India and contributed ₹ 4,032 billion to India's GDP in 2011-2012. For further details, see "Industry Overview" on page 157. In light of the relative scarcity of land in Mumbai and Pune cities, we believe the pressure of economic activities and residential developments are spreading along the transportation links, namely expressway, highway and railway lines between the two cities, leading to the emergence of a new corridor of economic development. We expect that Lavasa, because of its location and size, will benefit from this economic activity.

Our contiguous land size

As of the date of June 18, 2014, we have approximately 10,574 acres of largely contiguous land available for development near the Mumbai-Pune corridor. The size and amount of contiguous land which we own provides us with a competitive advantage in the development and management of a city development and is a key barrier of entry for competitors in light of the number of regulatory approvals and consents that are required to purchase land for the purpose of establishing and developing a city and in light of the relative scarcity of land in Mumbai and Pune cities. Moreover, we continue to consider opportunistically purchasing additional developable land within the area designated as a hill station to add to our land for development.

Our integrated business model

We believe that the various businesses that comprise the development and management of Indian cities (such as real estate, infrastructure, consumption and governance) are currently fragmented in most Indian cities. We expect that our initial real estate development and early stage investments in core infrastructure assets such as roads and water dams may lead to real estate development revenues in the short term and ongoing consumption driven revenues from businesses located within Lavasa in the long term. We believe that our continued emphasis on infrastructure and city management may lead to additional real estate transactions and consumption

opportunities in the hospitality, education, tourism and leisure, health and wellness and retail sectors. We are consciously cultivating these interlinked and dependent businesses within the framework of our governance platform, which, we believe, will contribute to this economic integration. We believe our business model will provide us with an optimal mix of revenue streams which are lease premiums, project management consultancy fees, returns on equity infusion, sales and/or leases of retail built up area, lease rentals from rental housing, lease rentals linked to revenues of retail outlets and fees for design and construction on the leased land. In addition, we typically pursue a new business project after identifying a partner with adequate knowledge of operations in the relevant sector. Such industry participant is typically required to contribute equity in the related subsidiary or associate. This allows us to (i) share the risk of any new venture with specialists, (ii) avail of their expertise in their respective fields and (iii) provide us with an additional source of funds for growth.

Our execution track record

As of June 17, 2014, we have executed and registered lease deeds, agreements to lease, and/or have issued allotment letters (where the agreements to lease with respect to such allotment letters are pending execution and/or registration) with customers in connection with the lease of an aggregate of 1,673 apartments, 513 villas (including sale of built up area), 135 villa plots and 399 rental housing units (including sale of built up area). Further, we have entered into MoUs and signed term sheets for lease on a long term basis of 113.71 acres of land to various customers in the commercial, institutional, hospitality and social (including education) sectors. We have leased 106,384 square feet of retail space to our subsidiary, Dasve Retail Limited ("**DRL**") for the purpose of setting up and operating retail, food and beverage and other such outlets. As of June 17, 2014 DRL has leased out 13,667 square feet to various brands through leave and licence agreements and has also signed term sheets and management and operation agreements for the lease of a further 8,157 square feet. We have also leased on a long term basis 138,000 square feet of developable area for providing hostel facilities to educational institutions. As of June 17, 2014, we have completed 81,721 square feet of the hostel facilities aggregating to 189 rooms and leased out 89 rooms. In addition, 56,279 square feet aggregating to 136 hostel rooms is under development and is expected to be completed by the end of Fiscal Year 2015. For further details related to our real estate track record and real estate projects under construction, please see "*Our real estate business*" on page 195.

Several key infrastructure projects have been completed, such as the Dasve Dam, a water treatment plant, a hazardous waste handling facility, a centralized gas bank, a 35.5-kilometre water distribution network, 51.5 kilometres of sewerage collection network, a small reservoir at Mugaon 12.5 kilometres of transmission network and 55.5 kilometres of distribution line network. Several other key infrastructure projects are under design and development, such as the Gadle Dam, Mugaon tunnel, 16.7 MLD of water treatment and 21 MLD of sewage treatment capacity, 46 MW of power capacity and an extensive network of internal and external roads. We have also completed the construction of one small reservoir in Mugaon. In addition, we have entered into agreements with various service providers to provide city wide network infrastructure, telecommunications and wireless internet services to residents, tourists and corporates.

Our governance platform

Our governance platform allows us exclusive development and management rights through the SPA. The SPA framework permits us to enforce our rights and coordinate the approvals, permissions and certificates required in order to implement our development plan. Our current governance platform facilitates the development of Lavasa in a deliberate, coordinated and efficient manner and we believe that this is a key attraction to potential residents and business.

Our promoter

HCC has been involved in the development of Lavasa since 2004. We expect to benefit from the project management expertise and guidance of HCC, as well as its established business relationships and its brand recognition throughout India. We are able to leverage off of HCC Group's network, such as our relationship with our principal contractor Steiner India Limited, which acts as our construction partner and is a subsidiary of Steiner AG which is wholly-owned by HCC.

Our structured city management team

We have in place a structured team for city development and employ a city manager, a deputy city manager and other personnel for enterprise utilities, public works, safety and security, customer service, GIS and administration and finance. Our city manager, Scot Wrighton, has experience in city management and has been

a municipal official in different states such as Illinois, Kansas and Missouri.

Tie-ups with recognized industry participants in diverse businesses

We have arrangements in place with recognized partners, such as AAPC India Hotel Management Private Limited for the management and operation of hotels such as Mercure, Novotel, Pullman and Grand Mercure; Economy Hotels India Services Limited for Formule 1; Langham Hospitality Limited for Eaton Hotel; InterContinental Hotels Group for Holiday Inn and Holiday Inn Express; Ayana Hospitality Private Limited for operating and managing a boutique hotel; Educomp Infrastructure and School Management Limited for developing an educational institution, Christel House India, a trust set up for the benefit of under privileged children; Bangalore based university, for setting up a management school; United Kingdom India Business Council India Private Limited for skill development for workforce and Ecole Hoteliere de Lausanne for providing consultancy services to us in connection with the development of a hospitality learning institute.

In the healthcare sector, we have arrangements in place with Apollo Hospitals Enterprise Limited. For adventure sports, we have a technical and management agreement with Z-Bac Adventure Institute India Private Limited for an adventure academy, licencing agreements for providing training expertise in golf academies, a service agreement for consultation and management with Hockey Australia Limited for the development of a hockey academy and a licensing agreement with Sir Steve Redgrave Rowing Academy, through Golden Five Limited for a rowing academy, a term sheet with Chitah JKD Global Sports Federation for operating a martial arts academy at Lavasa. Further, we also have arrangements in place with various institutions or corporate entities whereby we lease out land and enter into arrangements for built space with them for the development of retail real estate, corporate guest houses, back-end operations, hotels and serviced apartments and training centers.

Our arrangements, which we expect will provide us with diverse revenue sources and requisite industrial and operational knowledge, are key aspects of our marketing and branding strategies and we will continue to target key strategic partners. For most of our tie-ups, we set up a Subsidiary or an Associate with our counterparty with relevant expertise to align our interests and leverage such expertise.

Our Strategy

We aim to develop Lavasa as a planned city which provides opportunities to its residents and visitors to live, work, learn and play in harmony with nature. We aim to achieve this through:

Diversified demographic and economic base

We believe that economic diversity is required for a city. We intend to continue to cultivate a diverse economy where we participate in most sectors through investments with our partners who are shareholders in our subsidiaries or associates. We believe early and strategic investments in our core competencies, including real estate and infrastructure development, have facilitated and will continue to facilitate tie-ups with partners and positions us, together with our partners, to capture the consumption opportunities at Lavasa going forward. Furthermore, we intend to continue to design and price our real estate lease arrangements at Lavasa to appeal to a diverse demography. We believe that this approach, which is diversified across sectors of the economy, will lead to an increase in demand from potential residents and visitors and will contribute to the growth of Lavasa.

Optimal revenue mix

In Fiscal Year 2014, 67.86% of our revenue related to lease arrangements which include sale of built up structures. As of June 17, 2014, we have permission from the State Government to purchase agricultural land up to a limit of 16,478 acres. As of June 18, 2014 we have approximately 10,574 acres of land available for development. In addition, we have entered into agreements for sale for an additional 294 acres of land for which we have paid a substantial part of the purchase price. We expect to purchase an additional approximately 5,959 acres of land within the hill station notified area on an opportunistic basis which, we expect, will generate additional sources of revenue for us. Over time and on an opportunistic basis, we expect to shift our revenue strategy such that an increasing proportion of our revenues will be derived from revenues from businesses and service fees derived from visitors and residents located at Lavasa. We believe that the growth in the economy of Lavasa will allow our subsidiaries and associates to generate higher revenues. We have entered into arrangements with institutions and companies which we believe are recognized in their respective industries. We intend to continue to explore additional tie-ups across Lavasa with a view to expand our reach in the economy of Lavasa for the long term.

Continuing to target recognized companies as partners

We will typically only pursue a new business project at Lavasa after identifying a company with the appropriate expertise in the relevant sector and we are selective with respect to our potential partners. We expect that our stringent standards will only increase following the initial completion of Dasve which, we believe, will serve as a showcase that will attract additional participants to our other planned towns and contribute to Lavasa's economy in the long term. We have tied up partners such as AAPC India Hotel Management Private Limited, Apollo Hospitals Enterprise Limited, Ecole Hoteliere de Lausanne, Symbiosis Society, Langham Hospitality Limited, United Kingdom India Business Council India Private Limited and InterContinental Hotels Group, and we aim to replicate this model in our future developments.

Driving residential demand through economic activity and active job creation

We believe that attractive commercial and social institutions are organic drivers of residential real estate demand and our early focus on non-residential real estate development such as hospitality and retail real estate together with our tie-ups with recognized companies will drive our residential real estate market. Further, we intend to have arrangements for setting up industry hubs such as biotechnology and information technology hubs as well as research and development centers. Based on the development plan that we have followed in Period 1, we believe that our non-residential developments have driven residential developments. We expect that non-residential developments would continue to drive demand for residential developments going forward.

Front-end infrastructure components

For each stage of development, our strategy includes early investments in key infrastructure assets which we believe may drive real estate development revenues. At Dasve, several key infrastructure assets such as the road between Warasgaon and Dasve, the Dasve Dam, the water treatment plant, the sewage treatment plant, the drainage and distribution network, the power transmission and distribution network and an enhanced fibre optic network have been completed and through our continued emphasis on infrastructure and city management, we believe this may lead to additional real estate transactions and consumption opportunities. With Dasve substantially operational during Fiscal Year 2014, the infrastructure of our second town is under development with substantial commencement of operations expected during Fiscal Year 2017 and in particular the Mugaon tunnel is expected to be operational by Fiscal Year 2018. See " — *Our infrastructure business — Roads*".

Monetizing mature investments

City development requires upfront investments by both us and our partners who invest in special purpose vehicles set up for development of particular assets. As the projects mature, we will look to monetize our stakes in the special purpose vehicle on an opportunistic basis in order to use the funds for the next stage of projects within the city development to continue the cycle of investment by us and other partners.

Leveraging our intellectual property

We believe that the pace of urbanization in India is set to increase. The President of India, in an address to the Indian Parliament in June 2014 stated that "Taking urbanization as an opportunity rather than a challenge, the government will build 100 cities focused on specialized domains and equipped with world class amenities." (Source: *Address by the President of India to the Parliament, June 9, 2014*). For details, see "*Industry Overview*". We will consider undertaking any such city development projects on an opportunistic basis and applying our Lavasa related industry and market knowledge to such opportunities. We believe that our experience in designing and developing the infrastructure, town planning and management at Lavasa, on the one hand, as well as our existing relationships with leading players in the infrastructure, education, hospitality, tourism and town planning and management sectors, on the other hand, will give us a competitive advantage in executing such future projects. We have entered into a consultancy agreement dated September 9, 2010 with our Promoters, pursuant to the terms of which, HCC/HREL and/or its affiliates confer upon us, in relation to undertaking development of new cities, the exclusive right to develop, operate, manage and maintain such new cities and/or act as a consultant in relation thereto. In the event we propose to develop any new cities either by ourselves or through any of our Subsidiaries, neither our Promoters nor any of their affiliates shall have the right to develop such new city. In the event that the development of any new city is not proposed to be carried out by our Company or any of our Subsidiaries, our Promoters have agreed to appoint us as consultants to HCC, HREL, and/or any of their respective affiliates which propose to undertake such development. Any intellectual property, whether registered or not, pertaining to the development, operations, management, planning and

maintenance of any future new cities shall vest exclusively with our Company.

We will consider undertaking such projects on an opportunistic basis and applying our industry and market knowledge to such opportunities.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the audited restated financial statements of our Company, prepared in accordance with Indian GAAP and the Companies Act, 1956 and restated in accordance with the SEBI ICDR Regulations, as of and for the year ended March 31, 2014, 2013, 2012, 2011 and 2010.

The financial statements referred to above are presented under the section “Financial Statements” on page 310. The summary financial information presented below should be read in conjunction with these financial statements, the notes thereto and the sections “Financial Statement” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 310 and 430, respectively

LAVASA CORPORATION LIMITED

ANNEXURE -I

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Million)					
Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
EQUITY AND LIABILITIES					
Shareholders’ funds					
Share Capital	8,331.94	8,331.94	8,331.94	5,381.94	994.95
Reserves & Surplus	904.04	1,015.24	1,841.63	1,715.61	4,504.82
Share Warrant	82.25	81.25	81.25	81.25	81.25
Net Worth	9,318.24	9,428.43	10,254.82	7,178.80	5,581.01
Non-current liabilities					
Long-term borrowings	16,108.11	16,948.63	17,211.34	19,464.80	15,936.40
Deferred tax liabilities (Net)	871.05	919.13	1,315.34	1,629.25	880.01
Other Long term liabilities	10,197.69	5,016.64	18.05	0.66	-
Long-term provisions	24.96	46.54	40.85	46.21	1.92
	27,201.81	22,930.94	18,585.59	21,140.92	16,818.34
Current liabilities					
Short-term borrowings	997.16	547.60	1,240.00	1,090.00	1,000.00
Trade payables	2,846.06	2,155.98	1,810.02	1,782.93	2,627.01
Other current liabilities	11,514.97	8,318.53	4,973.10	2,547.04	1,847.61
Short-term provisions	12.18	21.94	19.65	22.89	48.98
	15,370.37	11,044.05	8,042.77	5,442.85	5,523.60
TOTAL	51,890.41	43,403.42	36,883.18	33,762.57	27,922.95
ASSETS					
Non-current assets					
Fixed Assets					
(i)Tangible assets	5,062.40	4,131.14	4,142.07	4,383.53	2,779.57
(ii)Intangible assets	6.46	8.71	10.76	12.92	15.34
(iii)Capital work-in-progress	8,929.14	8,643.68	7,844.08	6,664.59	7,189.94
Non-current investments	4,607.75	1,573.25	1,269.81	1,281.89	1,083.37
Long-term loans and advances	3,547.68	1,338.78	95.60	90.30	9.82
	22,153.43	15,695.56	13,362.31	12,433.24	11,078.04
Current assets					
Current Investment	-	-	-	-	2,712.57
Inventories	18,947.18	15,926.33	13,165.93	10,840.04	8,325.14

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Trade receivables	6,573.77	5,594.27	5,089.34	4,828.07	2,137.44
Cash and Bank Balances	399.69	627.15	179.51	725.16	609.29
Short-term loans and advances	3,816.34	5,560.12	5,086.09	4,892.82	3,060.48
Other current assets	-	-	-	43.26	-
	29,736.98	27,707.87	23,520.87	21,329.34	16,844.91
TOTAL	51,890.41	43,403.42	36,883.18	33,762.57	27,922.95

The above statement should be read with Annexure IV –“Notes to the Restated Unconsolidated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows”.

LAVASA CORPORATION LIMITED

ANNEXURE -II

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES

(Rs. in Million)

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Year ended March 31, 2010
INCOME					
Revenue from operations	1,714.72	957.29	281.72	5,250.59	4,736.60
Other operating income	80.84	13.16	5.51	86.21	49.85
Other income	599.48	572.04	472.66	438.30	165.24
TOTAL INCOME	2,395.03	1,542.48	759.88	5,775.09	4,951.69
EXPENDITURE					
Land and Construction Expenses	1,785.72	1,124.62	268.38	1,692.35	3,577.39
(Increase)/Decrease in Inventory	(3,348.15)	(2,869.65)	(2,509.27)	(2,333.75)	(3,043.79)
Employee benefit expenses	280.63	554.36	588.92	557.59	413.48
Finance cost	3,115.65	2,793.70	2,542.04	2,326.56	1,065.84
Depreciation and Amortization	263.88	277.00	296.28	265.08	160.11
Office and Site Expenses	456.59	885.05	661.42	901.23	509.81
TOTAL EXPENSES	2,554.32	2,765.08	1,847.77	3,409.06	2,682.86
Profit/(Loss) before Tax	(159.29)	(1,222.60)	(1,087.89)	2,366.04	2,268.83
Tax expense:					
(1) Current tax					
Income Tax	-	-	-	429.81	422.21
MAT Credit Entitlement	-	-	-	(429.81)	(422.21)
(2) Deferred tax	(48.09)	(396.21)	(313.91)	749.24	750.29
Profit /(Loss) for the year	(111.20)	(826.39)	(773.98)	1,616.80	1,518.54

The above statement should be read with Annexure IV –“Notes to the Restated Unconsolidated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows”.

LAVASA CORPORATION LIMITED

ANNEXURE -III

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

(Rs. in Million)

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Year ended March 31, 2010
Cash Flows From Operating Activities					
Net Profit Before Taxation	(159.29)	(1,222.60)	(1,087.89)	2,366.04	2,268.83
Adjustments For :					
Depreciation and amortization	263.88	277.00	296.28	265.08	160.11
(Profit)/ Loss On Sale/Disposal Of Fixed Assets	-	(40.60)	-	4.32	(0.16)
(Profit) / Loss on Investments	(34.09)	-	6.74	(7.17)	-
Sale of Inventory (land) for consideration other than cash	-	-	-	-	(588.30)
Miscellaneous Expenses –Written off	-	-	43.29	-	-
Interest/Dividend Income	(424.98)	(439.17)	(406.97)	(358.04)	(123.42)
Interest Expenses	3,808.23	3,682.29	3,370.59	2,834.79	1,938.45
Operating Profit Before Working Capital Changes	3,453.75	2,256.92	2,222.04	5,105.01	3,655.52
(Increase)/ Decrease In Trade Receivable	(979.51)	(504.93)	(261.27)	(2,690.63)	(1,320.08)
(Increase)/ Decrease In Inventory	(3,020.85)	(2,760.40)	(2,325.90)	(2,514.90)	(3,043.78)
(Increase)/ Decrease In Loans and Advances	(437.55)	(1,672.26)	(126.29)	(1,628.65)	(1,553.02)
(Increase) / Decrease in Other Bank Balances	(83.82)	(42.73)	456.93	(191.14)	(176.18)
Increase/ (Decrease) In Liabilities and Provisions	6,245.52	5,803.61	250.61	(618.63)	1,741.15
Cash Generated from Operations	5,177.53	3,080.21	216.13	(2,538.94)	(696.39)
Direct taxes paid	(27.56)	(44.96)	(72.27)	(284.17)	(419.67)
Net cash flows from Operating Activities	5,149.97	3,035.25	143.86	(2,823.12)	(1,116.07)
Cash Flows From Investing Activities					
Interest/ Dividend Received	424.98	439.17	406.97	358.04	123.42
Purchase of Investments	(3,034.51)	(303.44)	(1.05)	(241.55)	(3,143.61)
(Increase)/ Decrease in Capital Work in Progress	(285.46)	(799.60)	(1,179.49)	525.34	(1,907.10)
Proceeds from sale of fixed assets	-	77.45	-	11.44	0.70
Proceeds from sale of Investments	34.09	-	6.40	2,762.77	778.30
Purchase of Fixed Assets	(1,192.89)	(300.87)	(52.66)	(1,882.37)	(607.02)
Net Cash flows from Investing Activities	(4,053.79)	(887.29)	(819.83)	1,533.68	(4,755.32)

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Year ended March 31, 2010
Cash Flow From Financing Activities					
Proceeds from issuance of Shares	-	-	3,850.00	-	-
Proceeds from issuance of Share warrant	1.00	-	-	-	-
Proceeds from/(Repayment of) long term borrowings	2,316.52	2,181.50	(527.40)	4,040.80	6,958.47
Proceeds from/(Repayment of) short term borrowings	449.56	(692.40)	150.00	90.00	1,000.00
Dividend Paid including dividend distribution tax	-	-	(19.01)	(19.10)	(111.53)
Interest paid	(4,174.56)	(3,232.16)	(2,866.30)	(2,854.28)	(1,778.83)
Miscellaneous expenditure (Not Written Off or Adjusted)	-	-	(0.03)	(43.26)	-
Net Cash flows from Financing Activities	(1,407.47)	(1,743.06)	587.26	1,214.17	6,068.11
Net Increase / (Decrease) in cash and cash equivalents	(311.29)	404.90	(88.71)	(75.28)	196.73
Cash And Cash Equivalents					
Cash And Cash Equivalents At Beginning of Period	509.56	104.65	193.36	268.64	71.91
Cash And Cash Equivalents At End of Period	198.27	509.56	104.65	193.36	268.64

- a) The above statement should be read with Annexure IV –“Notes to the Restated Unconsolidated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows”.
- b) The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard - 3 on Cash Flow Statements as notified by the Companies (Accounting Standard) Rules, 2006.
- c) Negative figures represent Cash Outflows.
- d) Proceeds from Long Term and Short Term Borrowings are shown net of repayments.

RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Million)

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
EQUITY AND LIABILITIES					
Shareholders' funds					
Share Capital	8,331.94	8,331.94	8,331.94	5,381.94	994.95
Reserves & Surplus	(5,576.68)	(3,715.82)	(2,237.40)	(1,626.17)	2,918.62
Share Warrant	82.25	81.25	81.25	81.25	81.25
Net Worth	2,837.51	4,697.37	6,175.79	3,837.02	3,994.81
Minority Interest	317.14	447.92	451.77	202.68	361.16
Non-current liabilities					
Long-term borrowings	23,903.03	21,309.22	17,422.47	19,636.31	16,410.60
Deferred tax liabilities (Net)	982.52	1,008.97	1,378.30	1,678.42	882.85
Other Long term liabilities	115.30	118.95	24.85	0.66	29.12
Long-term provisions	27.50	47.51	42.62	46.21	2.91
	25,028.35	22,484.65	18,868.23	21,361.60	17,325.48
Current liabilities					
Short-term borrowings	997.16	547.60	1,240.00	1,090.00	1,000.00
Trade payables	3,030.63	2,119.22	2,691.33	2,327.78	2,638.03
Other current liabilities	11,942.25	8,388.14	4,568.27	2,138.98	1,897.51
Short-term provisions	16.47	27.10	21.78	25.95	49.25
	15,986.51	11,082.06	8,521.37	5,582.71	5,584.79
TOTAL	44,169.52	38,712.00	34,017.17	30,984.01	27,266.24
ASSETS					
Non-current assets					
Fixed Assets					
(i) Tangible assets	7,156.88	5,663.03	5,498.64	5,819.42	3,448.00
(ii) Intangible assets	17.58	21.26	14.35	15.40	16.61
(iii) Capital work-in-progress	11,570.45	10,538.48	9,255.16	7,930.31	8,382.46
Non-current investments	225.99	170.48	158.97	212.39	20.73
Long-term loans and advances	124.73	146.51	111.08	91.57	11.24
	19,095.63	16,539.76	15,038.19	14,069.10	11,879.04
Current assets					
Current Investment	31.48	-	-	-	2,777.13
Inventories	18,961.10	15,938.48	13,190.48	10,870.30	8,355.26
Trade receivables	2,216.35	2,393.51	2,669.22	2,481.24	1,135.24
Cash and Bank Balances	569.51	851.17	322.38	802.55	951.56
Short-term loans and advances	3,295.45	2,989.08	2,796.89	2,717.56	2,168.02
Other current assets	-	-	-	43.26	-
	25,073.89	22,172.24	18,978.98	16,914.91	15,387.21
TOTAL	44,169.52	38,712.00	34,017.17	30,984.01	27,266.24

The above statement should be read with Annexure XXIII - "Notes to the Restated Consolidated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows"

LAVASA CORPORATION LIMITED

ANNEXURE -XXI

RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES

(Rs. in Million)

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Year ended March 31, 2010
INCOME					
Revenue from operations	1,162.81	893.18	281.72	3,025.22	2,967.16
Other Operating Income	429.72	338.47	220.13	296.11	116.76
Other income	121.02	117.78	146.85	201.40	112.84
TOTAL INCOME	1,713.55	1,349.43	648.69	3,522.73	3,196.76
EXPENSES					
Land and Construction Expenses	1,887.00	1,203.30	341.63	507.07	3,103.45
(Increase)/Decrease in Inventory	(3,359.28)	(2,869.65)	(2,509.27)	(1,971.95)	(3,043.79)
Employee benefits expense	530.16	668.23	689.50	605.52	465.73
Finance costs	3,111.49	2,679.14	2,417.39	2,426.13	1,088.44
Depreciation and amortization	437.10	381.40	413.32	358.12	192.08
Office and Site Expenses	1,181.06	1,150.15	907.75	938.48	623.04
TOTAL EXPENSES	3,787.53	3,212.57	2,260.32	2,863.38	2,428.95
Profit/(Loss) before Tax	(2,073.98)	(1,863.14)	(1,611.62)	659.36	767.81
Tax expense:					
(1) Current tax					
Income Tax	1.39	1.37	0.86	429.96	422.21
MAT Credit Entitlement	-	-	-	(429.81)	(422.21)
(2) Deferred tax	(26.45)	(369.33)	(300.12)	795.57	753.12
Profit/(Loss) after Tax	(2,048.92)	(1,495.18)	(1,312.35)	(136.37)	14.69
Less : Minority Adjustments	(151.73)	(35.65)	157.29	(24.47)	(10.08)
Add : Share in Profit/(Loss) of Associates	(15.42)	(19.21)	(40.54)	(23.10)	(2.55)
Add : Profit / (Loss) on Sale of Stake in Associate	51.76	-	(1.05)	(3.79)	-
Profit /(Loss) for the year	(1,860.86)	(1,478.74)	(1,511.22)	(138.79)	22.22

The above statement should be read with Annexure XXIII – “Notes to the Restated Consolidated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows”

LAVASA CORPORATION LIMITED

ANNEXURE -XXII

RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

(Rs. in Million)

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Year ended March 31, 2010
Cash Flow From Operating Activities					
Net Profit Before Taxation	(2,073.98)	(1,863.14)	(1,611.62)	659.36	767.81
Adjustments For :					
Depreciation and amortization	437.10	381.40	413.32	358.12	192.08
Profit/Loss On Sale Of Fixed Assets	4.44	1.24	0.05	4.32	(0.16)
(Profit) / Loss on Investments	-	-	-	(7.15)	-
Preliminary/Miscellaneous Expenditure Written off	-	-	43.29	-	-
Interest/Dividend Income	(45.06)	(43.43)	(87.74)	(173.30)	1,961.05
Interest & Finance Expenses	4,670.23	4,104.00	3,408.09	2,922.91	(95.26)
Operating Profit Before Working Capital Changes	2,992.74	2,580.07	2,165.39	3,764.25	2,825.52
(Increase)/ Decrease In Trade Receivable	177.16	275.71	(187.98)	(1,346.00)	(350.57)
(Increase)/ Decrease In Inventory	(3,022.62)	(2,748.00)	(2,320.19)	(2,515.04)	(3,073.47)
(Increase)/ Decrease In Loans and Advances	(246.49)	(176.35)	(22.65)	(340.39)	(878.39)
(Increase) / Decrease in Other Bank Balances	(85.45)	(37.15)	446.16	(187.28)	(191.37)
Increase/ (Decrease) In Liabilities and Provisions	1,270.52	394.50	649.64	(606.99)	1,979.15
Cash Generated Used In Operations	1,085.86	288.78	730.38	(1,231.45)	310.89
Income Tax Paid	(39.48)	(52.64)	(77.05)	(289.64)	(418.24)
Net cash flows from Operating Activities	1,046.38	236.14	653.33	(1,521.09)	(107.35)
Cash Flows From Investing Activities					
Interest/Dividend Received	45.06	43.43	87.74	173.30	95.26
Purchase of fixed assets	(1,934.84)	(556.35)	(106.90)	(2,850.90)	(1,223.05)
Proceeds from sale of fixed assets	3.13	2.41	15.37	118.25	0.70
(Increase) / Decrease in Investments (net)	(50.66)	(30.40)	11.84	2,565.72	(1,984.62)
(Increase)/ Decrease in Capital Work in Progress	(1,031.96)	(1,283.33)	(1,324.85)	452.15	(2,836.13)
Net Cash flows from Investing Activities	(2,969.28)	(1,824.24)	(1,316.81)	458.53	(5,947.84)

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Year ended March 31, 2010
Cash Flow From Financing Activities					
Proceeds from issuance of share	-	-	3,850.00	-	-
Proceeds from issuance of Share warrant	1.00	-	-	-	-
Proceeds from long term borrowings	6,149.19	6,339.71	(475.79)	3,738.11	7,432.67
Proceeds from short term borrowings	449.56	(692.40)	150.00	90.00	1,000.00
Dividend Paid including dividend distribution tax	-	-	(19.01)	(19.10)	(111.53)
Interest & Finance Expenses	(5,043.95)	(3,567.58)	(2,875.71)	(3,039.49)	(1,797.41)
Miscellaneous expenditure (Not Written Off or Adjusted)	-	-	(0.03)	(43.26)	-
Net Cash flows from Financing Activities	1,555.80	2,079.73	629.46	726.27	6,523.74
Net Increase In Cash And Cash Equivalents	(367.10)	491.64	(34.02)	(336.30)	468.54
Cash And Cash Equivalents					
Cash And Cash Equivalents At Beginning of Period	717.01	225.37	259.39	595.69	127.14
Cash And Cash Equivalents At End of Period	349.91	717.01	225.37	259.39	595.69

- The above statement should be read with Annexure XXIII-“Notes to the Restated Consolidated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows”.
- The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard - 3 on Cash Flow Statements as notified in the Companies (Accounting Standard) Rules, 2006
- Negative figures represent Cash Outflows.
- Proceeds from Long Term and Short Term Borrowings are shown net of repayment.

THE ISSUE

The following table summarizes the Issue details:

Issue of Equity Shares	Up to [●] Equity Shares aggregating up to ₹ 7,500 million
<i>Of which</i>	
A) QIB Portion ⁽¹⁾⁽²⁾	At least [●] Equity Shares
<i>Of which</i>	
Anchor Investor Portion ⁽³⁾	Up to [●] Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>Of which:</i>	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))	[●] Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion ⁽²⁾	Not more than [●] Equity Shares
C) Retail Portion ⁽²⁾⁽⁴⁾	Not more than [●] Equity Shares
Pre and post Issue Equity Shares	
Equity Shares outstanding as of the date of this Draft Red Herring Prospectus ⁽⁵⁾	795,944,363 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Issue Proceeds by our Company	See the section “Objects of the Issue” on page 133

The present Issue has been authorised by our Board of Directors, pursuant to resolution dated June 28, 2014 and by our Shareholders pursuant to their resolution dated June 30, 2014.

Allocation to investors in all categories, except the Retail Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis.

- ⁽¹⁾ *Our Company may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For further details, see “Issue Procedure” on page 548.*
- ⁽²⁾ *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 allowed to be met with spill over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.*
- ⁽³⁾ *SEBI, in its board meeting held on June 19, 2014, has decided to increase the anchor investor portion to 60% of the size of an issue. However, as on the date of this Draft Red Herring Prospectus, no notifications have been issued amending the SEBI Regulations in this regard.*
- ⁽⁴⁾ *Our Company may, in consultation with the BRLMs, offer a discount of up to [●]% (equivalent to ₹ [●]) on the Issue Price to Retail Individual Bidders.*

⁽⁵⁾ *Redkite Capital Private Limited has consented to convert the one Warrant held by it into Equity Shares prior to the filing of the Red Herring Prospectus with the RoC and in the event the option is not exercised, the Warrant shall lapse, prior to the filing of the Red Herring Prospectus with the RoC. Bennett Coleman & Co. Limited has consented to convert the Warrant and convertible debentures held by it into Equity Shares prior to the filing of the Red Herring Prospectus with the RoC. For further details, please see the section “History and Certain Corporate Matters – Summary of Key Agreements /Scheme of Amalgamation” on page 227.*

Note:

In relation to the one DDCCD of ₹ 500 million, held by Allahabad Bank, the bank, by its letter dated June 27, 2014 has agreed to issue a debt instrument/credit exposure, as deemed fit by it, before filing of the Red Herring Prospectus with the RoC. Our Company, has, by its letter dated June 27, 2014 given a notice to IndusInd Bank Limited for exercise of its right to prepay the DDCCD at the end of the fifth year from the closing date under the DDCCD Subscription Agreement dated July 7, 2009, that is, on July 9, 2014. Accordingly, the DDCCD issued to IndusInd Bank Limited shall not be convertible into Equity Shares at the end of their tenure.

GENERAL INFORMATION

Our Company was incorporated as Pearly Blue Lake Resorts Private Limited on February 11, 2000 under the Companies Act, 1956. The name of our Company was changed to The Lake City Corporation Private Limited on December 12, 2000. Our Company was converted into a public limited company on March 3, 2003 and consequently, the name was changed to The Lake City Corporation Limited. The name of our Company was changed to Lavasa Corporation Limited on June 8, 2004. For details of changes in the name and registered office of our Company, see “History and Certain Corporate Matters” on page 220. For details of the business of the Company, see “Our Business” on page 177.

Registered and Corporate Office and Registration Number of our Company

Hincon House
11th Floor, 247Park
Lal Bahadur Shastri Marg
Vikhroli (West)
Mumbai 400 083
Tel: (91 22) 4025 6000
Fax: (91 22) 4025 6889
Website: www.lavasa.com
Corporate Identity Number: U55101MH2000PLC187834
Registration Number: 187834

For details of change in registered office of our Company, see “History and Certain Corporate Matters” on page 220.

Address of the RoC

Our Company is registered with the RoC situated at Everest, 100, Marine Drive, Mumbai 400 002.

Our Board of Directors

Our Board of Directors consists of:

Name	Designation	DIN	Address
Ajit Gulabchand	Chairman, Non-Executive Director	00010827	Hincon House, 247Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083
Gautam Thapar	Non-Executive Director	00012289	E-16 Pushpanjali Farms, Brijwasan, New Delhi 110 061
Anuradha Jitendra Desai	Non-Executive Director	00012212	Venkatesh Farms, S. No.95/1, N.D.A Road, Mauje village Warje, Taluka Haveli, Pune 411 029
Vithal Maniar	Non-Executive Director	00023045	227, Nana Peth, Pune 411 002
His Highness Gaj Singh	Independent Director	00061278	Umaid Bhawan Palace, Jodhpur 342 006, Rajasthan
Shalaka Gulabchand Dhawan	Non-Executive Director	00011094	Hincon House, 247Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083
Sharad M. Kulkarni	Independent Director	00003640	161A, 16 th Floor, Twin Towers, Veer Savarkar Marg, Prabhadevi, Mumbai 400 025
Ram P. Gandhi	Independent Director	00050625	Amalfi, 6 th Floor, 15 L. D. Ruparel Marg, Malabar Hill, Mumbai 400 006
Subhash Dandekar	Independent Director	00167875	81 Kshitij, 99 Hill Road, Bandra (West), Mumbai 400 050
Anil Singhvi	Independent Director	00239589	131A, Twin Tower, Veer Savarkar Marg, Prabhadevi, Mumbai 400 025

For further details of our Directors, see “Management” on page 263.

Company Secretary and Compliance Officer

Venkatesan Arunachalam is the Company Secretary and the Compliance Officer of our Company. His contact details are as follows:

Venkatesan Arunachalam

Lavasa Corporation Limited
Hincon House
11th Floor, 247Park
Lal Bahadur Shastri Marg
Vikhroli (West)
Mumbai 400 083
Tel: (91 22) 4025 6000
Fax: (91 22) 4025 6889
Email: secretarial@lavasa.com

Chief Financial Officer

Narendra Negandhi is the chief financial officer of the Company. His contact details are as follows:

Narendra Negandhi

Lavasa Corporation Limited
Hincon House
11th Floor, 247Park
Lal Bahadur Shastri Marg
Vikhroli (West)
Mumbai 400 083
Tel: (91 22) 4025 6000
Fax: (91 22) 4025 6889

Chief Executive Officer

Nathan Andrews is the chief executive officer of the Company. His contact details are as follows:

Nathan Andrews

Lavasa Corporation Limited
Hincon House
11th Floor, 247Park
Lal Bahadur Shastri Marg
Vikhroli (West)
Mumbai 400 083
Tel: (91 22) 4025 6000
Fax: (91 22) 4025 6889

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 Allotment Advice, credit of Allotted Equity Shares in the respective beneficiary account and refund orders.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, application number, address of the applicant, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the entity and centre where the Bid cum Application Form was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB and the Syndicate Members at the Specified Locations with whom the Bid cum Application Form was submitted. In addition to the information indicated above, the ASBA Bidder should also specify the Designated Branch or the collection centre of the SCSB or the address of the centre of the Syndicate Member at the Specified Locations where the Bid cum Application Form was submitted by the ASBA Bidder.

Further, with respect to the Bid cum Application Forms submitted with the Registered Brokers, the investor shall also enclose the acknowledgment from the Registered Broker in addition to the documents/information mentioned hereinabove.

Book Running Lead Managers

Axis Capital Limited

Axis House, 1st Floor, C-2
Wadia International Center
P. B. Marg, Worli
Mumbai 400 025
Tel: (91 22) 4325 3150
Fax: (91 22) 4325 3000
E-mail: lavasa.ipo@axiscap.in
Investor grievance e-mail: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Dinkar Rai
SEBI Registration No.: INM000012029

Kotak Mahindra Capital Company Limited

1st Floor, 27 BKC, Plot No. 27, G Block Bandra Kurla
Complex, Bandra (East)
Mumbai 400 051
Tel: (91 22) 4336 0000
Fax: (91 22) 6713 2447
E-mail: lavasa.ipo@kotak.com
Investor grievance e-mail: kmccredressal@kotak.com
Website: http://investmentbank.kotak.com
Contact Person: Ganesh Rane
SEBI Registration No.: INM000008704

ICICI Securities Limited

ICICI Centre, H.T. Parekh Marg
Churchgate
Mumbai 400 020
Tel : (91 22) 2288 2460
Fax : (91 22) 2282 6580
Email: lavasa.ipo@icicisecurities.com
Investor Grievance Email:
customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Mangesh Ghogle/ Bhavin Vakil
SEBI Registration No.:
INM000011179

Syndicate Members

[●]

Legal Advisors to the Issue

Indian 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

Indian Legal Counsel to the Underwriters

J. Sagar Associates

Vakils House
18, Sprott Road, Ballard Estate
Mumbai 400 001
Tel: (91 22) 4341 8600
Fax: (91 22) 4341 8617

International Legal Counsel to the Underwriters

Clifford Chance Pte Ltd

12 Marina Boulevard, 25th Floor
Marina Bay Financial Centre Tower 3
Singapore 018982
Tel: (00 65) 6410 2200

Fax: (00 65) 6410 2288

Auditors to our Company

M/s. K. S. Aiyar & Co

Chartered Accountants

F-7, Laxmi Mills

Shakti Mills Lane (Off Dr. E. Moses Road)

Mahalaxmi, Mumbai

Tel: (91 22) 6655 1770

Fax: (91 22) 6655 1774

Email: mail@KSAiyar.com

Firm Registration No.: 100186W

Registrar to the Issue

Karvy Computershare Private Limited

Plot no. 17-24

Vittal Rao Nagar

Madhapur

Hyderabad 500 081

Tel: (91 40) 4465 5000

Fax: (91 40) 2343 1551

Email: lavasa.ipo@karvy.com

Website: <http://karisma.karvy.com>

Contact Person: M. Murali Krishna

SEBI Registration No.: INR000000221

Bankers to the Issue and Escrow Collection Banks

[•]

Refund Bank

[•]

Bankers to our Company

[•]

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>. For details of the Designated Branches which shall collect Bid cum Application Forms from the ASBA Bidders, please refer to the above-mentioned link. Further, the branches of the SCSBs where the Syndicate at the Specified Locations could submit the Bid cum Application Form is provided on the aforementioned website of SEBI.

Registered Brokers

Bidders can submit Bid cum Application Forms in the Issue using the stock broker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively.

Monitoring Agency

Our Company will appoint a monitoring agency prior to the filing of the Red Herring Prospectus in accordance with the SEBI Regulations.

Inter-se allocation of responsibilities between the BRLMs

Sr. No	Activity	Responsibility	Co-ordinator
1.	Capital structuring, Positioning Strategy and due diligence of the Company including its operations/ management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The 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	BRLMs	Axis Capital
2.	Drafting and approval of all statutory advertisement	BRLMs	Axis Capital
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc.	BRLMs	Kotak
4.	Appointment of Registrar to the Issue, Advertising Agency and Printers	BRLMs	Axis Capital
5.	Appointment of Banker(s) to the Issue and Monitoring Agency	BRLMs	Kotak
6.	Marketing and road-show presentation and preparation of frequently asked questions for the road show team	BRLMs	Axis Capital
7.	Non-Institutional and retail marketing of the Issue, which will cover, inter alia, • Finalising media, marketing and public relations strategy; • Finalising centres for holding conferences for brokers, etc; • Follow-up on distribution of publicity and Issue material including form, the Prospectus and deciding on the quantum of the Issue material; and • Finalising collection centres	BRLMs	ICICI Securities
8.	Domestic Institutional marketing of the Issue, which will cover, inter alia: • Institutional marketing strategy • Finalizing the list and division of domestic investors for one-to-one meetings Finalizing domestic road show and investor meeting schedule	BRLMs	Axis Capital
9.	International Institutional marketing of the Issue, which will cover, inter alia: • Institutional marketing strategy • Finalizing the list and division of international investors for one-to-one meetings • Finalizing international road show and investor meeting schedule	BRLMs	Kotak
10.	Coordination with Stock-Exchanges for book building software, bidding terminals and mock trading	BRLMs	Axis Capital
11.	Managing the book and finalization of pricing in consultation with the Company	BRLMs	Axis Capital
12.	Post-bidding activities, including management of escrow accounts, co-ordination of non-institutional allocation,	BRLMs	ICICI

Sr. No	Activity	Responsibility	Co-ordinator
	announcement of allocation and dispatch of refunds to Bidders, etc. The post-Issue activities will involve essential follow-up steps, including finalisation of trading, dealing of instruments and demat of delivery of shares with the various agencies connected with the work such as the Registrars to the Issue, the Bankers to the Issue, the bank handling refund business and the SCSBs. The BRLMs shall be responsible for ensuring that these agencies fulfill their functions and discharge this responsibility through suitable agreements with the Company		Securities

Credit Rating

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

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Auditor namely, M/s. K. S. Aiyar & Co, Chartered Accountants, to include its name as an expert under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to the reports of the Auditor dated June 28, 2014 on the audited restated consolidated and unconsolidated financial statements and the statement of tax benefits dated June 30, 2014 included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI.

Our Company has obtained a master title certificate dated June 18, 2014 from Mahesh J. Sheguri in relation to land held by us. Mahesh J. Sheguri has given his written consent to be named as an expert to our Company for the Issue, under Section 26 of the Companies Act, 2013, in relation to the land and/or rights in respect thereof that we own and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI.

Our Company has obtained an architect's certificate dated June 27, 2014 from Sadashiv Nargundkar & Associates in relation to the property developed/ to be developed by us. Sadashiv Nargundkar & Associates have given their written consent to be named as an expert to our Company for the Issue, under Section 26 of the Companies Act, 2013, in relation the property developed/ to be developed by us and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI.

Our Company has obtained an engineer's certificate dated June 17, 2014 from Taamra Engineering Consultants Private Limited in relation to the infrastructure construction and development activities in Lavasa. Taamra Engineering Consultants Private Limited have given their consent to be named as an expert to our Company for the Issue, under Section 26 of the Companies Act, 2013, in relation to the existing, under construction and planned infrastructure construction and development activities in Lavasa and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI.

Trustees

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

Book Building Process

The book building, in the context of the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band, which will be decided by our Company in consultation with the BRLMs, and advertised at least five Working Days prior to the Bid/ Issue Opening Date. The Issue Price shall be determined by our Company in consultation with the BRLMs after the Bid/ Issue Closing Date. The principal

parties involved in the Book Building Process are:

- our Company;
- the BRLMs;
- the Syndicate Members;
- the SCSBs;
- the Registered Brokers;
- the Registrar to the Issue; and
- the Escrow Collection Bank(s).

The Issue is being made through the Book Building Process wherein at least 75% of the Issue shall be Allotted on a proportionate basis to QIBs, provided that our Company may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. 5% of the QIB Portion (excluding the 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 (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not more than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. 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 allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with BRLMs and the Designated Stock Exchange.

QIBs (excluding Anchor Investors) and Non-Institutional Bidders can participate in the Issue only through the ASBA process and Retail Individual Bidders have the option to participate through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process.

In accordance with the SEBI Regulations, QIBs bidding in the QIB Category and Non-Institutional Bidders bidding in the Non-Institutional Category are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Issue Period and withdraw their Bids until finalisation of the Basis of Allotment. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period. Allocation to the Anchor Investors will be on a discretionary basis. For further details, see “Issue Structure” and “Issue Procedure” on page 543 and 548, respectively.

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

Illustration of Book Building Process and Price Discovery Process

Investors should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes bidding by Anchor Investors or under the ASBA process.

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

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.7%
1,000	23	1,500	50.0%
1,500	22	3,000	100.0%

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
2,000	21	5,000	166.7%
2,500	20	7,500	250.0%

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 equity shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such cut-off price, i.e., at or below ₹ 22.00. 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 Bidders for Bidding:

1. Check eligibility for making a Bid (see “Issue Procedure – Who Can Bid?” on page 549);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the State of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, for Bids of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. In accordance with the SEBI ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (see “Issue Procedure” on page 548);
4. Ensure that the Bid cum Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the Bid cum Application Form;
5. Bids by QIBs (except Anchor Investors) and the Non-Institutional Bidders shall be submitted only through the ASBA process;
6. Bids by non-ASBA Bidders will have to be submitted to the Syndicate (or their authorised agents) at the bidding centers or the Registered Brokers at the Broker Centers; and
7. Bids by ASBA Bidders will have to be submitted to the Designated Branches or the Syndicate in the Specified Locations or the Registered Brokers in physical form. It may also be submitted in electronic form to the Designated Branches of the SCSBs only. ASBA Bidders should ensure that the specified bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that the Bid cum Application Form submitted by the ASBA Bidders is not rejected.

For further details for the method and procedure for Bidding, see “Issue Procedure” on page 548.

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

Underwriting Agreement

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

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

This portion has been intentionally left blank and will be completed before filing the Prospectus with the RoC.

Name, address, telephone number, fax number and e-mail address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (₹ in millions)
[•]	[•]	[•]
[•]	[•]	[•]

The above-mentioned is indicative underwriting and will be finalised after pricing and actual allocation.

In the opinion of the Board of Directors (based on certificates provided by the Underwriters), resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors / Committee of Directors, at its meeting held on [•], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

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

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the 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 purchases for or purchase of the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as of the date of this Draft Red Herring Prospectus.

CAPITAL STRUCTURE

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

(In ₹ except share data)

		Aggregate Value at Face Value	Aggregate Value at Issue Price
A	AUTHORISED SHARE CAPITAL		
	2,500,000,000 Equity Shares	25,000,000,000	
	200,000,000 Redeemable Preference Shares	2,000,000,000	
	125,000,000 Preference Shares	1,250,000,000	
	Total	28,250,000,000	
B	ISSUED CAPITAL BEFORE THE ISSUE		
	795,944,363 Equity Shares	7,959,443,630	
	38,000,000 ⁽¹⁾ Redeemable Preference Shares	380,000,000	
	Total	8,339,443,630	
C	SUBSCRIBED AND PAID UP CAPITAL BEFORE THE ISSUE		
	795,944,363 Equity Shares	7,959,443,630	
	37,249,997 ⁽¹⁾ Redeemable Preference Shares	372,499,970	
	Total	8,331,943,600	
D	PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS		
	[●] Equity Shares	[●]	[●]
E	EQUITY CAPITAL AFTER THE ISSUE⁽²⁾		
	[●] Equity Shares	[●]	
F	SECURITIES PREMIUM ACCOUNT		
	Before the Issue	[●]	
	After the Issue	[●]	

- ⁽¹⁾ In 2003, our Company offered Redeemable Preference Shares to the then existing preference shareholders, including to Aniruddha P. Deshpande, one of the then existing preference shareholders, who did not subscribe to 750,000 Redeemable Preference Shares, which resulted in a difference between issued and the subscribed and paid up Redeemable Preference Shares.

In 2011, our Company offered Redeemable Preference Shares to the then existing equity shareholders, including to Axis Bank Limited and Bennett Coleman & Co. Limited, who did not subscribe to one and two Redeemable Preference Shares respectively, which resulted in a difference between issued and the subscribed and paid up Redeemable Preference Shares.

As on date of this Draft Red Herring Prospectus, since the aforementioned 750,003 Redeemable Preference Shares remain unsubscribed, the same has not been disclosed in the history of the redeemable preference share capital and share premium account of the Company.

- ⁽²⁾ Redkite Capital Private Limited has consented to convert the Warrant held by it into Equity Shares prior to the filing of the Red Herring Prospectus with the RoC and in the event the option is not exercised, the Warrant shall lapse, prior to the filing of the Red Herring Prospectus with the RoC. Bennett Coleman & Co. Limited has consented to convert the Warrant and convertible debentures held by it into Equity Shares prior to the filing of the Red Herring Prospectus with the RoC. For further details, please see the section "History and Certain Corporate Matters – Summary of Key Agreements /Scheme of Amalgamation" on page 227.

Note:

In relation to the one DDCCD of ₹500 million, held by Allahabad Bank, the bank, by its letter dated June 27, 2014 has agreed to issue a debt instrument/credit exposure, as deemed fit by it, before filing of the Red Herring Prospectus with the RoC. Our Company, has, by its letter dated June 27, 2014 given a notice to IndusInd Bank Limited for exercise of its right to prepay the DDCCD at the end of the fifth year from the closing date under the DDCCD Subscription Agreement dated July 7, 2009, that is, on July 9, 2014. Accordingly, the DDCCD issued to IndusInd Bank Limited shall not be convertible into Equity Shares at the end of their tenure.

The present Issue has been authorised by our Board of Directors, pursuant to resolution dated June 28, 2014 and by our Shareholders pursuant to their resolution dated June 30, 2014.

Changes in the Authorised Capital

- (1) The initial authorised share capital of ₹ 20,000,000 divided into 2,000,000 Equity Shares was increased to ₹ 50,000,000 divided into 5,000,000 Equity Shares, pursuant to a resolution of our Shareholders dated November 20, 2000.
- (2) The authorised share capital of ₹ 50,000,000 divided into 5,000,000 Equity Shares was increased to ₹ 300,000,000 divided into 9,000,000 Equity Shares and 21,000,000 Redeemable Preference Shares, pursuant to a resolution of our Shareholders dated December 24, 2001.
- (3) The authorised share capital of ₹ 300,000,000 divided into 9,000,000 Equity Shares and 21,000,000 Redeemable Preference Shares was increased to ₹ 400,000,000 divided into 9,000,000 Equity Shares and 31,000,000 Redeemable Preference Shares, pursuant to a resolution of our Shareholders dated December 5, 2003.
- (4) The authorised share capital of ₹ 400,000,000 divided into 9,000,000 Equity Shares and 31,000,000 Redeemable Preference Shares was increased to ₹ 650,000,000 divided into 34,000,000 Equity Shares and 31,000,000 Redeemable Preference Shares, pursuant to a resolution of our Shareholders dated March 13, 2006.
- (5) The authorised share capital of ₹ 650,000,000 divided into 34,000,000 Equity Shares and 31,000,000 Redeemable Preference Shares was increased to ₹ 1,000,000,000 divided into 60,000,000 Equity Shares and 40,000,000 Redeemable Preference Shares, pursuant to a resolution of our Shareholders dated January 15, 2007.
- (6) The authorised share capital of ₹ 1,000,000,000 divided into 60,000,000 Equity Shares and 40,000,000 Redeemable Preference Shares was increased to ₹ 1,250,000,000 divided into 60,000,000 Equity Shares and 40,000,000 Redeemable Preference Shares and 25,000,000 Compulsory Convertible Preference Shares, pursuant to a resolution of our Shareholders dated June 25, 2008.
- (7) The authorised share capital of ₹ 1,250,000,000 divided into 60,000,000 Equity Shares and 40,000,000 Redeemable Preference Shares and 25,000,000 Compulsory Convertible Preference Shares was increased to ₹ 6,250,000,000 divided into 560,000,000 Equity Shares and 40,000,000 Redeemable Preference Shares and 25,000,000 Compulsory Convertible Preference Shares, pursuant to a resolution of our Shareholders dated June 7, 2010.
- (8) The authorised share capital of ₹ 6,250,000,000 divided into 560,000,000 Equity Shares and 40,000,000 Redeemable Preference Shares and 25,000,000 Compulsory Convertible Preference Shares was increased to ₹ 8,650,000,000 divided into 800,000,000 Equity Shares and 40,000,000 Redeemable Preference Shares and 25,000,000 Compulsory Convertible Preference Shares, pursuant to a resolution of our Shareholders dated July 30, 2010.
- (9) The authorised share capital of ₹ 8,650,000,000 divided into 800,000,000 Equity Shares and 40,000,000 Redeemable Preference Shares and 25,000,000 Compulsory Convertible Preference Shares was increased to ₹ 10,250,000,000 divided into 800,000,000 Equity Shares and 200,000,000 Redeemable Preference Shares and 25,000,000 Compulsory Convertible Preference Shares, pursuant to a resolution of our Shareholders dated August 5, 2011.

- (10) The authorised share capital of ₹ 10,250,000,000 divided into 800,000,000 Equity Shares and 200,000,000 Redeemable Preference Shares and 25,000,000 Compulsory Convertible Preference Shares was increased to ₹ 11,250,000,000 divided into 800,000,000 Equity Shares and 200,000,000 Redeemable Preference Shares and 125,000,000 Compulsory Convertible Preference Shares, pursuant to a resolution of our Shareholders dated November 16, 2011.
- (11) The authorised share capital of ₹ 11,250,000,000 divided into 800,000,000 Equity Shares and 200,000,000 Redeemable Preference Shares and 125,000,000 Compulsory Convertible Preference Shares was increased and reclassified to ₹ 20,000,000,000 divided into 1,675,000,000 Equity Shares and 200,000,000 Redeemable Preference Shares and 125,000,000 Preference Shares, pursuant to a resolution of our Shareholders dated June 11, 2012.
- (12) The authorised share capital of ₹ 20,000,000,000 divided into 1,675,000,000 Equity Shares and 200,000,000 Redeemable Preference Shares and 125,000,000 Preference Shares was increased to ₹ 28,250,000,000 divided into 2,500,000,000 Equity Shares and 200,000,000 Redeemable Preference Shares and 125,000,000 Preference Shares, pursuant to a resolution of our Shareholders dated June 30, 2014.

Notes to the Capital Structure

1. Share Capital History of our Company

(a) The following is the history of the equity share capital and securities premium account of our Company:

Date of allotment of the Equity Shares	Nature/ reason of allotment	No. of Equity Shares	Face value (₹)	Issue Price (₹)	Consideration (cash, other than cash etc)	Name of allottee and number of Equity Shares		Cumulative No. of Equity Shares	Cumulative paid-up Equity capital (₹)	Cumulative securities premium (₹)
February 16, 2000	Subscribers to Memorandum of Association	300	10	10	Cash	Aniruddha P. Deshpande	100	300	3,000	-
						Aniruddha U. Seolekar	100			
						Vithal B. Maniar	100			
May 20, 2000	Allotment	100	10	10	Cash	Hincon Finance	100	400	4,000	-
June 3, 2000	Allotment	100	10	10	Cash	Avantha Realty	100	500	5,000	-
September 10, 2001	Allotment	100	10	10	Cash	Srivenk Investments Limited	100	600	6,000	-
October 15, 2001	Allotment	100	10	10	Cash	Venkateshwara Hatcheries Private Limited	100	700	7,000	-
December 30, 2001	Allotment	1,499,800	10	58.34	Cash	Hincon Finance	749,900	1,500,500	15,005,000	72,500,000
						Avantha Realty	749,900			
December 30, 2001	Allotment	749,800	10	73.35	Cash	Srivenk Investments Limited	94,900	2,250,300	22,503,000	120,000,000
						Venkateshwara Hatcheries Private Limited	654,900			
October 3, 2002	Allotment	3,750,000	10	10	Other than cash - Allotted on account of merger of	Sadanand B. Sule jointly with Supriya Sule	1,248,750	6,000,300	60,003,000	120,000,000

Date of allotment of the Equity Shares	Nature/ reason of allotment	No. of Equity Shares	Face value (₹)	Issue Price (₹)	Consideration (cash, other than cash etc)	Name of allottee and number of Equity Shares		Cumulative No. of Equity Shares	Cumulative paid-up Equity capital (₹)	Cumulative securities premium (₹)
					Yashomala Leasing and Finance Private Limited with our Company	Aniruddha P. Deshpande jointly with Sona Deshpande	1,248,750			
						Vinay Maniar jointly with Ruchira Maniar	1,248,750			
						Jyoti A. Bhale jointly with Arvind V. Bhale	2,250			
						Arvind V. Bhale jointly Jyoti A. Bhale	1,500			
April 14, 2006	Allotment - rights issue	6,612,245	10	49	Cash	HREL	4,627,327	12,612,545	126,125,450	377,877,555
						Hincon Finance	1,322			
						Avantha Realty	1,157,107			
						Venkateshwara Hatcheries Private Limited	826,489			
February 27, 2007*	Allotment - rights issue	21,375,805	10	44	Cash	Hincon Finance	4,545	33,988,350	339,883,500	1,104,654,925
						HREL	13,742,319			
						Avantha Realty	3,436,526			
						Venkateshwara Hatcheries Private Limited	2,840,767			
						Vinay Maniar jointly with Ruchira Maniar	1,351,468			
						Vithal B. Maniar	180			
March 27, 2007*	Allotment of unsubscribed portion of rights issue made on	1,351,468	10	44	Cash	HREL	1,081,186	35,339,818	353,398,180	1,150,604,837
						Avantha Realty	270,282			

Date of allotment of the Equity Shares	Nature/ reason of allotment	No. of Equity Shares	Face value (₹)	Issue Price (₹)	Consideration (cash, other than cash etc)	Name of allottee and number of Equity Shares		Cumulative No. of Equity Shares	Cumulative paid-up Equity capital (₹)	Cumulative securities premium (₹)
	February 27, 2007 was subscribed by HREL and Avantha Realty									
June 5, 2008	Allotment - rights issue	11,904,762	10	42	Cash	Hincon Finance	2,381	47,244,580	472,445,800	1,531,557,221
						HREL	7,737,144			
						HCC	34			
						Hincon Holdings Limited	34			
						Avantha Realty	1,934,791			
						Venkateshwara Hatcheries Private Limited	1,522,372			
						Vinay Maniar jointly with Ruchira Maniar	707,912			
						Vithal B. Maniar	94			
June 26, 2008	Allotment	1	10	10	Cash	Axis Bank Limited	1	47,244,581	472,445,810	1,531,557,221
March 31, 2009	Allotment	10	10	2,117	Cash	Bennett, Coleman & Co. Limited	10	47,244,591	472,445,910	1,531,578,291
June 8, 2010	Allotment of bonus shares ¹	377,956,728	10	-	Bonus issue in the ratio of 8:1	HCC	1,072	425,201,319	4,252,013,190	-
						Hincon Holdings Limited	1,072			
						Hincon Finance	75,584			
						HREL	245,641,624			
						Avantha Realty	61,426,440			
						Venkateshwara Hatcheries Private Limited	48,332,816			
						Vithal B. Maniar	2,992			
						Vinay Maniar	22,475,040			

Date of allotment of the Equity Shares	Nature/ reason of allotment	No. of Equity Shares	Face value (₹)	Issue Price (₹)	Consideration (cash, other than cash etc)	Name of allottee and number of Equity Shares		Cumulative No. of Equity Shares	Cumulative paid-up Equity capital (₹)	Cumulative securities premium (₹)
						jointly with Ruchira Maniar				
						Axis Bank Limited	8			
						Bennett, Coleman & Co. Limited	80			
July 30, 2010	Allotment of bonus shares ²	60,743,044	10	-	Bonus issue in the ratio of 1:7	HCC	172	485,944,363	4,859,443,630	-
						Hincon Holdings Limited	172			
						Hincon Finance	12,147			
						HREL	39,478,118			
						Avantha Realty	9,872,106			
						Venkateshwara Hatcheries Private Limited	7,767,774			
						Vithal B. Maniar	481			
						Vinay Maniar jointly with Ruchira Maniar	3,612,060			
						Axis Bank Limited	1			
						Bennett, Coleman & Co. Limited	13			
February 7, 2012	Allotment – rights issue	120,000,000	10	10	Cash	HCC	390	605,944,363	6,059,443,630	-
						Hincon Holdings Limited	390			
						Hincon Finance	27,517			
						HREL	89,426,142			
						Ajit Gulabchand	4			

Date of allotment of the Equity Shares	Nature/ reason of allotment	No. of Equity Shares	Face value (₹)	Issue Price (₹)	Consideration (cash, other than cash etc)	Name of allottee and number of Equity Shares		Cumulative No. of Equity Shares	Cumulative paid-up Equity capital (₹)	Cumulative securities premium (₹)
						Avantha Realty	22,010,461			
						Gautam Thapar	351,912			
						Vithal B. Maniar	1,089			
						Vinay Maniar jointly with Ruchira Maniar	8,182,066			
						Bennett, Coleman & Co. Limited	29			
February 10, 2012	Allotment of Equity Shares pursuant to conversion of Compulsory Convertible Preference Shares	100,000,000	10	10	Equity Shares issued pursuant to conversion of Compulsory Convertible Preference Shares	Hincon Finance	22,930	705,944,363	7,059,443,630	-
						HREL	74,521,804			
						HCC	326			
						Hincon Holdings Limited	326			
						Avantha Realty	18,342,054			
						Gautam Thapar	293,261			
						Vinay Maniar jointly with Ruchira Maniar	6,818,391			
						Vithal B. Maniar	907			
						Ajit Gulabchand	1			
March 13, 2012	Allotment - rights issue	90,000,000	10	10	Cash	Hincon Finance	20,638	795,944,363	7,959,443,630	-
						HREL	67,069,622			
						HCC	293			
						Hincon Holdings Limited	293			
						Avantha Realty	15,322,943			
						Gautam Thapar	1,448,840			
						Vinay Maniar jointly with Ruchira Maniar	6,136,551			
						Vithal B. Maniar	817			

Date of allotment of the Equity Shares	Nature/ reason of allotment	No. of Equity Shares	Face value (₹)	Issue Price (₹)	Consideration (cash, other than cash etc)	Name of allottee and number of Equity Shares		Cumulative No. of Equity Shares	Cumulative paid-up Equity capital (₹)	Cumulative securities premium (₹)
						Ajit Gulabchand	3			

¹ Bonus issue was undertaken through capitalisation of the securities premium account and reserve and surplus.

² Bonus issue was undertaken through capitalisation of the reserve and surplus.

* Equity Shares allotted on February 27, 2007 and March 27, 2007 were partly paid-up and subsequently paid-up on May 25, 2007

(b) The following is the history of the redeemable preference share capital and share premium account of our Company:

Date of allotment of the preference shares	No. of preference Shares	Face value (₹)	Issue price (₹)	Consideration (cash, other than cash etc)	Name of allottee and number of shares	Cumulative no. of preference shares	Cumulative paid-up preference capital (₹)	Cumulative preference share premium (₹)
Redeemable Preference Shares								
October 3, 2002	8,000,000	10	20	Other than cash - Allotted on account of merger of Yashomala Leasing and Finance Private Limited with the Company	Sadanand B. Sule jointly with Supriya Sule	2,664,000	8,000,000	80,000,000
					Aniruddha P. Deshpande jointly with Sona Deshpande	2,664,000		
					Vinay Maniar jointly with Ruchira Maniar	2,664,000		
					Jyoti Bhale jointly with Arvind Bhale	4,800		
					Arvind Bhale jointly with Jyoti Bhale	3,200		
October 3, 2002	4,125,000	10	20	Cash	Hincon Finance	1,375,000	12,125,000	121,250,000
					Srivenk Investments Limited	151,900		
					Venkateshwara Hatcheries Private Limited	1,223,100		
					Avantha Realty	1,375,000		
March 29, 2003	1,500,000	10	20	Cash	Hincon Finance	1,250,000	13,625,000	136,250,000
					Avantha Realty	250,000		
August 4, 2003	5,250,000	10	20	Cash	HCC	2,000,000	18,875,000	188,750,000
					Hincon Holdings Limited	1,250,000		
					Avantha Realty	875,000		

Date of allotment of the preference shares	No. of preference Shares	Face value (₹)	Issue price (₹)	Consideration (cash, other than cash etc)	Name of allottee and number of shares		Cumulative no. of preference shares	Cumulative paid-up preference capital (₹)	Cumulative preference share premium (₹)
					Venkateshwara Hatcheries Private Limited	1,125,000			
September 17, 2003	1,125,000	10	20	Cash	Hincon Holdings Limited	1,125,000	20,000,000	200,000,000	200,000,000
December 9, 2003	3,000,000	10	20	Cash	HCC	1,000,000	23,000,000	230,000,000	230,000,000
					Avantha Realty	500,000			
					Vinay Maniar jointly with Ruchira Maniar	750,000			
					Aniruddha P. Deshpande jointly with Sona A. Deshpande	250,000			
					Sadanand B. Sule jointly with Supriya Sule	500,000			
March 10, 2004	2,000,000	10	20	Cash	HCC	1,250,000	25,000,000	250,000,000	250,000,000
					Avantha Realty	250,000			
					Venkateshwara Hatcheries Private Limited	500,000			
October 19, 2004	250,000	10	20	Cash	Venkateshwara Hatcheries Private Limited	250,000	25,250,000	252,500,000	252,500,000
January 19, 2005	1,750,000	10	20	Cash	HCC	1,250,000	27,000,000	270,000,000	270,000,000
					Avantha Realty	250,000			
					Venkateshwara Hatcheries Private Limited	250,000			
June 6, 2006	250,000	10	20	Cash	Vinay Maniar jointly with	250,000	27,250,000	272,500,000	272,500,000

Date of allotment of the preference shares	No. of preference Shares	Face value (₹)	Issue price (₹)	Consideration (cash, other than cash etc)	Name of allottee and number of shares		Cumulative no. of preference shares	Cumulative paid-up preference capital (₹)	Cumulative preference share premium (₹)
May 2, 2011	9,999,997	10	100	Cash	Ruchira Maniar		37,249,997	372,499,970	899,999,730 ¹
					HCC	28			
					Hincon Holdings Limited	28			
					Hincon Finance	2,000			
					HREL	6,499,200			
					Avantha Realty	1,625,224			
					Venkateshwara Hatcheries Private Limited	1,278,792			
					Vithal B. Maniar	79			
September 27, 2011	8,721,205	10	100	Cash	Vinay Maniar jointly with Ruchira Maniar	594,646	45,971,202 ¹	459,712,020	1,684,908,180 ²
					HCC	28			
					Hincon Holdings Limited	28			
					Hincon Finance	2,000			
					HREL	6,499,200			
					Avantha Realty	1,625,224			
					Vithal B. Maniar	79			
					Vinay Maniar jointly with Ruchira Maniar	594,646			

¹ Bonus shares were issued to the then existing equity shareholders on June 8, 2010 out of the preference share premium of ₹ 272,500,000.

² 8,721,205 Redeemable Preference Shares were redeemed on February 15, 2012. As on the date of this Draft Red Herring Prospectus, the Company has 37,249,997 Redeemable Preference Shares outstanding.

The due dates of redemption of Redeemable Preference Shares are as follows:

- (i) 27,000,000 6% cumulative redeemable preference shares are redeemable in three installments on January 30, 2015, January 30, 2016 and January 30,

2017 respectively in the proportion of 20%, 40% and 40% of the paid up amount together with premium of ₹ 10 per share.

- (ii) 250,000 6% cumulative redeemable preference shares are redeemable in three installments on June 5, 2016, June 5, 2017 and June 5, 2018 respectively in the proportion of 20%, 40% and 40% of the paid up amount together with premium of ₹ 10 per share.
- (iii) 9,999,997 6% cumulative redeemable preference shares are redeemable in three installments at the end of the seventh, eighth and ninth year from the date of allotment, that is, May 1, 2018, May 1, 2019 and May 1, 2020 respectively from the date of allotment in proportion of 20%, 40% and 40% of the paid up amount together with premium of ₹ 90 per share.

(c) The details of the Compulsory Convertible Preference Shares issued by our Company are as follows:

Date of allotment of the Preference Shares	No. of Preference Shares	Face value (₹)	Issue Price (₹)	Consideration (cash, other than cash etc)	Name of allottee and number of shares		Details of redemption / conversion
Compulsory Convertible Preference Shares							
July 3, 2008	25,000,000	10	10	Cash	Axis Bank Limited	25,000,000	Redeemed on December 27, 2011
February 7, 2012	100,000,000	10	10	Cash	HCC	326	Converted into Equity Shares on February 10, 2012
					Hincon Holdings Limited	326	
					Hincon Finance	22,930	
					HREL	74,521,804	
					Ajit Gulabchand	1	
					Avantha Realty	18,342,054	
					Gautam Thapar	293,261	
					Vithal B. Maniar	907	
					Vinay Maniar jointly with Ruchira Maniar	6,818,391	

As of the date of this Draft Red Herring Prospectus, there are no outstanding Compulsory Convertible Preference Shares.

- (d) The following are the details of the shares allotted by our Company for consideration other than cash:

Date of allotment of the shares	No. of shares	Face Value (₹)	Issue Price (₹)	Details of the issue and consideration
October 3, 2002	3,750,000 Equity Shares	10	10	Equity Shares issued to the holders of equity shares of Yashomala Leasing and Finance Private Limited pursuant to the merger of Yashomala Leasing and Finance Private Limited with our Company.
October 3, 2002	8,000,000 Redeemable Preference Shares	10	20	Redeemable Preference Shares issued to the holders of equity shares of Yashomala Leasing and Finance Private Limited pursuant to the merger of Yashomala Leasing and Finance Private Limited with our Company.

- (e) As on the date of this Draft Red Herring Prospectus, share premium is ₹ 899,999,730

2. History of the Equity Share Capital held by the Promoters

- (a) Details of the build-up of our Promoters' shareholding in our Company:

Date of Allotment/ Transfer	No. of Equity Shares allotted/ transferred	Face Value (₹)	Issue/Acquisition Price (₹)	Nature of consideration (Cash, gift, etc.)	Nature of transaction	Name of transferor/ Transferee	% of pre-Issue Capital	% of post-Issue Capital	Source of funds
HCC									
September 27, 2003	250,000	10	106.67	Cash	Transfer	Aniruddha P. Deshpande jointly with Sona Deshpande	0.03	[●]	Internal accruals
September 27, 2003	250,000	10	106.67	Cash	Transfer	Vinay Maniar jointly with Ruchira Maniar	0.03	[●]	Internal accruals
September 27, 2003	750,000	10	106.67	Cash	Transfer	Hincon Finance	0.09	[●]	Internal accruals
September 29, 2003	250,000	10	106.67	Cash	Transfer	Sadanand B. Sule jointly with Supriya Sule	0.03	[●]	Internal accruals
March 26, 2004	375,000	10	106.67	Cash	Transfer	Hincon Finance	0.05	[●]	Internal accruals
September 16, 2004	375,000	10	106.67	Cash	Transfer	Hincon Finance	0.05	[●]	Internal accruals
November 4, 2004	749,000	10	120.68	Cash	Transfer	Sadanand B. Sule jointly with Supriya Sule	0.09	[●]	Internal accruals
October	(2,999,000)	10	(120.68)	Cash	Transfer	HREL	(0.38)	[●]	-

Date of Allotment/ Transfer	No. of Equity Shares allotted/ transferred	Face Value (₹)	Issue/Acquisition Price (₹)	Nature of consideration (Cash, gift, etc.)	Nature of transaction	Name of transferor/ Transferee	% of pre-Issue Capital	% of post-Issue Capital	Source of funds
24, 2005	)								
April 21, 2008	100	10	580	Cash	Transfer	HREL	0.00	[●]	Internal accruals
June 5, 2008	34	10	42	Cash	Allotment	-	0.00	[●]	Internal accruals
June 8, 2010	1,072	10	-	Other than cash	Bonus issue	-	0.00	[●]	-
July 30, 2010	172	10	-	Other than cash	Bonus issue	-	0.00	[●]	-
February 7, 2012	390	10	10	Cash	Allotment – rights issue	-	0.00	[●]	Internal accruals
February 10, 2012	326	10	10	Cash	Allotment pursuant to conversion of Compulsory Convertible Preference Shares	-	0.00	[●]	Internal accruals
March 13, 2012	293	10	10	Cash	Allotment -Rights issue	-	0.00	[●]	Internal accruals
Total (A)	2,387						0.00	[●]	
HREL									
October 24, 2005	2,999,000	10	120.68	Other than cash – The Equity Shares were transferred from HCC in consideration of shares allotted by HREL to HCC in Fiscal Year 2006	Transfer	HCC	0.38	[●]	-
April 14, 2006	4,627,327	10	49	Cash	Allotment – rights issue	-	0.58	[●]	₹ 226.74 million received as unsecured loan from HCC
February 27, 2007	13,742,319	10	44	Cash	Allotment – rights issue	-	1.73	[●]	₹ 604.66 million received as unsecured loan from HCC
March 27, 2007	1,081,186	10	44	Cash	Allotment of unsubscribed portion of rights	-	0.14	[●]	₹ 47.57 million received as unsecured

Date of Allotment/ Transfer	No. of Equity Shares allotted/ transferred	Face Value (₹)	Issue/Acquisition Price (₹)	Nature of consideration (Cash, gift, etc.)	Nature of transaction	Name of transferor/ Transferee	% of pre-Issue Capital	% of post-Issue Capital	Source of funds
					issue made on February 27, 2007				loan from HCC
April 21, 2008	100	10	580	Cash	Transfer	Aniruddha P. Deshpande	0.00	[●]	Internal accruals
April 21, 2008	100	10	580	Cash	Transfer	Aniruddha P. Deshpande jointly with Sona Deshpande	0.00	[●]	Internal accruals
April 21, 2008	(100)	10	580	Cash	Transfer	Hincon Holdings Limited	0.00	[●]	-
April 21, 2008	(100)	10	580	Cash	Transfer	HCC	0.00	[●]	-
April 24, 2008	518,227	10	580	Cash	Transfer	Aniruddha P. Deshpande jointly with Sona Deshpande	0.07	[●]	₹ 302.17 million - Partly from funds received as an unsecured loan from HCC - Received upon repayment of inter corporate deposits by HRL (Thane) Real Estate Limited
June 5, 2008	7,737,144	10	42	Cash	Allotment – rights issue	-	0.97	[●]	₹ 324.96 million received as unsecured loan from HCC
June 8, 2010	245,641,624	10	-	Other than cash	Bonus issue	-	30.86	[●]	-
July 30, 2010	39,478,118	10	-	Other than cash	Bonus issue	-	4.96	[●]	-
February 7, 2012	89,426,142	10	10	Cash	Allotment – rights issue	-	11.24	[●]	₹ 894.26 million equity contribution by

Date of Allotment/ Transfer	No. of Equity Shares allotted/ transferred	Face Value (₹)	Issue/Acquisition Price (₹)	Nature of consideration (Cash, gift, etc.)	Nature of transaction	Name of transferor/ Transferee	% of pre-Issue Capital	% of post-Issue Capital	Source of funds
									HCC
February 10, 2012	74,521,804	10	10	Cash	Allotment pursuant to conversion of Compulsory Convertible Preference Shares	-	9.36	[•]	-
March 13, 2012	67,069,622	10	10	Cash	Allotment - Rights issue	-	8.43	[•]	₹ 670.70 million • Amount received upon redemption of preference shares of our Company. • Received as unsecured loan from HCC • Balance amount from internal accruals
Total (B)	546,842,513						68.70	[•]	
Total Promoter Holding (A+B)				546,844,900			68.70		

All the Equity Shares held by the HCC were fully paid-up on the respective dates of acquisition of such Equity Shares. Equity Shares allotted to HREL on February 27, 2007 and March 27, 2007 were partly paid-up and subsequently paid-up on May 25, 2007.

None of the Equity Shares held by our Promoters are pledged.

(b) *Details of Promoters' contribution and Lock-in:*

Pursuant to the SEBI Regulations, an aggregate of 20% of the fully diluted post-issue Equity Share capital of our Company held by our Promoters shall be locked in for a period of three years from the date of Allotment and our Promoters' shareholding in excess of 20% shall be locked in for a period of one year from the date of Allotment. Details of the Equity Shares to be locked-in for three years are as follows:

Date of Allotment/Acquisition and when made fully paid-up	Nature of Allotment / Transfer	Nature of Consideration (Cash)	Number of Equity Shares locked in	Face Value (₹)	Issue/Acquisition Price per Equity Share (₹)	Percentage of post-Issue paid-up equity share capital
HCC						
[•]	[•]	[•]	[•]	[•]	[•]	[•]
HREL						
[•]	[•]	[•]	[•]	[•]	[•]	[•]
Total			[•]			[•]

Details of Equity Shares to be locked-in will be included in the Prospectus to be filed with the RoC.

The minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the body corporates defined as 'promoter' under the SEBI Regulations. The Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution under Regulation 33 of the SEBI Regulations. In this regard, our Company confirms the following:

- (i) The Equity Shares offered for the Promoters' contribution (a) have not been acquired in the last three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets; or (b) bonus shares out of revaluation reserves or unrealised profits of our Company or issued against Equity Shares which are otherwise ineligible for computation of the Promoters' contribution;
- (ii) Our Promoters have given undertakings to the effect that they shall not sell, transfer or dispose of, in any manner, the Equity Shares forming part of the minimum Promoters' contribution from the date of filing this Draft Red Herring Prospectus with SEBI till the date of commencement of lock-in in accordance with SEBI Regulations;
- (iii) Promoter's contribution does not include any Equity Shares acquired during the preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- (iv) Our Company has not been formed by the conversion of a partnership firm into a company; and
- (v) The Equity Shares held by our Promoters and offered for Promoter's contribution are not subject to any pledge.

Details of the Equity Shares locked-in for one year

In addition to the above Equity Shares that are locked-in for three years, the entire pre-Issue equity share capital of our Company would be locked-in for a period of one year from the date of Allotment of the Equity Shares in the Issue.

- (c) *Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investor*

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

- (d) *Other requirements in respect of lock-in:*

The Equity Shares held by our Promoters which are locked-in for a period of one year may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan.

The Equity Shares held by our Promoters and locked-in may be transferred to any other Promoter or person of our Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations.

The Equity Shares held by persons other than our Promoters and 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, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations.

3. Shareholding Pattern of our Company

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

Category code	Category of shareholder	Pre-Issue						Post-Issue					
		Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered	Number of shareholders	Total number of shares	Number of shares held in dematerialised 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)					As a % of (A + B)	As a % of (A + B + C)	
(A)	Promoter and Promoter Group												
(1)	Indian												
(a)	Individuals/ Hindu Undivided Family	1	18	18	0	0	-	[•]	[•]	[•]	[•]	[•]	Nil
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]
(c)	Bodies Corporate	4	547,015,551	547,015,551	68.72	68.72	-	[•]	[•]	[•]	[•]	[•]	Nil
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	-
(e)	Any Other (specify)	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	-
	Sub-Total (A)(1)	5	547,015,569	547,015,569	68.72	68.72	-	[•]	[•]	[•]	[•]	[•]	Nil
(2)	Foreign												
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	Nil
(b)	Bodies Corporate	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	Nil
(c)	Institutions	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	Nil

Category code	Category of shareholder	Pre-Issue						Post-Issue					
		Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered	Number of shareholders	Total number of shares	Number of shares held in dematerialised 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)					As a % of (A + B)	As a % of (A + B + C)	
(d)	Qualified Foreign Investor	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	Nil
(e)	Any Other (specify)	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	Nil
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	5	547,015,569	547,015,569	68.72	68.72	-	[•]		[•]	[•]	[•]	Nil
(B)	Public shareholding												
(1)	Institutions												
(a)	Mutual Funds/ UTI	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Financial Institutions/ Banks	-	-	-	-	-	-	[•]		[•]	[•]	-	Nil
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	[•]		[•]	[•]	[•]	Nil
(d)	Venture Capital Funds	-	-	-	-	-	-	[•]		[•]	[•]	[•]	Nil
(e)	Insurance Companies	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	Nil
(f)	Foreign Institutional Investors	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	Nil
(g)	Foreign Venture	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	Nil

Category code	Category of shareholder	Pre-Issue						Post-Issue					
		Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered	Number of shareholders	Total number of shares	Number of shares held in dematerialised 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)					As a % of (A + B)	As a % of (A + B + C)	
	Capital Investors												
(h)	Qualified Foreign Investor	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	Nil
(i)	Any Other (specify)	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	Nil
	Sub-Total (B)(1)	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	Nil
(2)	Non-institutions												
(a)	Bodies Corporate	3	187,075,733	187,075,733	23.51	23.51	-	[•]	[•]	[•]	[•]	[•]	Nil
(b)	Individuals												
(i)	Individual shareholders holding nominal share capital up to ₹ 1 lakh.	1	6,660	6,660	0	0	-	[•]	[•]	[•]	[•]	[•]	Nil
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	2	61,846,401	61,846,401	7.77	7.77	-	[•]	[•]	[•]	[•]	[•]	Nil
(c)	Qualified Foreign Investor	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	Nil
(d)	Any Other (specify)	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	Nil
	Sub-Total (B)(2)	6	248,928,794	248,928,794	31.28	31.28	-	[•]	[•]	[•]	[•]	[•]	Nil
	Total Public Shareholding (B) = (B)(1)+(B)(2)	6	248,928,794	248,928,794	31.28	31.28	-	[•]	[•]	[•]	[•]	[•]	Nil
	TOTAL (A)+(B)	11	795,944,363	795,944,363	100.00	100.00	-	[•]	[•]	[•]	[•]	[•]	Nil

Category code	Category of shareholder	Pre-Issue						Post-Issue					
		Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered	Number of shareholders	Total number of shares	Number of shares held in dematerialised 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)					As a % of (A + B)	As a % of (A + B + C)	
(C)	Shares held by Custodians and against which Depository Receipts have been issued												
(1)	Promoter and Promoter Group	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	Nil
(2)	Public	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	Nil
	TOTAL (A)+(B)+(C)	11	795,944,363	795,944,363	100.00	100.00	-	[•]	[•]	[•]	[•]	[•]	Nil

4. **Public shareholders holding more than 1% of the pre-Issue paid-up capital of our Company:**

The details of the public shareholders holding more than 1% of the pre-Issue paid-up capital of our Company and their pre-Issue and post-Issue shareholding are set forth in the table below:

Sr. No.	Name of the Shareholder	Pre-Issue		Post-Issue	
		Number of the Equity Shares held	Percentage (%)	Number of the Equity Shares held	Percentage (%)
1.	Avantha Realty	124,933,409	15.70	[●]	[●]
2.	Venkateshwara Hatcheries Private Limited	62,142,192	7.81	[●]	[●]
3.	Vinay Maniar	50,033,488	6.29	[●]	[●]
4.	Gautam Thapar	11,812,913	1.48	[●]	[●]

5. The list of top 10 shareholders of our Company and the number of Equity Shares held by them is as under:

(a) As of the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage
1.	HREL	546,842,513	68.70
2.	Avantha Realty	124,933,409	15.70
3.	Venkateshwara Hatcheries Private Limited	62,142,192	7.81
4.	Vinay Maniar	50,033,488	6.29
5.	Gautam Thapar	11,812,913	1.48
6.	Hincon Finance	168,264	0.02
7.	Vithal B. Maniar	6,660	0.00
8.	HCC	2,387	0.00
9.	Hincon Holdings Limited	2,387	0.00
10.	Bennett, Coleman & Co. Limited	132	0.00
TOTAL		795,944,345	100.00

(b) As of 10 days prior to the date of this Draft Red Herring Prospectus, June 20, 2014:

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage
1.	HREL	546,842,513	68.70
2.	Avantha Realty	124,933,409	15.70
3.	Venkateshwara Hatcheries Private Limited	62,142,192	7.81
4.	Vinay Maniar	50,033,488	6.29
5.	Gautam Thapar	11,812,913	1.48
6.	Hincon Finance	168,264	0.02
7.	Vithal B. Maniar	6,660	0.00
8.	HCC	2,387	0.00
9.	Hincon Holdings Limited	2,387	0.00
10.	Bennett, Coleman & Co. Limited	132	0.00
TOTAL		795,944,345	100.00

(c) As of two years prior to the date of the Draft Red Herring Prospectus, June 30, 2012:

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage
1.	HREL	546,842,513	68.70
2.	Avantha Realty	124,933,409	15.70
3.	Venkateshwara Hatcheries Private Limited	62,142,192	7.81
4.	Vinay Maniar	50,033,488	6.29
5.	Gautam Thapar	11,812,913	1.48
6.	Hincon Finance	168,264	0.02
7.	Vithal B. Maniar	6,660	0.00
8.	HCC	2,387	0.00
9.	Hincon Holdings Limited	2,387	0.00
10.	Bennett, Coleman & Co. Limited	132	0.00
TOTAL		795,944,345	100.00

6. Employee Stock Option Plan (“ESOP”)

Our Company instituted the ESOP on April 21, 2008, pursuant to our Board and shareholders’ resolutions dated October 22, 2007 and November 20, 2007, respectively. The objective of the ESOP is to motivate the employees to contribute to the growth and profitability of our Company and to attract and retain talent in the organisation. The ESOP is in compliance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended.

Our Company has granted 1,479,191 options (net of cancelled options) convertible into 2,416,008 Equity Shares, which represents 0.30% of the pre-Issue paid-up equity capital of our Company. The following table sets forth the particulars of the options granted under the ESOP as of the date of filing of this Draft Red Herring Prospectus:

Particulars	Details
Options granted	1,963,496
The pricing formula	(i) The exercise price for options granted on April 21, 2008 was equal to the fair value of the shares as determined on that date. (ii) The exercise price, for options issued on October 20, 2009 was determined at same price at which the options were originally granted on April 21, 2008.
Exercise price of options (as adjusted on allocation of bonus options)	₹ 51.97
Total options vested	1,479,191
Options exercised	Nil
Total number of shares arising as a result of exercise of options (including options that have been exercised)	2,416,008
Options forfeited/lapsed/cancelled	484,305
Variation in terms of options	Our Company has varied the terms of options in the following manner: (i) Pursuant to shareholders resolution dated June 9, 2008, in partial modification, the terms of the existing

Particulars	Details
	ESOP scheme were amended and consent was accorded to Board to create, offer, issue and allot options under the ESOP scheme at any time for the benefit of the non-executive directors of HCC in addition to the classes of employees approved, provided that the aggregate of options that may be granted shall not exceed 700,000; (ii) Pursuant to shareholders' resolution dated June 7, 2010, in partial modification, the terms of the existing ESOP scheme were amended and consent was accorded to Board to create, offer, issue and allot options under the ESOP scheme at any time provided that the aggregate of options that may be granted shall not exceed 8,500,000; (iii) Pursuant to shareholders' resolution dated June 11, 2012, in partial modification, the terms of the existing ESOP scheme were amended and consent was accorded to the Board to create, offer, issue and allot options under the ESOP scheme at any time provided that the aggregate of options that may be granted shall not exceed 15,900,000; (iv) The ESOP Compensation Committee at its meeting held on April 23, 2012 approved the change in entitlement in respect of 1,725,740 options granted to eligible employees, from the existing ratio of 1:1 to 49:30 (that is, 49 Equity Shares for every 30 options exercised) (fraction if any, arising in the resultant shares to be ignored). The adjustment was on account of the increase in the equity share capital of our Company due to rights issues of the Equity Shares during Fiscal Year 2012. The exercise price per option shall remain unchanged at ₹ 51.97 per option; (v) The ESOP Compensation Committee at its meeting held on April 23, 2012 also approved that in respect of the options that may be granted in the future, the first vesting period/ date from the date of grant of options as stipulated in the ESOP scheme be reduced by the number of complete years of service which has been completed by the eligible employee from the date of joining as on the date of grant of options, subject to the condition that the minimum vesting period shall be atleast one year from the date of grant of option. The second and third vesting dates shall be at the expiry of further one year and two years from the first vesting date respectively.
Money realised by exercise of options	Nil
Total number of options in force	1,479,191

Particulars	Details																								
Employee wise details of options granted to																									
(i) Senior Managerial Personnel i.e. Directors and key managerial personnel	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 that year	Nil																								
(iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil																								
Fully diluted EPS pursuant to issue of Equity Shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 ‘Earning Per Share’	Not Applicable as no options exercised																								
Difference between employee compensation cost using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if the Company has used fair value of options	(in ₹ million) <table><tr><th>Particulars</th><th>March 2012</th><th>March 2013</th><th>March 2014</th></tr><tr><td>Intrinsic Value Compensation cost</td><td>Nil</td><td>Nil</td><td>Nil</td></tr><tr><td>Fair value compensation cost *</td><td>1.48</td><td>1.67</td><td>(0.21)</td></tr><tr><td>Difference</td><td>1.48</td><td>1.67</td><td>(0.21)</td></tr></table> * Based on the certificate of independent chartered accountant.	Particulars	March 2012	March 2013	March 2014	Intrinsic Value Compensation cost	Nil	Nil	Nil	Fair value compensation cost *	1.48	1.67	(0.21)	Difference	1.48	1.67	(0.21)								
Particulars	March 2012	March 2013	March 2014																						
Intrinsic Value Compensation cost	Nil	Nil	Nil																						
Fair value compensation cost *	1.48	1.67	(0.21)																						
Difference	1.48	1.67	(0.21)																						
Impact of the above on our profits and EPS with reference to Standalone/Consolidated Financials	The impact of the difference on the audited standalone profits / (losses) and earnings per share, had the fair value method been adopted is presented below: (in ₹ million) <table><tr><th>Particulars</th><th>March 31, 2012</th><th>March 31, 2013</th><th>March 31, 2014</th></tr><tr><td>Profit / (loss) after tax (Standalone)</td><td></td><td></td><td></td></tr><tr><td>As reported</td><td>(1379.95)</td><td>(780.78)</td><td>(57.46)</td></tr><tr><td>Add : Intrinsic Value Compensation cost</td><td>Nil</td><td>Nil</td><td>Nil</td></tr><tr><td>Less: Fair value compensation cost *</td><td>1.48</td><td>1.67</td><td>(0.21)</td></tr><tr><td>As Proforma</td><td>(1381.43)</td><td>(782.45)</td><td>(57.25)</td></tr></table>	Particulars	March 31, 2012	March 31, 2013	March 31, 2014	Profit / (loss) after tax (Standalone)				As reported	(1379.95)	(780.78)	(57.46)	Add : Intrinsic Value Compensation cost	Nil	Nil	Nil	Less: Fair value compensation cost *	1.48	1.67	(0.21)	As Proforma	(1381.43)	(782.45)	(57.25)
Particulars	March 31, 2012	March 31, 2013	March 31, 2014																						
Profit / (loss) after tax (Standalone)																									
As reported	(1379.95)	(780.78)	(57.46)																						
Add : Intrinsic Value Compensation cost	Nil	Nil	Nil																						
Less: Fair value compensation cost *	1.48	1.67	(0.21)																						
As Proforma	(1381.43)	(782.45)	(57.25)																						

Particulars	Details			
	Adjusted profit / (loss)			
	(in ₹)			
		March 31, 2012	March 31, 2013	March 31, 2014
Basic EPS (Standalone)				
As reported	(2.65)	(1.01)	(0.11)	
As Proforma adjusted	(2.66)	(1.02)	(0.10)	
	(in ₹)			
		March 31, 2012	March 31, 2013	March 31, 2014
Diluted EPS (Standalone)				
As reported	(2.65)	(1.01)	(0.11)	
As Proforma adjusted	(2.66)	(1.02)	(0.10)	
The impact of the difference on the audited consolidated profits / (losses) and earnings per share, had the fair value method been adopted is presented below:				
	(in ₹ million)			
	March 31, 2012	March 31, 2013	March 31, 2014	
Profit / (loss) after tax (Consolidated)				
As reported	(2141.52)	(1451.22)	(1824.82)	
Add : Compensation cost under Intrinsic Value method	Nil	Nil	Nil	
Less: Compensation cost under Fair value method *	1.48	1.67	(0.21)	
As Proforma Adjusted profit / (loss)	(2143.00)	(1452.89)	(1824.61)	
	(in ₹)			
	March 31, 2012	March 31, 2013	March 31, 2014	
Basic EPS (Consolidated)				
As reported	(4.09)	(1.86)	(2.33)	

Particulars	Details															
	As Proforma adjusted	(4.10)	(1.86)	(2.33)												
		March 31, 2012	March 31, 2013	March 31, 2014												
	Diluted EPS (Consolidated)															
	As reported	(4.09)	(1.86)	(2.33)												
	As Proforma adjusted	(4.10)	(1.86)	(2.33)												
	* Based on the certificate of independent chartered accountant.															
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	The exercise price equals fair value of stock. There is no market value since the Company is an unlisted entity.															
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely,	The said information is based on the valuation report of an independent chartered accountant															
(i) risk-free interest rate	Between 7.67% and 8.00% on continuous compounded basis															
(ii) expected life	Midway from the vesting date to maturity date															
(iii) expected volatility	35% per annum															
(iv) expected dividends	Dividend yield – 0.0007%															
(v) the price of underlying share in market at the time of grant of option	<table><tr><th>Date of Grant</th><th>Fair Value (Amount in Rs)</th></tr><tr><td>April 21, 2008</td><td>534.52</td></tr><tr><td>October 20, 2009</td><td>534.52</td></tr></table>				Date of Grant	Fair Value (Amount in Rs)	April 21, 2008	534.52	October 20, 2009	534.52						
Date of Grant	Fair Value (Amount in Rs)															
April 21, 2008	534.52															
October 20, 2009	534.52															
Vesting schedule	<table><tr><th>Schedule</th><th>Percentage of the options which shall vest</th></tr><tr><td>At the end of one year from the date of grant</td><td>Nil</td></tr><tr><td>At the end of two years from the date of the grant</td><td>Nil</td></tr><tr><td>At the end of three years from the date of the grant</td><td>40% of the aggregate number of options granted</td></tr><tr><td>At the end of four years from the date of the grant</td><td>30% of the aggregate number of options granted</td></tr><tr><td>At the end of five years from the date of the grant</td><td>30% of the aggregate number of options granted</td></tr></table>				Schedule	Percentage of the options which shall vest	At the end of one year from the date of grant	Nil	At the end of two years from the date of the grant	Nil	At the end of three years from the date of the grant	40% of the aggregate number of options granted	At the end of four years from the date of the grant	30% of the aggregate number of options granted	At the end of five years from the date of the grant	30% of the aggregate number of options granted
Schedule	Percentage of the options which shall vest															
At the end of one year from the date of grant	Nil															
At the end of two years from the date of the grant	Nil															
At the end of three years from the date of the grant	40% of the aggregate number of options granted															
At the end of four years from the date of the grant	30% of the aggregate number of options granted															
At the end of five years from the date of the grant	30% of the aggregate number of options granted															

Particulars	Details
Lock-in	There is no lock-in period pursuant to exercise of option
Impact on profits and EPS of the last three years if the Company had followed accounting policies specified in clause 13 of the Securities and Exchange Board of India (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 said clause is not applicable since there is no exercise of options granted under ESOP
Intention to sell Equity Shares arising out of the exercise of shares granted under ESOP within three months after the listing of Equity Shares by directors, senior managerial personnel and employees amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	No such intention received by the Company from the employees to whom such options are granted

Note 1: Employee wise details of Options granted and in force (post Bonus)

Sr. No.	Senior Managerial Personnel Names	Number of Options Granted and in force
1.	Rajgopal Nogja	4,03,303
2.	Praveen Sood	44,846
3.	Arun Karambelkar	44,846
4.	Aditya Jain	44,846
5.	Ambuj Jain	2,24,126
6.	Vinayak Jadhav	2,24,126
7.	Arun Bodupali	2,24,126
8.	Sureshkumar P. Pendharkar	2,24,126
9.	Satish Pendse	22,423
10.	V.P.Kulkarni	22,423
		14,79,191

7. Our Company has not issued Equity Shares at a price lower than the Issue Price during a period of one year preceding the date of this Draft Red Herring Prospectus.
8. Our Company, our Directors, the BRLMs have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares from any person.
9. On August 1, 2002, the Bombay High Court approved the scheme for the merger of Yashomala Leasing and Finance Private Limited with our Company. For details, see, “History and Certain Corporate Matters – Summary of Key Agreements / Scheme of Amalgamation” on page 227.
10. Except as stated in “Management” on page 263, none of our Directors or key management personnel hold any Equity Shares in our Company. Except as provided below, none of the directors of our Promoters hold

any Equity Shares in our Company.

Sr. No.	Name of the shareholder	Number of equity shares	Percentage of shareholding
1.	Ajit Gulabchand	18	0.00

The aggregate shareholding of our Promoter Group in our Company, as on the date of this Draft Red Herring Prospectus, is provided below:

Sr. No.	Name of the shareholder	Number of equity shares	Percentage of shareholding
1.	Hincon Finance	168,264	0.02
2.	Hincon Holdings Limited	2,387	0.00

11. None of our Promoters, directors of the Promoters, Promoter Group, our Directors and their immediate relatives have purchased or sold any Equity Shares during a period of six months preceding the date of filing this Draft Red Herring Prospectus with SEBI.
12. The Promoter Group, the directors of the Promoters, the Directors and their relatives have not purchased or sold any securities of the Subsidiaries during a period of six months preceding the date of filing of this Draft Red Herring Prospectus.
13. Except as disclosed below, none of our Promoters, Promoter Group or the Directors have purchased/subscribed or sold any securities of our Company within three years immediately preceding the date of filing this Draft Red Herring Prospectus with the SEBI which in aggregate is equal to or greater than 1% of pre-Issue capital of our Company:

Name of the shareholder	Promoter/ Promoter Group/ Director	Total no. of Equity Shares purchased/ subscribed	Percentage of pre-Issue capital
HREL	Promoter	231,017,568	29.03
Gautam Thapar	Director	11,812,913	1.48

14. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates do not hold any Equity Shares in our Company.
15. Other than the 1,479,191 options granted under the ESOP convertible into Equity Shares, DDCD issued to IndusInd Bank, DDCD issued to Allahabad Bank, Warrants issued to each Bennett, Coleman & Co. Limited and Redkite Capital Private Limited and Convertible Debenture held by Bennett, Coleman & Co. Limited, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares. For details in relation to the DDCDs, warrants and convertible debenture and their conversion, see “Capital Structure” and “History and Certain Corporate Matters” on pages 101 and 220.
16. Subject to the grant of options pursuant to the ESOP, the outstanding DDCDs and any conversion of options, two Warrants and one Convertible Debenture into Equity Shares, our 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 on a preferential basis or issue of bonus or rights or further public issue of specified securities or qualified institutions placement or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.
17. Except for issuance of Equity Shares pursuant to the conversion of Warrants, Convertible Debenture and

any option convertible into Equity Shares pursuant to the ESOP, there will be no further issue of Equity Shares by our Company, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

18. A Bidder cannot make a Bid for more than the number of Equity Shares offered through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder. For further details, see “Issue Procedure” on page 548.
19. No person connected with the Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash, kind, services or otherwise, to any Bidder.
20. Our Company is bound by certain restrictive covenants in relation to, inter alia, changing its capital structure, formulating schemes of amalgamation/ reconstruction, undertaking new projects, declaration of dividends and investing in other entities under facility agreements entered into by our Company with certain lenders. For details, see the chapter “Financial Indebtedness” on page 413.
21. Our Company has 11 members as of the date of filing of this Draft Red Herring Prospectus.
22. Our Company has not issued any Equity Shares out of revaluation reserves.
23. Our Promoters, Promoter Group and Group Companies will not participate in the Issue.
24. All Equity Shares in the Issue are fully paid up and there are no partly paid up Equity Shares as on the date of this Draft Red Herring Prospectus.
25. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
26. There have been no financial arrangements whereby our Promoter Group, our Directors, their relatives and directors of our Promoters have financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity during a period of six months preceding the date of filing of the Draft Red Herring Prospectus.
27. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.
28. The Issue is being made through the Book Building Process wherein atleast 75% of the Issue shall be Allotted on a proportionate basis to QIBs, provided that our Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not more than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Issue will be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. Under subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

OBJECTS OF THE ISSUE

Our Company proposes to utilise the Net Proceeds towards the following:

1. To finance the development of certain infrastructure facilities at Mugaon;
2. To finance construction of certain buildings at Dasve and Mugaon;
3. To fund the repayment or prepayment of certain debt availed by our Company; and
4. General corporate purposes.

The main objects as set out in the Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by our Company through this Issue.

The details of the Issue Proceeds are set forth in the following table:

(In ₹ million)

Sr. No.	Description	Estimated Amount
1.	Gross proceeds of the Issue	7,500
2.	Less the Issue expenses ⁽¹⁾	[•]
3.	Net Proceeds ⁽¹⁾	[•]

⁽¹⁾ To be finalized upon determination of the Issue Price.

Utilisation of Net Proceeds

The proposed utilisation of the Net Proceeds is set forth in the table below:

(In ₹ million)

Sr. No.	Particulars	Total estimated cost	Amount payable from the Net Proceeds	Estimated schedule of utilisation of Net Proceeds		
				Fiscal 2015	Fiscal 2016	Fiscal 2017
1.	Development of certain infrastructure facilities at Mugaon	1,000.00	1,000.00	-	438.00	562.00
2.	Construction of certain buildings at Dasve and Mugaon	2,500.00	2,500.00	38.00	1,000.00	1,462.00
3.	Repayment or prepayment of certain debt availed by our Company	2,000.00	2,000.00		2,000.00	-
4.	General corporate purposes	[•]	[•]		[•]	[•]
	Total	[•]	[•]		[•]	[•]

Note: As of the date of this Draft Red Herring Prospectus, our Company has not deployed any amount towards the stated objects.

Our Company confirms that the aforementioned proposed deployment of Net Proceeds would be undertaken directly by our Company.

The funds deployment described herein is based on management estimates and our current business plan and has not been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment on account of variety of factors such as our financial condition, changes to our development plan, business and strategy, interest rate fluctuations, increase in the costs of construction materials and labour costs and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned funding requirements and increasing or decreasing the funding requirements from the planned funding at the discretion of our management. For further details, see “Risk Factors – Any delay and/or other adverse events

and circumstances in connection with the activities for which we propose to deploy the proceeds of the Issue could adversely affect our financial condition, business plan and operations.” on page 59.

In the event of a shortfall in raising the requisite capital from the Net Proceeds towards meeting the objects of the Issue, the extent of the shortfall will be met by way of such means available to our Company, including by way of debt or internal accruals. If the actual utilisation towards any of the objects is lower than the proposed deployment, such balance will be used for future growth opportunities including funding existing objects, if required, and/or for general corporate purposes, subject to the funds utilised towards general corporate purposes not exceeding 25% of the gross proceeds of the Issue.

Means of Finance

Our Company proposes to meet the entire requirement of funds for the proposed objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised from the Issue and existing identifiable internal accruals.

Details of the Objects

1. Development of certain infrastructure facilities at Mugaon

In accordance with our development plan, details of which are disclosed under “Our Business – Our Master Plan and Development Plan”, during the Period 2 (Fiscal Year 2015 to Fiscal Year 2019), our Company, *inter alia*, proposes to develop our second town at Mugaon. We believe that infrastructure is an important component of town development and propose to utilise part of Net Proceeds towards development of certain infrastructure facilities at Mugaon. The break-up of total estimated cost in this regard is provided below:

(In ₹million)

Particulars	Total estimated cost*	Amount payable from the Net Proceeds	Estimated schedule of utilisation of Net Proceeds			Estimated schedule of implementation	
			Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Commencement	Completion
Internal roads	456	456	-	182	274	April 2015	March 2017
Water treatment plant	68	68	-	27	41	October 2015	March 2017
Water distribution network	152	152	-	92	60	October 2015	March 2017
Sewage treatment plant	90	90	-	36	54	October 2015	March 2017
Sewage collection network	148	148	-	67	81	October 2015	March 2017
Bridge	86	86	-	34	52	December 2015	March 2017
Total	1,000	1,000		438	562	-	-

Note: As of the date of this Draft Red Herring Prospectus, our Company has not deployed any amount towards the above mentioned project.

* The break-up of the total estimated cost of development of these infrastructure facilities at Mugaon, estimated schedule of utilization and the estimated schedule of implementation has been certified by

Taamra Engineering Consultants India Private Limited, vide their certificate dated June 17, 2014, who have also consented to being named as an expert for this purpose in this Draft Red Herring Prospectus.

The details of the expenses for developing the above mentioned infrastructure facilities at Mugaon are provided below:

(In ₹ million)	
Particulars	Total estimated cost [#]
Internal roads (12 km)	
Earthwork and excavation	137
Sub base / soiling	91
Water bound macadam with wearing coat	137
Cross drainage works	91
Sub-total	456
Water treatment plant (4 MLD)	
Water treatment plant - civil works	41
Water treatment plant – E&M works	27
Sub-total	68
Water distribution network (18 km)	
Laying of pipe lines	81
Intake well - E&M works	23
Pumping station - E&M work	8
Pumping station – civil works	11
Ground service reservoir	29
Sub-total	152
Sewage treatment plant (3 MLD)	
Sewage treatment plant - civil works	54
Sewage treatment plant - E&M works	36
Sub-total	90
Sewage collection network (19 km)	
Laying of pipes	59
Sewage pumping stations - civil works	53
Sewage pumping station - E&M works	36
Sub-total	148
Bridge (74 m)	
Foundation and excavation	13
Substructure	17
Super structure	56
Sub-total	86
Total	1,000

* The details of expenses for developing these infrastructure facilities at Mugaon has been certified by Taamra Engineering Consultants India Private Limited, vide their certificate dated June 17, 2014, who have also consented to being named as an expert for this purpose in this Draft Red Herring Prospectus.

2. Construction of certain buildings at Dasve and Mugaon

Our Company proposes to deploy a part of the Net Proceeds towards the construction of certain buildings on land owned by us in Dasve and Mugaon as mentioned below:

(In ₹ million)

Particulars	Total estimated cost*	Amount payable from the Net Proceeds	Estimated schedule of utilisation of Net Proceeds			Estimated schedule of deployment	
			Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Commencement	Completion
Residential apartments at Super pad 32, Dasve	300	300	-	120	180	April 2015	March 2017
Residential apartments at Super pad 47, Dasve	500	500	-	200	300	April 2015	March 2017
Residential apartments at Super pad 7, Dasve	375	375	38	150	187	January 2015	January 2017
Residential apartments at 80 West Lake Front Street, Mugaon	750	750	-	300	450	April 2015	March 2017
Residential apartments at 21 Flora Street, Mugaon	575	575	-	230	345	April 2015	March 2017
Total	2,500	2,500	38	1,000	1,462		

Note: As of the date of this Draft Red Herring Prospectus, our Company has not deployed any amount towards the above project.

* The total estimated cost towards the construction of these buildings at Dasve and Mugaon, the estimated schedule of utilisation and the estimated schedule of implementation has been certified by Taamra Engineering Consultants India Private Limited, vide their certificate dated June 17, 2014, who have also consented to being named as an expert for this purpose in this Draft Red Herring Prospectus.

The details of the expenses for constructing the aforementioned buildings at Dasve and Mugaon are provided below. The proposed developable area as estimated by our management and break-up of per square feet cost estimates, mentioned herein below, has been certified by Taamra Engineering Consultants India Private Limited, vide their certificate dated June 17, 2014, who have also consented to being named as an expert for this purpose in this Draft Red Herring Prospectus:

(₹ per Sq.Ft except developable area)

Particulars	Developable area (sq. ft)	Shell and core cost	Mechanical electrical and plumbing cost	Cost for finishes	External development (landscaping and external facade development)	Consultant fees	Total
Residential apartments at Super pad 32,	120,000	1,000	435	765	250	50	2,500

Particulars	Developable area (sq. ft)	Shell and core cost	Mechanical electrical and plumbing cost	Cost for finishes	External development (landscaping and external facade development)	Consultant fees	Total
Dasve							
Residential apartments at Super pad 47, Dasve	200,000	1,000	435	765	250	50	2,500
Residential apartments at Super pad 7, Dasve	150,000	1,000	435	765	250	50	2,500
Residential apartments at 80 West Lake Front Street, Mugaon	300,000	1,000	435	765	250	50	2,500
Residential apartments at 21 Flora Street, Mugaon	230,000	1,000	435	765	250	50	2,500

3. Repayment and / or prepayment of certain debt

Our Company has entered into financing arrangements with various banks/ financial institutions. For details of our debt financing arrangements, see “Financial Indebtedness” on page 413.

Our Company proposes to utilize an estimated amount of ₹ 2,000 million from the Net Proceeds towards repayment/prepayment of certain debts availed by our Company. Such repayment/prepayment will help in reducing our outstanding indebtedness, debt servicing costs and our debt-equity ratio on a consolidated basis. We believe that reducing our indebtedness coupled with an enhanced equity base, will assist us in maintaining a favourable debt-equity ratio in the near future and enable utilization of our accruals for further investment in business growth and expansion. In addition, we believe that the leverage capacity of our Company will improve significantly to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business in the coming years.

The following table provides details of certain debts availed by our Company out of which we may repay / prepay, in full or in part, any or all of the debts from the Net Proceeds, without any obligation to any particular bank / financial institution:

Sr. No.	Name of lender and nature, date of the loan agreement	Purpose of loan	Amount sanctioned (₹ in million)	Total amount outstanding as on June 20, 2014 (₹ in million)*	Rate of interest (per annum)	Repayment / redemption schedule (₹ in million)	Prepayment penalty
Secured Loans							
1.	Axis Bank Limited, secured loan, common loan agreement dated February 27, 2013 [#]	For financing towards phase 1(c) of the project	1,060.00	1,060.00	Base Rate + 4.00%, 14.25%	For the year ended: • 2014-2015: 106.0 • 2015-2016: 212.0 • 2016-2017: 212.0 • 2017-2018:	Nil

Sr. No.	Name of lender and nature, date of the loan agreement	Purpose of loan	Amount sanctioned (₹ in million)	Total amount outstanding as on June 20, 2014 (₹ in million)*	Rate of interest (per annum)	Repayment / redemption schedule (₹ in million)	Prepayment penalty
						265.0 • 2018-2019: 265.0	
Non Convertible Debentures							
2.	Non convertible debentures*	Part financing of development of phase 1-C of the project	1,020.00	1,020.00	14%	The redemption schedule of the NCDs is provided below: • 2.5% at the end of every quarter starting from June 30, 2014 to March 31, 2015 • 5% at the end of every quarter starting from June 30, 2015 to March 31, 2017 • 6.25% at the end of every quarter starting from June 30, 2017 to March 31, 2019	Nil
3.	Non convertible debentures* *	To meet the funding requirements of period 1 of the project comprising of development of Dasve, Mugaon and Bhoini towns in Lavasa	2,500.00	3,160.00 ^{##}	Coupon 9% and yield of 17%	The NCDs are due for redemption on January 6, 2015.	Nil

Sr. No.	Name of lender and nature, date of the loan agreement	Purpose of loan	Amount sanctioned (₹ in million)	Total amount outstanding as on June 20, 2014 (₹ in million)*	Rate of interest (per annum)	Repayment / redemption schedule (₹ in million)	Prepayment penalty
4.	L&T Infrastructure Finance Limited, term loan facility agreement dated August 23, 2010***	Refinancing of DDCCDs availed by our Company to develop basic infrastructure facilities such as roads, sewerage, telecommunication, water supply, electricity at Lavasa and for ongoing capital expenditure for infrastructure development at Lavasa	837.62	746.60###	L&T Infra PLR – 1.25%, 14.00%	The repayment schedule of the loan is as follows: In 10 equal quarterly instalments after expiry of moratorium period of 10 quarters from date of first disbursement.	Prepayment premium of 2% of the prepaid amount.
5.	IFCI – unsecured loan, loan agreement dated May 20, 2011	Development of an integrated hill station project at Lavasa	1,000.00	999.40####	14% payable monthly subject to annual reset.	The repayment schedule of the loan is as follows: ₹ 50 million on each of the following dates: April 15, 2014, July 15, 2014, October 15, 2014, January 15, 2015, April 15, 2015, July 15, 2015, October 15, 2015, January 15, 2016. ₹ 75 million on each of the following dates - April 15, 2016, July 15, 2016, October 15, 2016, January 15, 2017, April 15, 2017, July 15, 2017, October 15, 2017, January 15, 2018.	Prepayment premium of 2% plus applicable taxes on the amount prepaid
	Total		6,417.62	6,986.00			

The amount outstanding as of June 20, 2014 has been certified by K. S. Aiyar & Co., Chartered Accountants, statutory auditor of our Company, vide their certificate dated June 30, 2014, which further certifies that our Company has utilised the above said loan amounts for the purposes for which the loans were raised.

* The holder of the non convertible debentures as on this date is SSG Investment Holding India I Limited (agreement dated June 27, 2013).

** The holder of the non convertible debentures as on this date is ICICI Bank Limited (January 19, 2010 and supplementary agreement dated February 7, 2012).

*** This facility has been assigned by L&T Finance Limited to L&T Infrastructure Finance Limited by a letter dated March 29, 2014.

Axis Capital Limited, one of the BRLMs to the Issue, is a wholly owned subsidiary of Axis Bank Limited.

Includes interest accrued but not due of ₹100 million and premium on redemption accrued but not due of ₹560 million as on June 20, 2014.

This amount does not include an overdue amount of ₹2.03 million as on June 23, 2014.

This amount does not include an overdue amount of ₹24.2 million towards interest as on June 25, 2014.

In the event we are required to pay pre-payment penalty, if any, it shall be paid by our Company out of the Net Proceeds of the Issue. In the event the Net Proceeds of the Issue are not sufficient for the said payment of pre-payment penalty, we shall make such payment from the internal accruals of our Company.

The selection of debt facilities proposed to be repaid/ pre-paid as provided above shall be based on various factors including, (i) any conditions attached to the debts restricting our ability to repay or pre-pay them, (ii) receipt of consents for pre-payment or waiver from any conditions attached to such pre-payment from our respective lenders, (iii) terms and conditions of such consents and waivers, (iv) levy of any pre-payment penalties and the quantum thereof, (v) provisions of any law, rules, regulations governing such borrowings, and (vi) other commercial considerations including, among others, the interest rate of the debt facility, the amount outstanding and the remaining tenor of the facility.

4. General corporate purposes

Our Company proposes to deploy the balance Net Proceeds aggregating ₹ [●] million towards general corporate purposes, subject to such utilization not exceeding 25% of the gross proceeds of the Issue, in compliance with the SEBI Regulations, including but not limited to strategic initiatives, brand building exercises and strengthening of our marketing capabilities, land purchase or land related regulatory expenses within the project area, investments in subsidiaries and associates meeting exigencies which the Company may face in the ordinary course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act. Our Company's management, in accordance with the policies of the Board, will have flexibility in utilising any surplus amounts.

5. Issue related expenses

The Issue related expenses consist of listing fees, underwriting fees, selling commission, fees payable to the BRLMs, legal counsels, Bankers to the Issue including processing fee to the SCSBs for processing ASBA Bid cum Application Forms procured by the Syndicate Members and submitted to the SCSBs, brokerage and selling commission payable to Registered Brokers and Registrar 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 break-up of the Issue related expenses is as follows:

Activity	Estimated Issue expenses* (₹ in million)	As a % of the total estimated Issue expenses*	As a % of the total Issue size*
BRLMs fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs and Bankers to the Issue**	[●]	[●]	[●]

Activity	Estimated Issue expenses* (₹ in million)	As a % of the total estimated Issue expenses*	As a % of the total Issue size*
Brokerage and selling commission for Registered Brokers	[•]	[•]	[•]
Registrar to the Issue	[•]	[•]	[•]
Other advisors to the Issue	[•]	[•]	[•]
Others			
- Listing fees, SEBI and stock exchange filing fees, book building software fees	[•]	[•]	[•]
- Printing and stationary	[•]	[•]	[•]
- Advertising and marketing expenses	[•]	[•]	[•]
- Miscellaneous	[•]	[•]	[•]
Total estimated Issue expenses	[•]	[•]	[•]

* Amounts will be finalized at the time of filing the Prospectus and determination of Issue Price and other details.

** The SCSBs would be entitled to a processing fees of ₹ [•] per Bid cum Application Form, for processing the Bid cum Application Forms procured by the members of the Syndicate or the Registered Brokers and submitted to the SCSBs.

Interim use of proceeds

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility in deploying the Net Proceeds. Pending utilization for the purposes described above, we intend to temporarily invest the Net Proceeds in high quality interest/ dividend bearing liquid debt instruments including investments in debt mutual funds and other financial products, such as principal protected funds, listed debt instruments, rated debentures or deposits with banks/ other entities. Our Company confirms that it shall not use the Net Proceeds for any buying, trading or otherwise dealing in shares of any other listed company or for investment in the equity markets.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Monitoring of Utilisation of Funds

This being an Issue of more than ₹ 5,000 million, pursuant to the SEBI Regulations, our Company has appointed [•] as the monitoring agency to monitor the utilisation of Net Proceeds. The Board will monitor the utilization of the Net Proceeds and our Company will disclose the utilization of the Net Proceeds under a separate head along with details, for all such Net Proceeds that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the financial statements of our Company for the relevant Fiscals subsequent to the Issue.

Pursuant to Clause 49 of the Equity Listing Agreement, our Company shall on a quarterly basis disclose to the audit committee of the Board of Directors the uses and applications of the Net Proceeds. Additionally, the Audit Committee shall review the report submitted by the monitoring agency and make recommendations to our Board of Directors for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the audit committee of the Board of Directors. Such disclosure shall be made only until such time that all the Issue Proceeds have been utilised in full. The statement shall be certified by the Auditor of our Company.

Furthermore, in accordance with Clause 43A of the Equity Listing Agreement, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including material deviations, if any, in the utilisation of the

proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the audit committee of the Board of Directors. Further, our Company will also inform the Stock Exchanges of deviations, if any, in the utilisation of Net Proceeds pointed out by the monitoring agency, after review by our audit committee of our Board of Directors. This information will also be published in the newspapers.

Variation in Objects

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules thereunder. As per the current provisions of the Companies Act, our Promoters or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

Other Confirmations

Pursuant to a master construction agreement dated March 25, 2014 (the “**Master Construction Agreement**”), our Company has appointed Steiner India Limited as its principal contractor for execution and completion of construction related activities at Lavasa. Steiner India Limited, is a wholly owned subsidiary of Steiner AG, which is ultimately wholly owned by HCC. Steiner India Limited is a Group Company and forms part of the Promoter Group. In terms of the master construction agreement, Steiner India Limited shall carry out all construction work at Lavasa with effect from October 1, 2013 on a cost plus fees basis. The fees in accordance with the Master Construction Agreement for the above works would to be undertaken by Steiner India Limited will be 10% of the contract value. For details, see “History and Certain Corporate Matters” and “Material Contracts and Documents for Inspection” on page 220 and 607 respectively. An amount of ₹ 3,500 million from the Net Proceeds, is estimated to be paid to Steiner India Limited, towards the development of certain infrastructure facilities at Mugaon and construction of certain buildings at Dasve and Mugaon, in accordance with the terms of the Master Construction Agreement.

Except as mentioned hereinabove, no part of the proceeds of the Issue will be paid by us to the Promoters, Promoter Group, Group Companies, the Directors, our Subsidiaries, our Associates or our key management personnel, except in the normal course of business and in compliance with applicable law.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to the sections “Our Business”, “Risk Factors” and “Financial Statements” on pages 177, 19 and 310, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We are a city development and management company engaged in the development, and management of Lavasa, a hill city development in India. We believe the following are our strengths:

- Market opportunity and our market position;
- Our location;
- Our contiguous land size;
- Our integrated business model;
- Our execution track record;
- Our governance platform;
- Our promoter;
- Our structured city management team;
- Tie-ups with recognized industry participants in diverse businesses.

For further details, see the section “Our Business - Our Competitive Strengths” on page 182.

Quantitative Factors

The information presented below relating to our Company is based on the audited restated consolidated and unconsolidated financial statements prepared in accordance with Indian GAAP and the Companies Act, 1956 and restated in accordance with the SEBI ICDR Regulations. For details, see the section “Financial Statements” on page 413.

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

1. Earnings Per Share (EPS) (as adjusted for changes in capital)

As per our restated unconsolidated financial statements:

Year Ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2012	(1.51)	(1.51)	1
March 31, 2013	(1.07)	(1.07)	2
March 31, 2014	(0.17)	(0.17)	3
Weighted Average	(0.69)	(0.69)	

As per our restated consolidated financial statements:

Year Ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2012	(2.91)	(2.91)	1

Year Ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2013	(1.89)	(1.89)	2
March 31, 2014	(2.37)	(2.37)	3
Weighted Average	(2.30)	(2.30)	

Earnings Per Share = $\frac{\text{Adjusted Profit / (Loss) After Tax But Before Extraordinary Items}}{\text{Weighted Average Number Of Equity Shares Outstanding During The Year}}$

2. Price/Earning (“P/E”) ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at the lower end of Price band (no. of times)	P/E at the higher end of Price band (no. of times)
Based on basic EPS as per the restated unconsolidated financial statements for FY 2014	[●]	[●]
Based on basic EPS as per the restated consolidated financial statements for FY 2014	[●]	[●]
Based on diluted EPS as per the restated unconsolidated financial statements for FY 2014	[●]	[●]
Based on diluted EPS as per the restated consolidated financial statements for FY 2014	[●]	[●]

Industry P/E ratio

We are a city development and management company. There are no comparable listed companies in India; hence a comparison with industry peers is not applicable.

3. Average Return on Net Worth (“RoNW”)

As per restated unconsolidated financial statements:

Particulars	RoNW %	Weight
Year ended March 31, 2012	(8.91)	1
Year ended March 31, 2013	(10.52)	2
Year ended March 31, 2014	(1.44)	3
Weighted Average	(5.71)	

As per restated consolidated financial statements:

Particulars	RoNW %	Weight
Year ended March 31, 2012	(32.99)	1
Year ended March 31, 2013	(47.40)	2
Year ended March 31, 2014	(147.59)	3
Weighted Average	(95.09)	

Return on Net Worth for Equity Shareholders = $\frac{\text{Net Profit / (Loss) After Tax But Before Extraordinary Items}}{\text{Net Worth for Equity Shareholder' Excluding Revaluation Reserve}}$

4. Minimum RoNW after the Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2014:

To maintain pre-Issue basic EPS

i. Based on restated unconsolidated financial statements:

1. At the Floor Price - [●]%
2. At the Cap Price - [●]%

ii. Based on restated consolidated financial statements:

1. At the Floor Price - [●]%
2. At the Cap Price - [●]%

To maintain pre-Issue diluted EPS

i. Based on restated unconsolidated financial statements:

1. At the Floor Price - [●]%
2. At the Cap Price - [●]%

ii. Based on restated consolidated financial statements:

1. At the Floor Price - [●]%
2. At the Cap Price - [●]%

5. Net Asset Value per Equity Share of face value of ₹ 10 each

- (i) Net asset value per Equity Share as on March 31, 2014 as per restated unconsolidated financial statements is ₹ 9.73
- (ii) Net asset value per Equity Share as on March 31, 2014 as per restated consolidated financial statements is ₹ 1.58
- (iii) After the Issue as per restated unconsolidated financial statements:
 - a. At the Floor Price: ₹ [●]
 - b. At the Cap Price: ₹ [●]
- (iv) After the Issue as per restated consolidated financial statements:
 - a. At the Floor Price: ₹ [●]
 - b. At the Cap Price: ₹ [●]
- (v) Issue Price: ₹ [●]

$$\text{Net Asset Value Per Equity Share} = \frac{\text{Net Worth For Equity Shareholders' Excluding Revaluation Reserve}}{\text{Number Of Equity Shares Outstanding at the end of Year}}$$

6. Comparison with Listed Industry Peers

There are no comparable listed companies in India, hence a comparison with industry peers is not applicable.

The Issue Price of ₹ [●] has been determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information

along with “Risk Factors” and “Financial Statements” on pages 19 and 310, respectively, to have a more informed view

STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
Lavasa Corporation Limited
Hincon House, 11th Floor, 247PARK,
Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai - 400083.

Dear Sir/s,

Re.: Statement of Possible Direct Tax Benefits

We hereby report that the enclosed annexure states the possible tax benefits available to Lavasa Corporation Limited ("Company") and its shareholders under the current tax laws in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

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

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

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

Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to up-date the views consequent to such changes.

The contents of this Annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of current tax laws.

While all reasonable care has been taken in the preparation of this opinion, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

This report is intended solely for information and for the inclusion in the Offer Document in connection with the proposed Issue of Equity Shares of the Company as per SEBI Regulations and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For K. S. Aiyar & Co,
Chartered Accountants
ICAI Firm Registration No: 100186W

Place: Mumbai
Date: June 30, 2014

Sachin A. Negandhi
Partner
Membership No.: 112888

ANNEXURE

Statement of Possible Tax Benefits Available to Lavasa Corporation Limited and to its Shareholders

Statement of special tax benefits:

There are no special tax benefits available to the Company and its shareholders.

Statement of general tax benefits:

These are the general tax benefits available to all the companies and shareholders, subject to compliance with relevant provisions.

A. Under the Income Tax Act, 1961 (“the Act”)

I. Benefits available to the Company

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1st April, 2003 by domestic companies) received on the shares of any company is exempt from tax.
2. As per section 10(35) of the Act, the following income will be exempt in the hands of the Company:
 - a) Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or
 - b) Income received in respect of units from the Administrator of the specified undertaking; or
 - c) Income received in respect of units from the specified company:

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified Company or of a mutual fund, as the case may be.

For this purpose (i) “Administrator” means the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) “Specified Company” means a Company as referred to in section 2(h) of the said Act.

3. As per section 2(29A) read with section 2(42A), shares held in a company or a Unit of a Mutual Fund specified under clause (23D) of section 10 are treated as long term capital asset if the same are held by the assessee for more than twelve months period immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares in a company or a Unit of a Mutual Fund specified under clause (23D) of section 10 are held for more than twelve months.
4. As per section 10(38) of the Act, Long term capital gains arising to the Company from the transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transaction tax will be exempt in the hands of the Company.

For this purpose, “Equity Oriented Fund” means a fund –

- (i) where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and
- (ii) which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.

As per section 115JB, while calculating “book profits”, the Company will not be able to reduce the long term capital gains to which the provisions of section 10(38) of the Act apply and will be required to pay

Minimum Alternate Tax at the rate of 18.5% (plus applicable surcharge and cess) on the book profits.

5. In accordance with and subject to the provisions of section 35, the Company would be entitled to deduction in respect of expenditure laid out or expended on scientific research related to the business.
6. The Company will be entitled to amortize preliminary expenditure, being expenditure incurred on public issue of shares, under section 35D(2)(c)(iv) of the Act, subject to the limit specified in section 35D(3).
7. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. It may be noted that investment in the long term specified asset by an assessee during any financial year cannot exceed ₹ 50 lakhs.

However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A “long term specified asset” for making investment under this section on or after April 1, 2007 means any bond, redeemable after three years and issued on or after the April 1, 2007 by:

- (i) National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or
 - (ii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.
8. As per section 71 read with 74 of the Act short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ long-term capital gains.
 9. As per section 111A of the Act, short term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and cess).
 10. As per section 112 of the Act, taxable long-term capital gains, if any, on sale of listed securities or units or zero coupon bonds [other than exempt under the provision of section 10(38)] will be charged to tax at the concessional rate of 20% (plus applicable surcharge and cess) after considering indexation benefits in accordance with and subject to the provisions of section 48 of the Act or at 10% (plus applicable surcharge and cess) without indexation benefits, at the option of the Company. Under section 48 of the Act, the long term capital gains arising out of sale of capital assets excluding bonds and debentures (except Capital Indexed Bonds issued by the Government) will be computed after indexing the cost of acquisition/improvement.
 11. Under section 115JAA(1A) of the Act, credit is allowed in respect of any Minimum Alternate Tax (‘MAT’) paid under section 115JB of the Act for any assessment year commencing on or after April 1, 2006. Tax credit eligible to be carried forward will be the difference between MAT paid and the tax computed as per the normal provisions of the Act for that assessment year. Such MAT credit is allowed to be carried forward for set off purposes for up to 10 years succeeding the year in which the MAT credit is allowable.
 12. Under section 115-O(1A) of the Act, credit is allowed in respect of any dividend received by the Company

in computation of amount liable to tax u/s. 115-O, if such dividend is received from its subsidiary during the financial year and the subsidiary has paid tax u/s 115-O in relation to such dividend.

13. As per section 71 and 72 of the Act, in case of loss under the head “Profit and Gains from Business or Profession”, it can be set-off against other income and the excess loss after set-off can be carried forward for set-off against business profits of the next eight Assessment Years.
14. Under section 32(2) of the Act, the unabsorbed depreciation, if any, can be adjusted against any other income and can be carried forward for set-off against the income of future years.

II. Benefits available to Resident Shareholders

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1st April 2003 by the domestic companies) received on the shares of the Company is exempt from tax.
2. As per section 2(29A) read with section 2(42A), shares held in a company are treated as long term capital asset if the same are held by the assessee for more than twelve months period immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares are held for more than twelve months.
3. As per section 10(38) of the Act, long term capital gains arising from the transfer of a long term capital asset being an equity share of the Company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of the shareholder.
4. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long term capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. It may be noted that investment made in the long term specified asset by an assessee during any financial year cannot exceed ₹ 50 lakhs.

However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after April 1, 2007:

- (i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or
 - (ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.
5. As per section 54F of the Act, long term capital gains [in cases not covered under section 10(38)] arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family (HUF) will be exempt from capital gains tax if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years. Such benefit will not be available:
 - a) if the individual or HUF-
 - owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
 - purchases another residential house within a period of one year after the date of transfer

of the shares; or

- constructs another residential house within a period of three years after the date of transfer of the shares; and
- b) the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head “Income from house property”.

If only a part of the net consideration is so invested, so much of the capital gain as bears to the whole of the capital gain, the same proportion as the cost of the new residential house bears to the net consideration, will be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, will be deemed to be income chargeable under the head “Capital Gains” of the year in which the residential house is transferred.

6. As per section 71 read with section 74 of the Act, short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ long-term capital gains.
7. As per section 111A of the Act, short term capital gains arising from the sale of equity shares of the Company or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and cess).
8. As per section 112 of the Act, taxable long-term capital gains, if any, on sale of shares of the Company [other than exempt under the provision of section 10(38)] will be charged to tax at the rate of 20% (plus applicable surcharge and cess) after considering indexation benefits or at 10% (plus applicable surcharge and cess) without indexation benefits, whichever is less. Under section 48 of the Act, the long term capital gains arising out of sale of shares will be computed after indexing the cost of acquisition / improvement.

III. Benefits available to Non-Resident Indians/Non-Resident Shareholders (Other than FIIs)

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1st April 2003 by the Company) received on the shares of the Company is exempt from tax.
2. As per section 2(29A) read with section 2(42A), shares held in a company are treated as long term capital asset if the same are held by the assessee for more than twelve months period immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares are held for more than twelve months.
3. As per section 10(38) of the Act, long term capital gains arising from the transfer of long term capital asset being an equity share of the Company, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of the shareholder.
4. As per first proviso to section 48 of the Act, in case of a non resident shareholder, the capital gain/loss arising from transfer of shares of the Company, acquired in convertible foreign exchange, is to be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost Indexation benefit will not be available in such a case.
5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long term

capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. It may be noted that investment made in the long term specified asset by an assessee during any financial year cannot exceed ₹ 50 lakhs.

However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after 1st April 2007:

- (i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or
- (ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

6. As per section 54F of the Act, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family (HUF) will be exempt from capital gains tax if the net consideration is utilized within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years. Such benefit will not be available:

- a) if the individual or HUF-
 - owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
 - purchases another residential house within a period of one year after the date of transfer of the shares; or
 - constructs another residential house within a period of three years after the date of transfer of the shares; and
- b) the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head “Income from house property”.

If only a part of the net consideration is so invested, so much of the capital gain as bears to the whole of the capital gain, the same proportion as the cost of the new residential house bears to the net consideration, will be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, will be deemed to be income chargeable under the head “Capital Gains” of the year in which the residential house is transferred.

7. As per section 71 read with section 74 of the Act, short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ long-term capital gains.

8. As per section 111A of the Act, short term capital gains arising from the sale of equity shares of the Company transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable cess). However, benefit of

Basic Exemption Limit will not be available to Non-Resident.

9. As per section 112 of the Act, long-term capital gains arising from sale of shares of the Company other than unlisted securities which is acquired in convertible foreign exchange [other than exempt under the provision of section 10(38)] will be charged to tax at 20% (plus applicable cess) without indexation benefits.

Long-term capital gain arising from sale of shares of the company, being unlisted securities, will be charged to tax at 10% (plus applicable cess). For such securities, first and second proviso to section 48 is not applicable. Further, benefit of Basic Exemption Limit will not be available to Non-Resident.

10. As per section 115E of the Act, in the case of a shareholder being a Non-Resident Indian, and subscribing to the shares of the Company in convertible foreign exchange, in accordance with and subject to the prescribed conditions, long term capital gains arising on transfer of the shares of the Company (in cases not covered under section 10(38) of the Act) will be subject to tax at the rate of 10% (plus applicable cess), without any indexation benefit.
11. As per section 115F of the Act and subject to the conditions specified therein, in the case of a shareholder being a Non-Resident Indian, gains arising on transfer of a long term capital asset being shares of the Company will 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 or savings certificates referred to in section 10(4B) of the Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act then such gains would not be chargeable to tax on a proportionate basis. Further, if the specified asset or savings certificate 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.
12. As per 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 only source of income is income from specified investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
13. As per section 115H of the Act, where 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 Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
14. As per 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 a declaration along with his return of income for that assessment year under section 139 of the Act, 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.

For the purpose of aforesaid clauses “Non-Resident Indian” means an Individual, being a citizen of India or a person of Indian origin who is not a “resident”. A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

Provisions of the Act vis-à-vis provisions of the Tax Treaty

15. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident is resident. As per the provisions of section 90(2) of the Act, the provisions of the Tax Treaty would prevail over the provisions of the Act to the extent they are more beneficial to the non-resident.

Further, as per the insertion of new clause (4) to section 90 of the Act, in order to claim any relief under the

tax treaty, a non-resident should obtain a certificate of his being a resident in respective country outside India (TRC) from the Government of that country.

IV. Benefits available to Foreign Institutional Investors ('FIIs')

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1st April 2003 by the Company) received on the shares of the Company is exempt from tax.
2. As per section 2(29A) read with section 2(42A), shares held in a company are treated as long term capital asset if the same are held by the assessee for more than twelve months period immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares are held for more than twelve months.
3. As per section 10(38) of the Act, long term capital gains arising from the transfer of long term capital asset being an equity share of the Company, where such transaction is chargeable to securities transaction tax, will be exempt to tax in the hands of the FIIs.
4. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. It may be noted that investment made in the long term specified asset by an assessee during any financial year cannot exceed Rs.50 Lacs.

However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A "long term specified asset" for making investment under this section on or after 1st April 2007 means any bond, redeemable after three years and issued on or after the 1st April 2007 by:

- (i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or
 - (ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.
5. As per Section 71 read with section 74 of the Act, short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.
 6. As per section 111A of the Act, short term capital gains arising from the sale of equity shares of the Company transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15 % (plus applicable surcharge and cess).
 7. As per section 115AD of the Act, FIIs will be taxed on income (other than income by way of dividends referred to in section 115-O) or capital gains arising in respect of securities (other than unit referred to in section 115AB), at the following rates:

Nature of income	Rate of tax (%)
Long term capital gains [other than exempt under the provision of section 10(38)]	10
Short term capital gains [other than referred to in section 111A]	30

The above tax rates have to be increased by the applicable surcharge and cess.

In case of long term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.

8. As per section 196D (2), no tax is to be deducted from any income, by way of capital gains arising from the transfer of shares payable to Foreign Institutional Investor.

Provisions of the ITA vis-à-vis provisions of the Tax Treaty

9. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII is resident. As per the provisions of section 90(2) of the ITA, the provisions of the ITA would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.

Further, as per the insertion of new clause (4) to section 90 of the Act, in order to claim any relief under the tax treaty, a non-resident should obtain a certificate of his being a resident in respective country outside India (TRC) from the Government of that country

V. Benefits available to Mutual Funds

As per 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 and Mutual Funds authorized by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

B. Benefits available under the Wealth Tax Act, 1957

Asset as defined under section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares of the Company are not liable to wealth tax in the hands of shareholders.

C. Benefits available under the Gift Tax Act.

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

Notes:

- i. All the above benefits are as per the current tax laws. Accordingly, any change or Amendment in the laws/regulation would impact the same.
- ii. The Finance Minister presented the Union Budget of India for the year 2014-15 on February 17, 2014. The Finance Bill 2014 (“the Bill”) proposed no amendments to the Income Tax Act, 1961. It needs to be noted that the Bill is yet to be passed. Accordingly, the Finance Bill may undergo certain changes before the final Act is passed.

The Direct Tax Code (which will replace the Income Tax Act, 1961 and Wealth Tax Act, 1957) was proposed to come into effect from April 1, 2013. As per the Budget Speech delivered by the Finance Minister on February 28, 2013, the Standing Committee on Finance has submitted its report to the Ministry of Finance and its recommendations to the Direct Tax Code are being examined by the Ministry of Finance. Thus, it may undergo changes by the time it is actually introduced and hence, at the moment, it is unclear when will it come into effect and what effect the proposed Direct Tax Code would have on the Company and the investors. Therefore, proposed Direct Tax Code Bill, 2013 have not been considered.

- iii. 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 investments in the shares of the company.
- iv. The above Statement of Possible Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

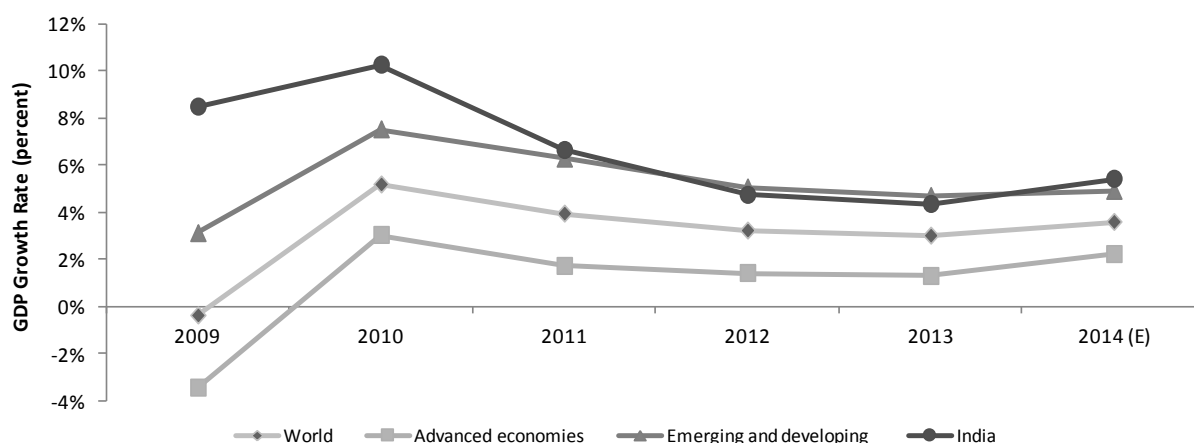
SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The Indian Economy

India is the world's largest democracy in terms of population (approximately 1.23 billion people, July 2014 estimate) (Source: *CIA World Factbook*, May 2014) with a GDP (by purchasing power parity valuation of country GDP) of approximately US\$ 5.069 trillion in 2013. This makes it the third largest economy in the world in terms of GDP after the United States of America and China in 2013 (Source: *International Monetary Fund (IMF)*, *World Economic Outlook Database*, April 2014).

Despite the global economic decline in fiscal year 2008, India continues to be one of the fastest growing countries in the world. The graph below is a comparison between India's GDP growth during years 2009 to 2014 (estimate), as compared to advanced economies, emerging and developing economies and the world. As can be seen from the graph, most of the countries witnessed positive growth from 2010 onwards, however in low ranges. India has been on par with or growing faster than the emerging and developing economies. Further, India's growth has generally outperformed the advanced and emerging and developing economies. (Advanced economies include 36 countries such as Australia, Canada, France, Japan, United Kingdom, United States and others; and Emerging and Developing economies include over 153 countries such as Argentina, Brazil, China, Russia, South Africa, Turkey and others, as defined by IMF; <https://www.imf.org/external/pubs/ft/weo/2014/01/weodata/groups.htm>)



(Source: *International Monetary Fund*, *World Economic Outlook Database*, April 2014 - GDP Growth Rates are on constant price basis)

The following table sets forth the key indicators of the Indian economy for the past six fiscal years.

(Annual percentage change, except for foreign exchange reserves)

	As at and for the year ended March 31					
	2009	2010	2011	2012	2013	2014
GDP growth rate	6.7	8.6	9.3	6.2	5.0	NA
Index of Industrial Production	2.5	5.3	8.2	2.9	1.1	-0.1 ¹
Inflation – Wholesale Price Index	8.1	3.8	9.6	8.9	7.4	5.9
Foreign Exchange Reserves (in US\$ billion)	242	255	275	261	293	304

¹ April 2013 – February 2014

(Source: *Indian Economic Survey 2012-13*, Ministry of Finance, Government of India (“Indian Economic Survey”) (website: indiabudget.nic.in); Ministry of Statistics and Policy Implementation, *Key Economic Indicators*, April 2014; Reserve Bank of India, *Weekly Statistical Supplement*, (dated April 5, 2013 and April 4, 2014))

Following the slowdown induced by the global financial crisis in 2008-09, the Indian economy responded strongly

to fiscal and monetary stimulus and achieved a growth rate of 8.6 percent and 9.3 percent as shown in the above table. However, with the economy exhibiting inflationary tendencies, RBI started raising policy rates in March 2010. High rates as well as policy constraints adversely impacted investment, and in the subsequent two years viz. 2011-12 and 2012-13, the growth rate slowed to 6.2 percent and 5.0 percent respectively. The moderation in growth is primarily attributable to weakness in growth rate of industry. Nevertheless, despite this slowdown, the CAGR for GDP at factor cost, over the decade ending 2012-13 is 7.9 percent (*Source: Indian Economic Survey 2012-13, Ministry of Finance, Government of India*).

Since 1991, successive Indian governments have implemented comprehensive reforms in the areas of fiscal and industrial policy, trade and finance. Some of the key reform measures include:

- **Industrial policy reforms**

In 1991, the Indian Government formulated the Industrial Policy, which, as amended from time to time, contains the policies relating to FDI in Indian companies engaged in business in various sectors of Indian industry. The Indian Government, pursuant to its liberalization policy, set up the FIPB, to regulate together with the RBI all foreign direct investment into India. The Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, Government of India makes policy pronouncements on FDI.

The Twelfth Five Year Plan document lays down broad strategies for spurring industrial growth and recommends sector specific measures covering micro, small, medium and large industries in the formal as well as informal sector. Some of major initiatives that can change the manufacturing landscape of the country are announcement of National Manufacturing Policy, implementation of the Delhi Mumbai Industrial Corridor (DMIC) Project and policy reforms to promote foreign direct investment (FDI) and an e-Biz project (*Source: Indian Economic Survey 2012-13*).

On April 17, 2014, the DIPP issued a Consolidated FDI Circular with the stated purpose of consolidating into one document all the prior policies/regulations on FDI and reflects the current policy framework on FDI.

During April - February 2013-14, total FDI equity inflows stood at INR 1,259.60 billion (US\$ 20,766 million) as against INR 1,136.10 billion (US\$ 20,899 million) during the corresponding period in 2012-13, signifying a growth of 11 percent in rupee terms and a decline of approximately 1 percent in US dollar terms. During the period from April 2012 to March 2013, total FDI equity inflows stood at INR 1,219.07 billion (US\$ 22,423 million) as against INR 885.20 billion (US\$ 19,427 million) during the corresponding period in 2010-11, signifying a CAGR of 17 percent in rupee terms and 7 percent in US dollar terms in this period. (*Source: DIPP, Ministry of Commerce & Industry, Government of India*).

- **Trade policy reforms**

Some of the measures taken by the Government of India in recent years in connection with promotion of trade are:

- With effect from May 5, 2012, banks were allowed to determine their interest rates on export credit in foreign currency with the objective of increasing the availability of funds to exporters.
- On June 18, 2012, the RBI enhanced the eligible limit of the export credit refinance facility for scheduled banks (excluding regional rural banks) from 15 percent of the outstanding export credit eligible for refinance to 50 percent, with effect from June 30, 2012. The objective was to provide additional liquidity support to banks of over Rs 300 billion. The rate of interest charged on the export credit refinance facility was retained at the prevailing repo rate under the liquidity adjustment facility.

(*Source: Indian Economic Survey 2012-13, Ministry of Finance, Government of India*).

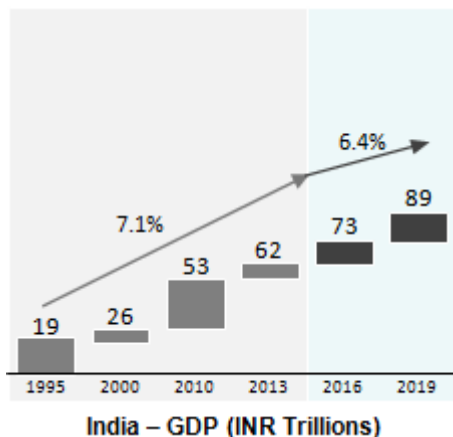
- **Monetary Policy and Financial Sector Reforms**

The stance of monetary policy is intended to:

- The Reserve Bank remains committed to keeping the economy on a disinflationary course, taking CPI inflation to 8 percent by January 2015 and 6 percent by January 2016. If the economy stays on this course, further policy tightening will not be warranted. On the other hand, if disinflation, adjusting for base effects, is faster than currently anticipated, it will provide headroom for an easing of the policy stance.
- Easing of domestic supply bottlenecks and progress in the implementation of stalled projects should brighten the outlook for both manufacturing and services. The resumption of export growth is a positive development and as world trade gathers momentum, the prospects for exports should improve further.
- As the economy recovers, investment demand and the need for credit will pick up. To the extent that this contributes eventually to supply, it is important that banks have the room to finance it. A reduction in the required SLR will give banks more freedom to expand credit to the non-Government sector.

(Source: The Second Bi-Monthly Monetary Policy Statement, 2014-15 by the Governor, Reserve Bank of India, June 03, 2014)

It is expected that Indian economic growth would continue to grow from INR 62 trillion in 2013 to INR 89 trillion in 2019, as per the IMF (CAGR of approximately 6.4 percent). The following chart depicts the expected growth in GDP.



(Source: International Monetary Fund, World Economic Outlook Database, April 2014)

Urbanization in India

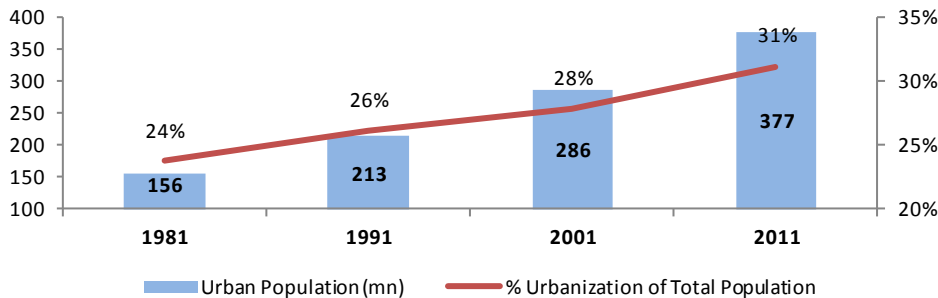
The state of urbanization in India

The GDP growth in India is on the back of growth in the services industry. The contribution of the services sector to India's GDP has increased consistently over the years and contributed to 60 percent of the total GDP in 2013. The table below shows the contribution of the services industry over the years.

Share of Service Sector in GDP (constant price)			
	1990	2000	2013
Percentage Share	43%	50%	60%

(Source: Reserve Bank of India, Handbook of Statistics on Indian Economy, 2012-13)

India is moving towards a service oriented economy. According to the Planning Commission of India, surging growth and employment in cities will prove a magnet for such cities (Source: Planning Commission, Government of India, Approach to the 12th Plan). India's urban population grew from the 286 million reported in the 2001 Census to 377 million in 2011, as depicted in the following graph.



(Source: Census 2011, Government of India)

The United Nations projects that by 2030, the urban population of India would be approximately 606 million. By 2030, 227 million more people will live in India's cities, the largest addition to an urban population of any country by 2030 outside of China. As seen in the table below, India is expected to contribute to approximately 35% of the total increment urban population of the top 10 economies in the world (GDP PPP as on 2013). (In the same period, India is expected to add another 72 million people in the rural areas.) (Source: United Nations World Urbanization Prospects, 2011 Revision, updated October 2012)

	GDP PPP basis, 2013 (in Billion US\$)	Urban Population Addition (2010 to 2030)	Total Population Addition (2010 to 2030)
United States	16,800	56,182	51,296
China	13,395	297,363	51,741
India	5,069	227,037	298,868
Japan	4,699	1,856	(6,318)
Germany	3,233	770	(2,833)
Russia	2,556	511	(6,529)
Brazil	2,423	30,707	25,545
United Kingdom	2,391	7,991	7,279
France	2,278	9,081	5,680
Mexico	1,843	23,674	21,975

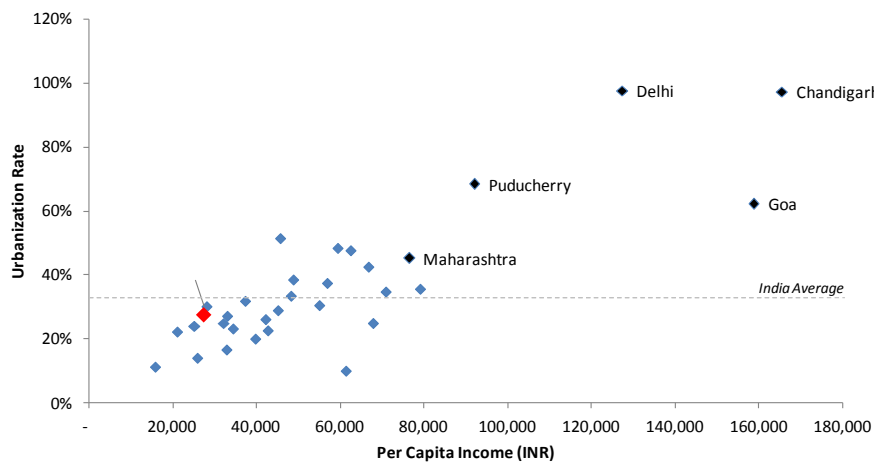
(Source: International Monetary Fund, World Economic Outlook Database, April 2014;

United Nations World Urbanization Prospects, 2011 Revision, updated in October 2012)

Increasing urban population and services growth is expected to increase urban India's contribution to total GDP. According to PricewaterhouseCoopers, India's GDP in 2030 is expected to increase to US\$ 13.7 trillion from US\$

4.1 trillion in 2010. The urban share of India's GDP is expected to increase from 62-63 percent in 2010 (as per Planning Commission estimates) to 69 percent by 2030 (as per Elara Capital research). As per the Planning Commission, by 2030, India's largest cities will be bigger than many countries today. (Source: *India's and Japan's GDP in 2030* from PricewaterhouseCoopers, *World in 2050 The BRICs and Beyond: Prospects, Challenges and Opportunities*, January 2013; *India's GDP in 2010* from International Monetary Fund, *World Economic Outlook Database*, April 2014; *Urban share of India's GDP in 2030* from Elara Capital Report, *Urban share of India's GDP in 2010* from Planning Commission of India, *Mid-term Appraisal Report of the 11th Five Year Plan, 2010*; *India's 'Urban' Dividend: A USD 974 Bn opportunity*, October 9, 2013; Planning Commission, Government of India, *Approach to the 12th Plan*).

The increasing urbanization and increasing share of urban GDP translates to increasing prosperity. As seen from the below graph, there is a significant correlation between urbanization rate of a state and its per capita income. Almost all states having high rates of urbanization have high per capita incomes.



(Source: Census 2011, Government of India; Ministry of Statistics and Programme Implementation, Government of India)

Economics aside, the average quality of life in urban India (vis-à-vis rural India) appeals to sections of migrant population. People in rural areas typically tap the opportunities that cities provide for employment, entrepreneurial avenues and education. As per Elara Capital Research, India's cities will be the key to addressing income disparity in the economy by swiftly moving workers from the lower-productivity farming sector in rural India to higher-productivity industry and services. (Source: *Elara Capital, India's 'Urban' Dividend: A USD 974 Bn opportunity*, October 9, 2013; Planning Commission, Government of India, *12th Five Year Plan, 2013*)

Given India's backlog of years of underinvestment and incremental demands of rising urbanization, India requires approximately INR 40 trillion of additional capital investment by 2025. The President of India has stated, in June 2014, that "Taking urbanization as an opportunity rather than a challenge, the government will build 100 cities focused on specialized domains and equipped with world class amenities," (Source: *Elara Capital, India's 'Urban' Dividend – A USD 974 bn Opportunity*, October 9, 2013; *Address by the President of India to the Parliament*, June 9, 2014).

Challenges of Urbanization in India

The pace of urbanization is set to accelerate as the country sets to a more rapid growth. Surging growth and employment in cities will act as a catalyst for people to migrate to urban areas. Within 20-25 years, another 300 million people will get added to Indian towns and cities. It has taken nearly forty years for India's urban population to rise by 230 million and the Planning Commission expects that it could take only half the time to add the next 250 million. (Source: *Planning Commission, Government of India, Approach to the 12th Plan*).

If not well managed, this increase will place stress on the existing cities which are currently dealing with the following challenges:

- Unplanned cities: The rapid rate of urbanization in India has put on further pressure on the already existing infrastructure facilities such as water supply, sewage system and road infrastructure. These are primarily due to the myopic planning of the existing urban centres in India and have further amplified by problems such as limited up-gradation potential and policy integration challenges.

(Source: Planning Commission, 12th Plan Five Year Plan, 2013; Elara Capital, India's 'Urban' Dividend: A USD 974 Bn opportunity, October 9, 2013)

- Lack of investment in urban infrastructure: Limited capital and operating expenditure has caused slow upgradation and development of new infrastructure facilities in urban India. As per the Planning Commission, India spends US\$ 17 per capita per year in urban infrastructure whereas the most benchmarks suggest a requirement of US\$ 100 per capita per year. *(Source: Planning Commission, Approach to the 12th Five Year Plan; Elara Capital, India's 'Urban' Dividend: A USD 974 Bn opportunity, October 9, 2013)*

According to the book 'Urbanization in India – Challenges, Opportunities and the Way Forward' by Ahluwalia, Kanbur and Mohanty, the per capital municipal finances towards urban infrastructure per annum in India is INR 598. As per Elara Capital research, per capita expenditure of INR 5,952 per annum is required for urban infrastructure in India. As per Government of India estimates, per capita capital expenditure of approximately INR 43,400 is required while the JNNURM spends on capital expenditure per capita are approximately INR 4,700.

(Sources: (1) Per capita expenditure per annum estimate of Municipal Finances - Urbanization in India (Ahluwalia, Kanbur, Mohanty), February 2014; (2) Per capita expenditure per annum required for urban infra - Elara Capital, India's 'Urban' Dividend: A USD 974 Bn opportunity, October 9, 2013; (3) JNNURM Capital Expenditure spends – Urbanization in India (Ahluwalia, Kanbur, Mohanty), February 2014, High Level Committee on Financing Infrastructure, Population base from Census 2011, Government of India; (4) Per capita expenditure estimate - Government of India - Report of the Sub-Committee on Financing Urban Infrastructure in the 12th Plan, Ministry of Urban Development, March 2012)

- Regulatory Challenges and Multiplicity of Agencies: According to a committee appointed by the Ministry of Housing and Urban Poverty Alleviation, Government of India, the existing institutional framework for urban planning and governance does not specify clearly the roles and responsibilities of the State Government, parastatals like Water Supply and Sewerage Boards, Urban Development Authorities, DPC/MPC and urban and rural local governments in plan preparation, implementation, enforcement and monitoring. This leads to confusion and lack of accountability. *(Source: Ministry of Housing and Urban Poverty Alleviation, Report of the Committee on Streamlining Approval Procedures for Real Estate Projects, January 2013)*. For instance, Mumbai Metropolitan Region features 11 planning authorities and the National Capital Region features 17 planning authorities.

According to the committee, the long list of permits often exceeds fifty in number for each state/project. The process of approval involving statutory authorities of Central Government, State Government and Local Municipal Corporations takes 90 to 600 days. Some of the main factors contributing to slow approval processes are: rigid planning process, lack of institutional clarity, complexity and coordination issues, complex byelaws with excessive control, ambiguity and discretion and lack of transparency and corruption. *(Source: Ministry of Housing and Urban Poverty Alleviation, Report of the Committee on Streamlining Approval Procedures for Real Estate Projects, January 2013)*.

- Quality of life: The increasing strain on the dated infrastructure facilities in the existing urban centers in India due to rapid urbanization and lack of planning has impacted the quality of life in cities. The livability of cities has degraded with unplanned urbanization, congestion and environmental degradation. This has resulted in intensification of problems such as high commuting time, lack of recreational spaces, limited social amenities and water and power shortage. *(Source: Ministry of Housing and Urban Poverty Alleviation, Report of the Working Group on Urban Strategic Planning, October 4, 2011; Elara Capital, India's 'Urban' Dividend: A USD 974 Bn opportunity, October 9, 2013)*

Policy thinking on urbanization has largely concluded that mega-cities (population greater than 10 million) in India

are largely saturated. These cities have relatively less scope for incremental planning and infrastructure development in comparison to new cities. Urban planning needs to invest in cities that are based on compact and sustainable framework. (Source: *Elara Capital, India's 'Urban' Dividend: A USD 974 Bn opportunity, October 9, 2013*)

Satellite towns around cities are catchment areas for further urbanization and there have been numerous satellite towns that have developed around cities in India (Source: *Ministry of Housing and Urban Poverty Alleviation, Government of India, Report of the Working Group on Urban Strategic Planning for 12th five year plan, October 4, 2011*). Hinjewadi, with an area of 1,055 hectares has come up near Pune (area of 147.53 sq km). Gandhinagar with an area of 388 sq km has come up near Ahmedabad in Gujarat. Gurgaon has developed as an extension of the capital (Delhi) and is spread over 33,726 hectares. The cities of Panchkula, as a satellite town near Chandigarh (114 sq km), and Naya Raipur (80.13 sq km), as a satellite town near Raipur, have also developed in the recent years.

(Sources:

1. *Pune Municipal Corporation, Final Draft City Development Plan, 2012 (Hinjewadi)*
2. *Pune Municipal Corporation, Draft Development Plan for Pune City 2007-2017 (Pune)*
3. *Gandhinagar Urban Development Authority, Town Planning Scheme website, Link: <http://www.guda.gujarat.gov.in/tpscheme.htm>;*
4. *Town & Country Planning Haryana, Gurgaon Development Plan 2031, September 12, 2012*
5. *Chandigarh Government Website, Chandigarh Master Plan 2031 Draft*
6. *Naya Raipur Development Authority, Development Plan 2031, 2008)*

Enablers for Urbanization

As per the Planning Commission of India, the key enablers for effective urbanization are as follows:

- **Governance and regulation** – There is significant variation in devolution of functions, functionaries and funds across states. The complicated structure of management and accountability hampers good governance.
- **Urban Planning** – Urbanization is implemented through disjointed projects / activities with in-adequate planning for the integrated urban agglomeration. Absence of any long-term plan prevents development of cities in which all the parts of the system—urban services, transportation, housing, commercial activities—fit together harmoniously.
- **Infrastructure Financing** – To meet infrastructure investments, urban local bodies should have robust revenue streams. It is currently hampered by poor assessment methods, low user charges, limited coverage and weak enforcement.
- **Managerial Capacity Building** – Lack of credible and specialized supply side institutions, substantial skill gaps in management and absence of dedicated municipal cadres has resulted in lack of effective capacity for managing urban development across all levels of government.
- **Innovation** – Managing India's ongoing urbanization will place huge requirements on financial as well as human resources in the country. Given the scarcity of resources in the medium term, innovation will have a significant role to play.

Successful management of India's urbanization would require measures to strengthen the five enablers by improving local governance systems, integrating planning organization and processes, building managerial capacity across all levels, financial empowering urban local bodies and promoting innovation in urban management. (Source: *Planning Commission, 12th Five Year Plan (2012-2017) Economic Sectors, 2013*)

Corridors and Clusters

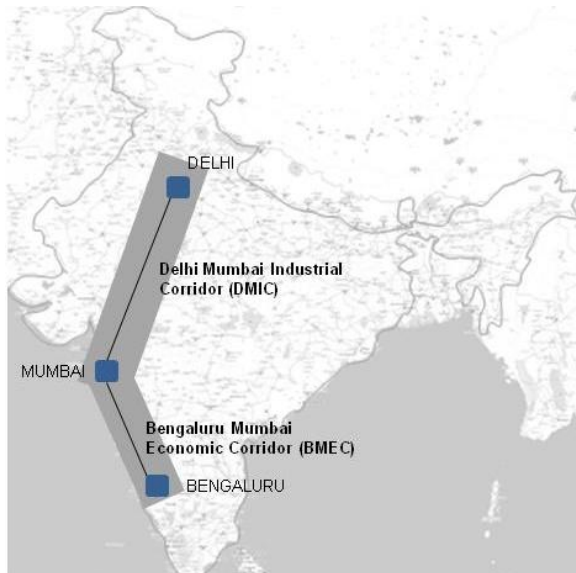
The Working Group on Urban Strategic Planning for 12th five year plan recommended that development of new cities should be along the transport and industrial growth corridors. The new cities on growth corridors need to be located near existing large / metropolitan cities / growth centers connected with high-speed transit networks so that they can take advantages of the agglomeration forces. Some of the major upcoming economic and industrial corridors in India are discussed below. (Source: Ministry of Housing and Urban Poverty Alleviation, Government of India, Report of the Working Group on Urban Strategic Planning for 12th five year plan, October 4, 2011)

The Delhi Mumbai Industrial Corridor

The Delhi-Mumbai Industrial Corridor (DMIC) is conceived by Department of Industrial Policy and Promotion (DIPP) as a Model Industrial Corridor of international standards between the political and commercial capitals of India (Delhi and Mumbai respectively). The project is proposed to be implemented on both sides of the 1,483 km long Western Dedicated Rail Freight Corridor between Dadri (UP) and Jawaharlal Nehru Port Trust (Navi Mumbai) (Source: DIPP Annual Report, 2012-13).

The project seeks to create a strong economic base to activate local commerce, enhance investment and attain sustainable development. The DMIC project covers six states of Uttar Pradesh, Haryana, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra. Considering the scale and complexity of the project, it is planned to be implemented in phases, with eight investment regions to be developed as industrial cities in a phased manner. (Source: Statement of the Minister of State, Ministry of Commerce in the Lok Sabha on December 9, 2013; DIPP Annual Report, 2012-13)

The total investment in the DMIC project is estimated to be US\$ 100 billion (Source: Center for Business and Strategic Affairs, Report on Delhi Mumbai Industrial Corridor, January 2014). The 11th Five Year Plan, after appraisal and approval by competent authorities, released an amount of INR 2,190 million while the 12th Five Year Plan (2012-2017) has allocated INR 75,460 million for DMIC Project (Source: DIPP website). Total employment of 29 million is envisaged to be provided by the project across 24 nodes (Source: Center for Business and Strategic Affairs, Report on Delhi Mumbai Industrial Corridor, January 2014). The DMIC project is expected that to provide additional 3.8 million manufacturing jobs along with 20,000 billion of additional industrial output by 2042 in the state of Maharashtra alone. (Source: Press Information Bureau, Launch of DMIC in Maharashtra, March 2014).



The overall perspective plan for the entire DMIC has been completed. The master planning for the Investment Regions and Industrial Areas taken up initially to be developed as industrial cities in Gujarat, Madhya Pradesh, Haryana, Rajasthan and Maharashtra have been completed and master planning for the industrial city in Uttar Pradesh has started.

The Government of India restructured the DMIC project with an implementation fund of INR 175 billion to be utilized over a period of five years and an additional project development fund of INR 10 billion for project development. The Japanese Government has also announced their financial support for DMIC project to an extent of US\$ 4.5 billion in the first phase for the projects which have Japanese participation. *(Source: DIPP Annual Report, 2012-13)*

The Bengaluru-Mumbai Economic Corridor

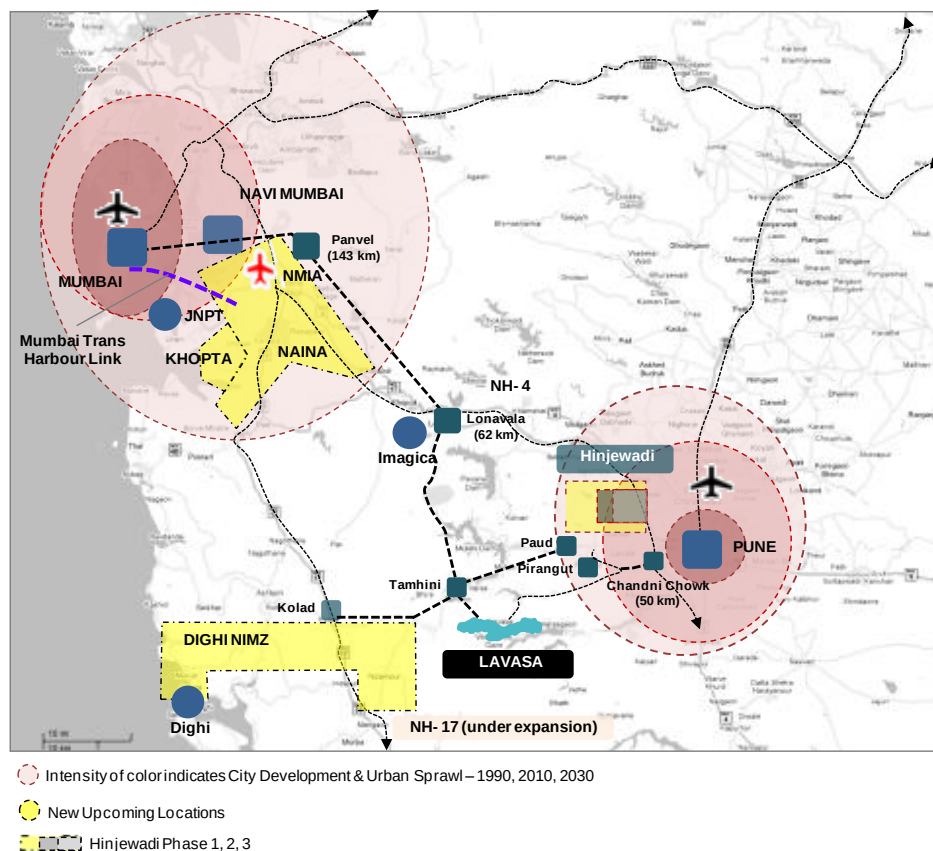
The proposed Bengaluru-Mumbai Economic Corridor (BMEC) is intended to facilitate development of a well-planned and resource-efficient industrial base served by world-class sustainable connectivity infrastructure, bringing significant benefits in terms of innovation, manufacturing, job creation and resource security to the two states of Maharashtra and Karnataka. The project is to be undertaken in partnership with the United Kingdom. The Influence Area of the project would be spread across the two states covering an overall length of approximately 1000 km. *(Source: Request for Proposal document for Consulting Services for Preparation of Perspective Plan for Bengaluru Mumbai Economic Corridor Region, November 2013).*

The terms of reference (TORs) for the feasibility study have been finalized in consultation with the Department of Economic Affairs, the UK side and Delhi Mumbai Industrial Corridor Development Corporation (DMICDC) (appointed as a nodal agency on the Indian side for the project). DMICDC has initiated the tendering process for selection of a consultant for undertaking the study. *(Source: Statement of the Minister of State, Ministry of Commerce and Industry, Government of India, in the Lok Sabha on December 9, 2013)*

The Mumbai-Pune Corridor

The Mumbai-Pune corridor (encompassing the districts of Mumbai city, Mumbai suburban, Thane, Raigad and Pune) features Mumbai and Pune, two of the largest cities in India, in terms of both demographic and economic parameters. It caters to a population of 35.6 million and contributed to INR 4,032 billion to India's GDP in 2011-12. *(Source: Census 2011, Government of India; Economic Survey of Maharashtra, 2012-13).*

Both Mumbai and Pune have grown extensively and as demonstrated in the following map; many development projects are underway along the Mumbai – Pune axis.



The growth of this corridor is driven by the large number of projects (existing and upcoming) in the region. The following is a brief description of some of these projects:

Navi Mumbai Airport Influence Notified Area (NAINA)

The Navi Mumbai Airport Influence Notified Area (NAINA) is an area with radial distance of 25 km around the proposed Navi Mumbai airport (Source: CIDCO website Link: http://www.cidco.maharashtra.gov.in/NMIA_AbouttheProjects.aspx). The total area is estimated to be around 550-600 sq km comprising of 270 villages across the districts of Thane and Raigad. CIDCO (City and Industrial Development Corporation) has been appointed the special planning authority for the region. The major transportation links passing through the region include National Highways (4, 17) / State Highways (54) / Mumbai-Pune Expressway / Mumbai-Goa and Mumbai-Kajrat-Pune Rail link. (Source: Request for Proposal for Appointment of Planning Consultants for NAINA and Khopta New Town, CIDCO, September 2013).

Khopta Township

The Khopta Township is spread over a 93 sq km area comprising 32 villages. CIDCO (City and Industrial Development Corporation) was appointed as the Special Planning Authority for Khopta Township in November 2003 and has planned the entire project with around 9,300 hectares. CIDCO prepared and published Draft Development Plan for 6 villages in April 2008 which was approved by the Government of Maharashtra in April 2012. (Source: Request for Proposal for Appointment of Planning Consultants for NAINA and Khopta New Town, CIDCO, September 2013).

The process for the appointment of a consultant for the formulation of planning and development strategy and preparation of development plan for Navi Mumbai Airport Influence Notified Area (NAINA) and Khopta New Town (KNT) was initiated in September 2013 by CIDCO. (Source: Request for Proposal for Appointment of Planning Consultants for NAINA and Khopta New Town, CIDCO, September 2013).

Dighi Port Industrial Area

Dighi port is a green field port being developed in the state of Maharashtra. The concession agreement for the port was signed with Balaji Group in March, 2002. The projected cargo capacity for the port is 13.7 MTPA. As of March 2012, two berths out of the planned five were completed, one of which was ready for commissioning (*Source: Comptroller and Auditor General Report on General and Social Sector, 2013*). The Dighi Port Area is identified as one of the 7 Mega National Investment and Manufacturing Zones by the new Manufacturing policy. Nearly 230 sq km have been allocated for this development (*Source: Press Release by the Ministry of Commerce and Industry, December 16, 2011*). The expected population in the region is expected to be around 383,000 by 2022 and is expected to increase to approximately 1 million people by 2032. (*Source: Executive Summary, Final Concept Master Plan for Dighi Port Industrial Area*)

Sion Panvel Expressway

The Government of Maharashtra has envisaged expansion of the existing road on the Sion-Panvel stretch into a 10-lane main road. The work is being carried out by the Maharashtra Public Works Department and construction is expected to be completed by 2015. (*Source: CIDCO, Navi Mumbai International Airport Project, Request for Qualification – Pre Application Conference, April 2, 2014*)

Expansion of NH 17

National Highways Authority of India has bid out the project for expansion of NH-17 from Panvel to Indapur in Maharashtra. This expansion is to be carried out on approximately 84 km stretch of road. (*Source: National Highways Authority of India website, Link: <http://www.nhai.org/phase3ui.asp>*)

Rewas Port

Rewas port is a green field port being developed in the state of Maharashtra. The concession agreement for the port was signed with Amma lines / Reliance Group in March, 2002. The projected cargo capacity for the port is 50 MTPA. As of March 2012, construction on the port is yet to start. (*Source: Comptroller and Auditor General Report on General and Social Sector, 2013*)

Jawaharlal Nehru Port Trust (JNPT)

The port handled 55.25 percent of India's total container traffic at ports in 2012-13 and is located at Nhava Sheva. The port handled 64.50 million tonnes of total cargo during the financial year 2012-13 retaining its position as the top-most in India for solid cargo. (*Source: JNPT Press Release, Port Performance 2012-13*). It encompasses a total area of 2,584 hectares and is poised to handle 10 million TEUs of container volumes by 2015-16. (*Source: JNPT website, link: <http://jnport.gov.in/AboutJNPT.aspx?id=2&cid=1>*)

In order to handle the additional traffic volume, JNPT has decided to develop a fourth container terminal with a handling capacity of 4.8 Million TEUs. The Port has invited global tenders for Request for Qualification and on August 19, 2013, Requests for Qualification from eight agencies were received of which seven qualified for issue of Requests for Proposal. (*Source: JNPT website Link: <http://www.jnport.gov.in/aboutjnpt.aspx?id=9&cid=1>*)

Rajiv Gandhi Infotech Park, Hinjewadi

This IT/ITES and Biotech Park was developed by Maharashtra Industrial Development Corporation and is still expanding, with four phases planned covering a total area of 1,055 hectares .The status of the four phases is as follows:

- Phase 1 – 87 hectares – 100 percent completed
- Phase 2 – 218 hectares – 80 percent completed
- Phase 3 – 350 hectares – Land acquisition yet to start
- Phase 4 – 400 hectares – Proposed

(Source: Pune Municipal Corporation, Final Draft City Development Plan, 2012)

Adlabs Imagica

Adlabs Imagica theme park is located near Khopoli, Maharashtra and is built across 297 acres at a total estimated investment of INR 16 billion. This park became operational in 2013. The park has 21 rides including India's largest roller coaster and 4D simulation rides. *(Source: CARE Research, Amusement Park Industry, January 2013)*

The Real Estate Sector in India

India is among the top countries in terms of housing and workspace needs and housing is the second largest generator of employment in India (*Source: Indian Economic Survey 2012-13, Ministry of Finance, Government of India*). As per the Central Statistical Office, Government of India, the 'real estate and ownership of dwellings and business services' sector valued at Rs 5,352 billion in 2012-13. (*Source: Central Statistical Office, Government of India, Press Note on First Revised Estimates of National Income, January 31, 2014*)

To support the growth of the housing and real estate sector, the Government of India has announced various measures like the Interest Subsidy Scheme for housing for the urban poor and setting up of the Credit Risk Guarantee Fund Trust for low income housing. With support from lending institutions, housing credit has grown substantially over the years, resulting in increased market penetration. (*Source: Ministry of Finance, Government of India, Indian Economic Survey 2012-13*).

The government has allowed FDI of up to 100 percent in construction development projects for townships, housing and built-up infrastructure. FDI in construction development of US\$ 23.3 billion was witnessed between April 2000 and March 2014 and has received the second largest share of 11 percent of the total FDI inflows in the same period. (*Source: Fact Sheet on Foreign Direct Investment from April, 2000 to March, 2014, DIPP*)

Major Segments of Real Estate Industry in India

Residential

The total urban housing shortage in India in 2012 was 19 million households (*Source: Ministry of Housing and Urban Poverty Alleviation, Report of Technical Group on Urban Housing Shortage, September 20, 2012*). The Union Urban Development, Housing & Urban Poverty Alleviation Minister recently observed that "If we carry on with a business-as-usual approach, the housing shortage would balloon to 30 million by the year 2020". (*Source: Press Information Bureau, Government of India, Press Release by Ministry of Housing and Urban Poverty Alleviation, June 17, 2014*).

As per CRISIL estimates, residential supply of around 2.1 billion square feet is planned across the National Capital Region, Mumbai Metropolitan Region, Pune, Bengaluru, Hyderabad, Chennai, Kolkata, Ahmedabad, Chandigarh Tri-city and Kochi. CRISIL expects that around 1.4 billion square feet would be completed in the period 2013-2015. Mumbai Metropolitan Region, Pune and National Capital Region are expected to account for nearly 65 percent of the estimated supply. (*Source: CRISIL, Customised Research Bulletin, Sector Focus: Real Estate, February 2013*)

Commercial

As per CRISIL estimates, a total supply of around 445 million square feet is planned across the National Capital Region, Mumbai Metropolitan Region, Pune, Bengaluru, Hyderabad, Chennai, Kolkata, Ahmedabad, Chandigarh Tri-city and Kochi. CRISIL research estimates that approximately 167 million square feet of office space would come up in the period 2013-15. Mumbai Metropolitan Region, Pune and National Capital Region are expected to account for around 49 percent of the likely supply additions. (*Source: CRISIL, Customised Research Bulletin, Sector Focus: Real Estate, February 2013*)

Retail

CRISIL estimates that the total planned supply across National Capital Region, Mumbai Metropolitan Region, Pune, Bengaluru, Hyderabad, Chennai, Kolkata, Ahmedabad, Chandigarh Tri-city and Kochi is approximately 67 million square feet, of which around 38 million square feet is expected to be completed in the period 2013-15. 54 of these planned malls are expected across Mumbai Metropolitan Region, Pune and National Capital Region, with 28 malls expected to be completed in the period 2013-15, as per CRISIL. (*Source: CRISIL, Customised Research Bulletin, Sector Focus: Real Estate, February 2013*)

Hotels

As per estimates by HVS Global Hospitality Services, the total supply of hotel rooms in India has increased with a CAGR of 11.65 percent from 24,905 in the fiscal year 2000-11 to 93,479 rooms in the fiscal year 2012-13 with an

addition of around 9,000 branded rooms in the fiscal year 2012-13. HVS research has estimated that by fiscal year 2017-18, the total supply of hotel rooms in India would be around 143,956 amounting to a 56 percent cumulative growth over fiscal year 2012-13. Out of this expected supply, Mumbai and Pune are expected to contribute to close to 25,200 hotel rooms. (Source: HVS Global Hospitality Services, *Hotels in India, Trends and Opportunities*, 2013)

Key characteristics of the real estate sector

The Indian real estate sector has traditionally been dominated by a number of small regional players with relatively low levels of expertise or financial resources. Historically, the sector has not benefited from institutional capital and has instead utilized high net-worth individuals and other informal sources of financing as its major source of funding, leading to low levels of transparency. Some of the key characteristics of the Indian real estate sector are:

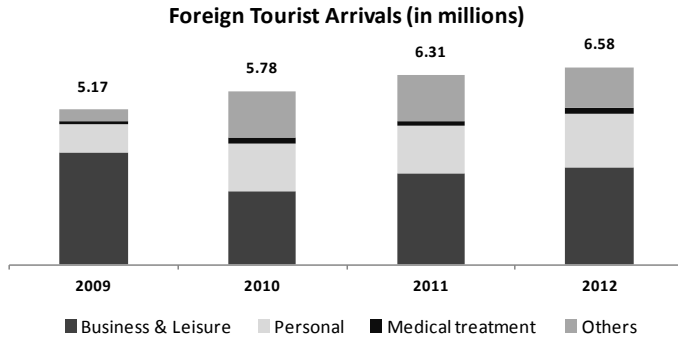
- **Highly fragmented market dominated by regional players:** Rapid growth in the last decade has contributed to the emergence of larger players that have been able to capitalize on their early mover advantage to build high market shares, though generally they remain confined to local or regional markets. While the larger regional players are now initiating efforts to develop a broader geographic presence, their home markets continue to generate a majority of their profitability.
- **Local knowledge is critical to successful development:** The property sector is generally regulated at the state level. As a result, the rules and regulations that impact, among other things, approval processes and transaction costs, vary from state to state. In addition, real estate is affected by the geographic area surrounding the property which makes local knowledge essential for development.
- **High transaction costs:** The real estate sector has traditionally been burdened with high transaction costs as a result of stamp duty payable on transfers of title to property, the amount of which varies from state to state. Although the range and availability of financing products has been improving in recent years (see below), transaction costs are often increased further by limited access to formal funding and the corresponding dependence on informal, high-cost sources for funding.
- **Enhanced role of mortgage financing:** Over the past few years, a significant portion of new real estate purchases in India, particularly in the larger cities, have been financed through banks and financial institutions.
- **Lack of clarity in land title:** A significant number of land plots in India do not have clear title because of disorganized land registries and judicial delays in resolving ownership issues. Moreover, the transfer of land is subject to “caveat emptor” rules, which place the burden on the buyer to insure there are no defects in title prior to purchase. Finally, most land is held by individuals and families, which further obscures title to land.
- **Availability of land:** Real estate developers in India face challenges in connection with the purchase of land in India. The availability of land, as well as its use and development, is subject to regulations by various central, state and local authorities. Such restrictions could lead to a further shortage of developable land. In addition, as large greenfield cities need a threshold size of between 5,000 acres and 10,000 acres to be sustainable, such greenfield opportunities are difficult and time-consuming.
- **Sector governance issues:** As a result of high transaction costs, real estate transactions in India often require large amounts of cash and lead to efforts to avoid taxes by using inefficient business structuring.

The applicable regulations for Real Estate sector are discussed in detail in “Regulations and Policies” on page 215.

The sector has been growing on the basis of growing demand, attractive opportunities, increasing investments and policy support. The real estate sector of India is expected to post annual revenues of US\$ 180 billion by 2020 as compared to US\$ 66.8 billion in 2010-11, registering a compound annual growth rate (CAGR) of 11.6 percent. (Source: Ministry of Finance, Government of India, *Emerging Global Economic Situation: Opportunities and Policy Issues for Services Sector*, January 2014)

The Tourism and Hospitality Industry in India

As per the Ministry of Tourism, Government of India, tourism possesses the potential to stimulate other economic factors through its forward and business linkages with a host of sectors including hospitality, education, health and banking. The consumption demand emanating from tourist expenditure also creates more employment and generates a multiplier effect on the economy. (Source: Ministry of Tourism, Government of India, Annual Report 2012-13)

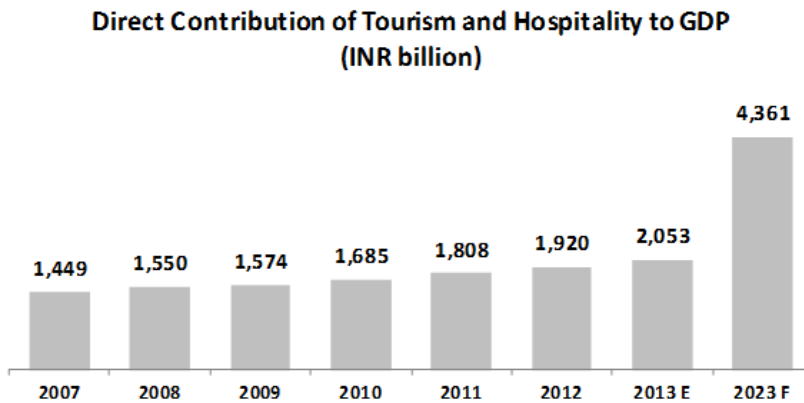


(Source: India Tourism Statistics, 2012, Ministry of Tourism, Government of India)

As indicated above, the number of foreign tourist arrivals has been growing steadily across the last few years. According to the Ministry of Tourism, India recorded 6.85 million foreign tourist arrivals in 2013. (Source: Ministry of Tourism, Government of India, India Tourism Statistics, 2013)

The Ministry of Tourism, Government of India has taken up initiatives such as visa on arrival scheme and a five year tax holiday for 2, 3 and 4 star category hotels located around UNESCO World Heritage sites among others. (Source: Ministry of Tourism, Government of India, Annual Report 2012-13)

The increasing tourist footfalls clubbed with government support has ensured that the sector's direct contribution to GDP has increased from INR 1,449 billion in 2007 to INR 1,920 billion in 2012. It is expected that the sector's direct contribution to GDP would increase to INR 4,361 billion by 2023. (Source: World Travel and Tourism Council, Travel & Tourism: Economic Impact 2013 - India)

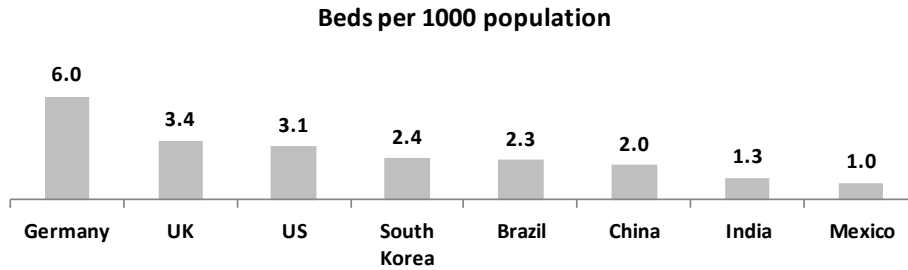


(Source: World Travel and Tourism Council, Travel & Tourism: Economic Impact 2013 - India)

The Healthcare Industry in India

Healthcare services are critical to society and the economy, as they play an important role in reducing mortality rates and enhancing the quality of life. As per CRISIL estimates, the healthcare delivery industry is estimated to be INR 3 trillion in 2012-13. (Source: CRISIL, Customised Research Bulletin, Sector Focus: Real Estate, February 2013).

The graph below shows the comparison of beds per 1000 population of India with other countries, as per PricewaterhouseCoopers.



(Source: PricewaterhouseCoopers, Enabling access to long-term finance for healthcare in India, October 2013)

Healthcare infrastructure gaps remain substantial, with only 1.3 beds per 1,000 population, significantly lower than the other BRIC economies and the World Health Organization guideline of 3.5 beds per 1,000 population. (Source: PricewaterhouseCoopers, Enabling access to long-term finance for healthcare in India, October 2013)

India will conservatively need to add 650,000 beds by 2017, to improve access to healthcare infrastructure from the current 1.3 beds per 1,000 population in 2011 to 1.7 beds per 1,000 population in 2017. While this will still be less than half the WHO recommended guideline, it will be the minimum required to build India's healthcare access towards the Vision 2020 goal of 2.0 beds per 1,000. (Source: PricewaterhouseCoopers, Enabling access to long-term finance for healthcare in India, October 2013)

The addition of these 650,000 beds in India by 2017 will require a capital investment of INR 1,625 billion. This translates to more than 50 percent of India's annual healthcare expenditure. Based on the publicly announced government plans (centre and state), PricewaterhouseCoopers estimates that approximately 130,000 beds (20 percent) will be put up in the government or the public sector. The addition of approximately 520,000 beds by the private healthcare providers would imply a capital investment of approximately INR 1,300 billion by 2017 (Source: PricewaterhouseCoopers, Enabling access to long-term finance for healthcare in India, October 2013).

The Education Industry in India

India's emergence as a knowledge based economy has been driven by its human capital strength. As per census 2011, over 32 percent of India's population lies between the age group of 0 – 14 years. This means that the number of people in India needing primary education exceeds the entire population of United States of America. (Source: PricewaterhouseCoopers, India – Higher Education Sector Opportunities for Private Participation, January 2012)

K-12 Schools

Education expenditure as a percentage of GDP rose from 3.3 percent in 2004–05 to over 4 percent in 2011–12. Per capita public expenditure on education increased from ₹ 888 in 2004–05 to ₹ 2,985 in 2011–12. (Source: Planning Commission, Government of India, 12th Plan five year plan, 2013)

According to the Ministry of Human Resource and Development (HRD) data, enrolments have increased from 186 million in 2000-01 to 248 million in 2010-11. Gross Enrollment Ratio (GER) at Primary level (6-10 years age) has increased from 42.6 percent in 1950-51 to 115.5 percent in 2010-11, and from 12.7 percent to 85.2 percent in case of Upper Primary level (11-13 years age). (Source: Ministry of Human Resource Development, Statistics of School Education 2010-11, May 5, 2014)

Considering the importance of education and skill development, the Government of India has set itself an aggressive target of achieving 30 percent GER in higher education by 2020, which translates into doubling the GER in the next eight years. (Source: Ministry of Finance, Emerging Global Economic Situation: Opportunities and Policy Issues for Services Sector, January 2014)

The Planning Commission, Government of India, mentions the importance of private providers (including NGOs and non-profits) can play an important role in elementary education. During the first three years of the Twelfth Plan, 2,500 Model Schools in PPP mode would be rolled out in non-EBBs (Educationally Backward Blocks) in a phased manner. The indicative 12th five year plan gross budgetary support for Ministry of Human Resource development is ₹ 4.53 trillion of which ₹ 3.43 trillion is allocated towards Department of School and Secondary Education. (Source: Planning Commission, Government of India, 12th Plan five year plan, 2013)

Higher Education

Higher education in India has witnessed growth over the years. The number of higher educational institutions has increased from about 30 universities and 695 colleges in 1950-51 to about 700 universities (as of 2012-13) and over 35,000 colleges (as of 2011-12). Enrollments in higher education have grown from 0.40 million in 1950-51 to 20.33 million in 2011-12. (Source: University Grants Commission, Government of India, Higher Education in India at a Glance, June 2013)

100 percent FDI is allowed in education allowed through the automatic route. The Foreign Educational Institutions (Regulation of Entry and Operations) Bill 2010 is pending approval from parliament (Source: PricewaterhouseCoopers, India – Higher Education Sector Opportunities for Private Participation, January 2012). The initiatives taken by the government to promote education sector in India are as follows:

- Easy availability of education loans to students through a Credit Guarantee Fund (Budget 2012-13)
- The Eleventh Five Year Plan (2007-12) allocation for technical and higher education has been raised by almost nine fold to US\$ 18.8 billion from US\$ 2.1 billion in the Tenth Plan.
- The Twelfth Five Year Plan (2012-17) proposes to set up 6,000 schools at block level as model schools to benchmark excellence. Of these, 2500 will be set up under Public Private Partnership.
- For higher education, an expenditure of US\$ 37.1 billion has been projected to achieve the proposed objectives during the 12th Five Year Plan (2012-17).

(Source: PricewaterhouseCoopers, India – Higher Education Sector Opportunities for Private Participation, January 2012)

The Retail Industry in India

As per Ministry of Finance, the Indian retail industry accounted for 14 – 15 per cent of GDP and is estimated to be worth US\$ 500 billion. India's consumption pattern has been shaped by:

- Expanding Middle Class
- Rising Income and Spending Powers
- Majority of youth in total population
- Rapid Urbanization

(Source: Ministry of Finance, Government of India, Emerging Global Economic Situation, January 2014)

The Indian retail sector is broadly divided into Organized and Unorganized Retail:

- **Organized / Modern Retail:** The organized retail segment comprised of 10 percent of the total retail market, as per Ministry of Finance estimates. *(Source: Ministry of Finance, Emerging Global Economic Situation: Opportunities and Policy Issues for Services Sector, January 2014)*
- **Unorganized / Traditional Retail:** The retail sector is still highly unorganized in nature and is mainly dominated by family owned businesses /shops. However, with the emergence of organized retailing, the share of the unorganized market is gradually decreasing. *(Source: FICCI, Sectoral Investment Landscape across India, January 2014)*
- Over the course of years, various new formats of retailing have emerged, online retail being one of the fastest growing channels. *(Source: FICCI, Sectoral Investment Landscape across India, January 2014)*

The growth drivers for the retail industry are:

- As per Central Statistical Office, the private consumption expenditure in India has increased from INR 37 trillion in 2009-10 to INR 58 trillion in 2012-13. *(Source: Central Statistical Office, Press Note on First Revised Estimates of National Income, January 31, 2014)*
- India categorizes retail trading into single brand retail trading (SBRT) and multi-brand retail trading (MBRT). Currently, FDI under SBRT is permitted to the extent of 100 percent and FDI under MBRT is permitted to the extent of 51 percent with select conditions and Government approval. *(Source:: Department of Industrial Policy and Promotion, Government of India, Consolidated FDI Policy, April 2014)*
- India is one of the top five retail markets in the world with around 90% of the market in the unorganized sector. This offers immense scope of growth and opportunities for organized retailers for further penetration in the market. *(Source: Ministry of Finance, Emerging Global Economic Situation, January 2014)*
- There is a significant growth opportunity for retail players, domestic as well as foreign, with increasing popularity of businesses like online shopping and direct selling. *(Source: Ministry of Finance, Emerging Global Economic Situation, January 2014)*
- By 2015, a total of 141 malls are expected to come up across National Capital Region, Mumbai Metropolitan Region, Pune, Bengaluru, Hyderabad, Chennai, Kolkata, Ahmedabad, Chandigarh Tri-city and Kochi. *(Source: CRISIL, Customised Research Bulletin, Sector Focus: Real Estate, February 2013)*

Amusement & Entertainment Industry in India

As per CARE research estimates in January 2013, the size of the amusement parks industry in India is estimated to be around ₹ 26 billion with around 150 amusement parks in India. The Indian amusement park industry witnesses an annual footfall of around 58-60 million. *(Source: CARE Research, Amusement Park Industry, January 2013)*

An amusement park may have different combination of dry and wet rides, snow parks, restaurants and eateries as primary offerings whereas few large amusement parks also have a resort with a restaurant and banquet hall, spa and recreational facilities, golf course, etc., as secondary facilities. Rising urbanization, increased spending on leisure and growth in tourism are key growth drivers for the industry. Gradually, the industry is shifting towards 'entertainment hub' model providing an amusement park along with water park, resort, shopping mall, golf course etc. *(Source: CARE Research, Amusement Park Industry, January 2013)*

As per CARE research, there are around 16-18 large parks, typically with capital expenditure of greater than INR 700 million, across over 40 acres and over 0.5 million visitors annually. There are 40-45 medium parks typically with capital expenditure of INR 300-700 million, spread across 10-40 acres and 0.3-0.5 million visitors annually. The remaining 85-95 small parks involve a capital expenditure of less than INR 300 million, across less than 10 acres and receive below 0.3 million visitors annually. *(Source: CARE Research, Amusement Park Industry, January 2013)*

CARE Research expects that considering the difficulties in land acquisition and saturation in key locations in cities, new amusement park addition will slow down in metros and Tier I cities, whereas new capacities will come up in the upcoming Tier II cities, outskirts of major cities and major highways. A total of 4,500 acres of capacity is expected to come up in the amusement park space in the next 3-4 years. This new capacity and the existing parks will be one of the major drivers for the footfall which is expected to see growth of 10-15 percent and is expected to reach around 78-80 million over next couple of years. *(Source: CARE Research, Amusement Park Industry, January 2013)*

OUR BUSINESS

This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our estimates are based on our internal management plans, independent studies and research and are subject to various contingencies. Our future plans would also require certain government approvals, which, if not received, may adversely impact our development plan. There are certain events which may or may not happen, which may have an adverse impact on our development plan. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For details of such risks, see "Risk Factors" on page 19. In this section, unless the context otherwise requires, a reference to our "Company" or to "we", "us" and "our" refers to Lavasa Corporation Limited, and our Subsidiaries and Associates on a consolidated basis. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our audited restated consolidated and unconsolidated financial statements. This section should be read together with "Risk Factors" on page 19 and "Industry Overview" on page 157.

Overview

We are a city development and management company engaged in the development, and management of Lavasa, a hill city development in India. The state of Maharashtra has declared an area of 18 villages in Mulshi and Velhe Tehasil in the district of Pune as a "hill station", measuring approximately 23,014 acres (based on our internal estimates pursuant to review of available land records). As of June 18, 2014, we have approximately 10,574 acres of largely contiguous land available for development within this designated area. This land consists of approximately 10,119 acres of land that we have purchased and 455 acres of land is held on lease by us. We were granted an in-principle approval by the State of Maharashtra to develop this land which was separately notified as a hill station pursuant to which we maintain exclusive development rights over the land that we either own or hold on lease. In addition, we have entered into agreements for sale for the purchase of an additional 294 acres of land for which we have paid a substantial part of the purchase price. Our vision is to develop Lavasa as a city which provides opportunities for its residents and visitors to live, work, learn and play in harmony with nature. Based on the land we have available for development as of June 18, 2014, measuring 10,574 acres and 294 acres of land for which we have entered into agreements for sale for purchase, we estimate that Lavasa can accommodate a permanent population of approximately 240,000 with facilities for approximately two million tourists per annum.

Cities comprise a myriad of businesses that are typically provided by multiple private and public entities and are governed by diverse regulatory frameworks. At Lavasa, we are developing businesses which, we believe, will complement each other and over a period of time will facilitate the overall development of the city. We aim to develop a "365-day economy", meaning that Lavasa will not simply be a weekend or tourist destination; instead, we aim to develop an economy at Lavasa where we expect to share in the revenue streams related to our ongoing consumption and infrastructure businesses. We expect that our initial investments in core infrastructure assets such as roads, dams, bridges, power, water, and sewage network may lead to real estate revenues and to consumption driven revenues from businesses located within Lavasa. Through our continued emphasis on infrastructure and city management, we aim to achieve resident satisfaction which in turn, we believe, may lead to additional real estate transactions and consumption opportunities in the hospitality, education, tourism and leisure, healthcare and retail sectors. We are consciously cultivating these interlinked and co-dependent businesses within the framework of our governance platform which we believe will contribute to this economic integration. Driven by our focus on integration, we are organized as follows:

- **Governance.** Pursuant to a notification dated June 12, 2008 issued under the Maharashtra Regional and Town Planning Act, 1966 (the "**MRTP Act**") ("**SPA Notification**"), the Government of Maharashtra has appointed our Company as a special planning authority ("**SPA**") in connection with land owned and proposed to be developed by us.

Under the MRTP Act, a SPA is required to, from time to time, submit its proposals for the development of the land in the area as detailed in the SPA Notification, (being land either currently owned by us) ("**Statutory Proposals**") to the government of Maharashtra (the "**State Government**") after having invited and considered suggestions and objections from the public. The State Government may in turn, after consultation with the Director of Town Planning, approve such Statutory Proposals either with or without

modification. The Statutory Proposals are required to be prepared taking into consideration the provisions of any regional plan or a draft thereof, any development plan, building bye-laws and regulations, which are already in force in the area notified under the SPA Notification.

Prior to the SPA Notification, pursuant to a letter dated June 7, 2008, the Office of the Collector, Revenue Department, District Pune, has approved and granted permission to our Company for our proposed development at Dasve and Padalghar for a total area of 636.82 hectares. Currently, the Draft Planning Proposal and Draft Development Control Regulations (the "**Lavasa DCRs**") have been approved by the SPA and have been submitted to the State Government for sanction. These Lavasa DCRs are to be within the framework of the Hill Station Regulations and the development control rules, regulations, and notifications issued by the State Government of Maharashtra, as applicable to the notified area in the Pune district (the "**Pune Region DCRs**"). The SPA supervises and ensures that all development within the notified area is in accordance with the Lavasa DCRs and the Pune Region DCRs.

- **Real estate.** Our real estate business aims to continue to purchase, develop and sell built up structures and/or lease land and/or real estate assets across the residential, commercial, institutional, hospitality and social sectors. Our revenues are primarily derived from real estate sales and leases of built up structures and/or land leases, grant of long term leasehold interests in the underlying land and, to a lesser extent, the lease of certain assets and our consolidated revenue from this business was ₹ 893.18 million for Fiscal Year 2013 and ₹ 1,162.81 million for Fiscal Year 2014.
- **Infrastructure.** We develop and own assets related to dams, water and sewage, drainage, solid waste management, power, roads, street lighting, landscaping, public utilities and information, communication and technology. We expect that our information, communication and technology infrastructure will include telephone, mobile and broadband networks, e-governance and a data center. In addition, we also develop and maintain social infrastructure such as townhalls, parks and gardens, post offices and police and fire stations. Several key infrastructure assets have been completed in Dasve (which forms part of the first town that we are developing in Lavasa) and we expect to replicate these across other towns in Lavasa. In addition, our city services management team manages our public amenities, safety and security utilities information systems administration and finance and customer services. Based on an engineer's certificate dated June 17, 2014 from Taamra Engineering Consultants India Private Limited, on the land that we plan to develop, we expect to treat 100% sewage and solid waste generated, to have 100% piped water and sewage, to have our storm water drains cover 120% of our road network and have designed our water supply network and facilities to deliver 216 liters per capita per day.
- **Consumption.** Our consumption business comprises businesses in the hospitality, education, tourism and leisure, healthcare and retail sectors and aims to achieve ongoing annuity revenues through tie-ups with corporate and other institutions in the relevant sectors.
 - *Hospitality and Meetings, Incentives, Conventions and Exhibits ("MICE").* Our hospitality and MICE business comprises hotels, service apartments, a convention center and clubs. Together with our partners, we aim to offer hotels of various categories ranging from budget to high-end hotels. Four hotels developed by us (Ekaant, Fortune Select Dasve, Waterfront Shaw and Mercure Lavasa) are currently operational. We have also developed an international convention center in Dasve with a plenary capacity of 1,500 people. We also have a town and country club, Dasvino, which is operational. As of June 17, 2014, we have three hotel properties under construction in Dasve under the brands of Novotel, Holiday Inn Express and Formule 1. Further, we have entered into a land lease agreement with Hazel Hotels and Resorts Private Limited to develop an 87-room hotel at Dasve and an agreement to lease to develop hospitality and retail/serviced apartments. We have also executed a lease deed with J. Vora Hotels and Resorts Limited to develop a 52-room budget hotel in Dasve, which is under construction and is expected to commence operations by the end of Fiscal Year 2015.
 - *Education.* We have tied up with international and national educational institutions to establish an education infrastructure traversing primary, secondary, tertiary and continuing education aimed at providing quality education centered on recognized national and international curricula. Our

revenue from the education business is derived from lease income from the educational institutions and, in some instances, ongoing revenue pursuant to our shareholdings in these businesses. As of the date of this Draft Red Herring Prospectus, we have entered into land lease agreements with Symbiosis Society and a Bangalore based university, entered into an agreement to lease with NSHM Knowledge Campus, and have arrangements with institutions such as Educomp Infrastructure and School Management Limited, and Ecole Hoteliere de Lausanne whereby we will develop educational institutions jointly with these entities. The Ecole Hoteliere Lavasa, which we have developed pursuant to a consulting agreement with Ecole Hoteliere de Lausanne is currently operational.

- *Institutional.* We have arrangements in place with various institutions or corporate entities whereby we lease out land and enter into arrangements for built space with them for the development of retail, corporate guest houses, and/or training centers. While these leases form part of our real estate revenues, we view these institutional clients as contributors to our 365-day economy initiative through potential employment generation. As of the date of this Draft Red Herring Prospectus, we have entered into a memorandum of understanding with L&T Infrastructure Finance Company Limited to lease two parcels of land for their mixed use development including back-end operations and a training center in Dasve and Mugaon. We have also entered into a term sheet with the HT Media Limited to lease land. Further, we have also executed a term sheet and an agreement to lease two land parcels in Mugaon to Girias Investment Private Limited for the development of buildings for mixed use, such as residential and commercial uses including a training center. Further, we have leased land to the State Bank of India for setting up branch premises, branch manager's residence, holiday home, VIP rooms and ATMs in Dasve and have entered into a lease deed with Passionate Developers Private Limited for mixed use development including hospitality, commercial and education in Mugaon.
- *Tourism and leisure.* We intend to offer various tourism and leisure amenities such as golf training, boating, nature trails, water sports, outdoor sports, adventure sports and theme based entertainment parks with an intention to draw visitors to Lavasa. As of the date of this Draft Red Herring Prospectus, our adventure sports (Xthrill), outdoor training, water sports (Lakeshore), indoor golf and multimedia fountain facilities are currently operational. We have agreements in place for a golf training academy at Mugaon and to design a golf course at Dhamanohol. Further, we have entered into a licence agreement with Golden Five Limited for rowing and training activities with the Sir Steve Redgrave Rowing Academy. In addition, we have an existing area over 150,000 square feet at Dasve which can be developed for an indoor theme park in the future.
- *Healthcare.* We have entered into arrangements with Apollo Hospitals Enterprise Limited for health and wellness development at Lavasa spread over 200 acres, covering primary hospitals, wellness research development and medical education and have developed a hospital with a capacity of 60 beds at Dasve.
- *Retail.* We are developing commercial retail spaces with an intention to lease such spaces and in some cases lease land on a long term basis for the lessee to set up diverse retail businesses. We are developing retail spaces ranging from single brand flagship stores to retail squares concentrated in the town center. Brands such as Bata, Keppy's, Café Coffee Day, Venky's Xpress, Charosa Wineries, Granma's Homemade, Pizzavala, Past Times, Orient8, Chor Bizzare, Tabakh, Chaat Waat, American Diner, Mapro Garden, Fun Square and Smokin' Joes have entered into agreements for retail space with us. Out of these, Granma's Homemade, Pizzavala, Past Times, Orient8, Chor Bizzare, Tabakh, Chaat Waat, American Diner, Café Coffee Day, Smokin' Joes and Charosa Wineries have already commenced operations. Further, the State Bank of India and the Union Bank of India have established their branches at Dasve.

We view Lavasa as a replicable model for the development of future cities and we will, in our view, have a competitive advantage with respect to bidding for and efficiently developing and executing such future cities. We will, on an opportunistic basis, evaluate options for developing future cities and marketing our city management services to other developers of new cities. We believe that city services, which we seek to provide through our city services management team, are a key feature of our replicable model for the development of future cities. We have created various special purpose vehicles to manage the infrastructure assets of Lavasa that will provide services

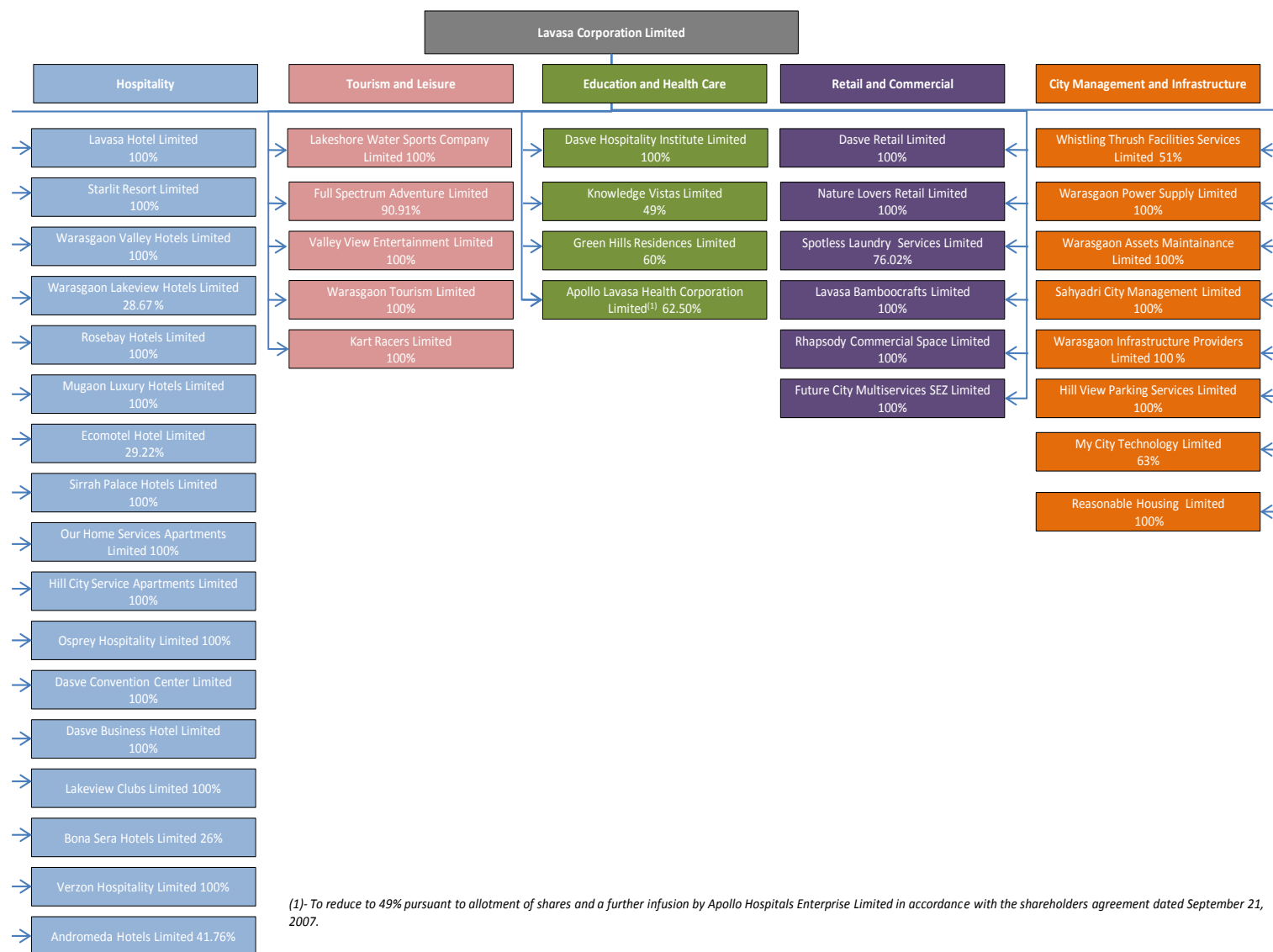
ranging from electric power, water, sewer, natural gas, facility maintenance, management of low income housing, local transport, solid waste collection and disposal, parking and providing places for public assembly and recreation. For details, see “—Our City services management team”. Our special purpose vehicles for city management are: Warasgaon Infrastructure Providers Limited, Warasgaon Power Supply Limited, Warasgaon Asset Maintenance Limited, Reasonable Housing Limited, Hill View Parking Services Limited, and Sahyadri City Management Limited.

We are jointly promoted by HCC, an engineering, construction and infrastructure development company in India, through its wholly-owned subsidiary company HREL. HCC, through its subsidiary, HREL holds a 68.70% stake in Lavasa Corporation Limited.

The following chart shows Lavasa Corporation Limited together with its various projects in the hospitality, healthcare, tourism and leisure, education, retail and city management and infrastructure businesses:

Lavasa Corporation Limited (Subsidiaries and Associates)

Structure Chart



(1)- To reduce to 49% pursuant to allotment of shares and a further infusion by Apollo Hospitals Enterprise Limited in accordance with the shareholders agreement dated September 21, 2007.

Our Strengths

We believe our principal competitive strengths are as follows:

Market opportunity and our market position

According to Elara Capital, given India's backlog of years of under-investment and incremental demands of rising urbanization, India requires approximately ₹ 40 trillion of additional capital investment by 2025. (Source: *Elara Capital, India's 'Urban' Dividend – A USD 974 bn Opportunity, October 9, 2013*). The primary drivers of this demand are the expected increase in the proportion of the Indian population living in cities and expected growth in India's GDP.

We are appointed as a special planning authority in connection with 9,031 acres of largely contiguous land owned by us within an estimated area of 23,014 acres across 18 villages in Mulshi and Velhe Tehsil in the district of Pune which has been designated by the Government of Maharashtra as a hill station. We have applied to the State Government to extend the jurisdiction of the special planning authority over an additional 2,731 acres. We believe that barriers to entry will prevent competitors from capturing some of this market opportunity, as a development of the scale of Lavasa requires significant upfront investments and revenue starts accruing after long periods of time. For instance, while we commenced real estate development and sales of built up structures and/or leasing arrangements in 2007 in Town 1, we started the purchase of land in 2002 and started the development of infrastructure in 2003. We initially commenced the development of the basic infrastructure required at Lavasa (such as roads, water, power and sewage) and are now focussing on expanding or upgrading this infrastructure, as required for future development within Lavasa. Further, we have developed our city management services over a period of more than five years, which we believe is a differentiating feature of Lavasa, in comparison with other cities in India. Regulatory approvals and consents are required to purchase land for the purpose of establishing and developing a city and a successful city development requires expertise and partnerships across various sectors of the economy, including infrastructure, education, hospitality, tourism and city management services. Accordingly, there are barriers to entry into the city development industry and we believe that we are in a position to participate in any opportunities of a similar scale that may arise in India.

Our location

Lavasa lies at the intersection of the upcoming Delhi-Mumbai Industrial Corridor and the proposed Bengaluru-Mumbai Economic Corridor. Lavasa is located 42 kilometres from Chandni Chowk, an area on the outskirts of Pune and 216 kilometres from Mumbai (via Chandni Chowk), and, accordingly, Lavasa also lies in close proximity to the Mumbai-Pune corridor, one of India's largest economic corridors, which has an estimated population of 35.6 million as per the 2011 census of India and contributed ₹ 4,032 billion to India's GDP in 2011-2012. For further details, see "Industry Overview" on page 157. In light of the relative scarcity of land in Mumbai and Pune cities, we believe the pressure of economic activities and residential developments are spreading along the transportation links, namely expressway, highway and railway lines between the two cities, leading to the emergence of a new corridor of economic development. We expect that Lavasa, because of its location and size, will benefit from this economic activity.

Our contiguous land size

As of the date of June 18, 2014, we have approximately 10,574 acres of largely contiguous land available for development near the Mumbai-Pune corridor. The size and amount of contiguous land which we own provides us with a competitive advantage in the development and management of a city development and is a key barrier of entry for competitors in light of the number of regulatory approvals and consents that are required to purchase land for the purpose of establishing and developing a city and in light of the relative scarcity of land in Mumbai and Pune cities. Moreover, we continue to consider opportunistically purchasing additional developable land within the area designated as a hill station to add to our land for development.

Our integrated business model

We believe that the various businesses that comprise the development and management of Indian cities (such as real estate, infrastructure, consumption and governance) are currently fragmented in most Indian cities. We expect that our initial real estate development and early stage investments in core infrastructure assets such as roads and water dams may lead to real estate development revenues in the short term and ongoing consumption driven revenues from businesses located within Lavasa in the long term. We believe that our continued emphasis on infrastructure and city management may lead to additional real estate transactions and consumption

opportunities in the hospitality, education, tourism and leisure, health and wellness and retail sectors. We are consciously cultivating these interlinked and dependent businesses within the framework of our governance platform, which, we believe, will contribute to this economic integration. We believe our business model will provide us with an optimal mix of revenue streams which are lease premiums, project management consultancy fees, returns on equity infusion, sales and/or leases of retail built up area, lease rentals from rental housing, lease rentals linked to revenues of retail outlets and fees for design and construction on the leased land. In addition, we typically pursue a new business project after identifying a partner with adequate knowledge of operations in the relevant sector. Such industry participant is typically required to contribute equity in the related subsidiary or associate. This allows us to (i) share the risk of any new venture with specialists, (ii) avail of their expertise in their respective fields and (iii) provide us with an additional source of funds for growth.

Our execution track record

As of June 17, 2014, we have executed and registered lease deeds, agreements to lease, and/or have issued allotment letters (where the agreements to lease with respect to such allotment letters are pending execution and/or registration) with customers in connection with the lease of an aggregate of 1,673 apartments, 513 villas (including sale of built up area), 135 villa plots and 399 rental housing units (including sale of built up area). Further, we have entered into MoUs and signed term sheets for lease on a long term basis of 113.71 acres of land to various customers in the commercial, institutional, hospitality and social (including education) sectors. We have leased 106,384 square feet of retail space to our subsidiary, Dasve Retail Limited ("**DRL**") for the purpose of setting up and operating retail, food and beverage and other such outlets. As of June 17, 2014 DRL has leased out 13,667 square feet to various brands through leave and licence agreements and has also signed term sheets and management and operation agreements for the lease of a further 8,157 square feet. We have also leased on a long term basis 138,000 square feet of developable area for providing hostel facilities to educational institutions. As of June 17, 2014, we have completed 81,721 square feet of the hostel facilities aggregating to 189 rooms and leased out 89 rooms. In addition, 56,279 square feet aggregating to 136 hostel rooms is under development and is expected to be completed by the end of Fiscal Year 2015. For further details related to our real estate track record and real estate projects under construction, please see "*Our real estate business*" on page 195.

Several key infrastructure projects have been completed, such as the Dasve Dam, a water treatment plant, a hazardous waste handling facility, a centralized gas bank, a 35.5-kilometre water distribution network, 51.5 kilometres of sewerage collection network, a small reservoir at Mugaon 12.5 kilometres of transmission network and 55.5 kilometres of distribution line network. Several other key infrastructure projects are under design and development, such as the Gadle Dam, Mugaon tunnel, 16.7 MLD of water treatment and 21 MLD of sewage treatment capacity, 46 MW of power capacity and an extensive network of internal and external roads. We have also completed the construction of one small reservoir in Mugaon. In addition, we have entered into agreements with various service providers to provide city wide network infrastructure, telecommunications and wireless internet services to residents, tourists and corporates.

Our governance platform

Our governance platform allows us exclusive development and management rights through the SPA. The SPA framework permits us to enforce our rights and coordinate the approvals, permissions and certificates required in order to implement our development plan. Our current governance platform facilitates the development of Lavasa in a deliberate, coordinated and efficient manner and we believe that this is a key attraction to potential residents and business.

Our promoter

HCC has been involved in the development of Lavasa since 2004. We expect to benefit from the project management expertise and guidance of HCC, as well as its established business relationships and its brand recognition throughout India. We are able to leverage off of HCC Group's network, such as our relationship with our principal contractor Steiner India Limited, which acts as our construction partner and is a subsidiary of Steiner AG which is wholly-owned by HCC.

Our structured city management team

We have in place a structured team for city development and employ a city manager, a deputy city manager and other personnel for enterprise utilities, public works, safety and security, customer service, GIS and administration and finance. Our city manager, Scot Wrighton, has experience in city management and has been a municipal official in different states such as Illinois, Kansas and Missouri.

Tie-ups with recognized industry participants in diverse businesses

We have arrangements in place with recognized partners, such as AAPC India Hotel Management Private Limited for the management and operation of hotels such as Mercure, Novotel, Pullman and Grand Mercure; Economy Hotels India Services Limited for Formule 1; Langham Hospitality Limited for Eaton Hotel; InterContinental Hotels Group for Holiday Inn and Holiday Inn Express; Ayana Hospitality Private Limited for operating and managing a boutique hotel; Educomp Infrastructure and School Management Limited for developing an educational institution, Christel House India, a trust set up for the benefit of under privileged children; Bangalore based university, for setting up a management school; United Kingdom India Business Council India Private Limited for skill development for workforce and Ecole Hoteliere de Lausanne for providing consultancy services to us in connection with the development of a hospitality learning institute.

In the healthcare sector, we have arrangements in place with Apollo Hospitals Enterprise Limited. For adventure sports, we have a technical and management agreement with Z-Bac Adventure Institute India Private Limited for an adventure academy, licencing agreements for providing training expertise in golf academies, a service agreement for consultation and management with Hockey Australia Limited for the development of a hockey academy and a licensing agreement with Sir Steve Redgrave Rowing Academy, through Golden Five Limited for a rowing academy, a term sheet with Chitah JKD Global Sports Federation for operating a martial arts academy at Lavasa. Further, we also have arrangements in place with various institutions or corporate entities whereby we lease out land and enter into arrangements for built space with them for the development of retail real estate, corporate guest houses, back-end operations, hotels and serviced apartments and training centers.

Our arrangements, which we expect will provide us with diverse revenue sources and requisite industrial and operational knowledge, are key aspects of our marketing and branding strategies and we will continue to target key strategic partners. For most of our tie-ups, we set up a Subsidiary or an Associate with our counterparty with relevant expertise to align our interests and leverage such expertise.

Our Strategy

We aim to develop Lavasa as a planned city which provides opportunities to its residents and visitors to live, work, learn and play in harmony with nature. We aim to achieve this through:

Diversified demographic and economic base

We believe that economic diversity is required for a city. We intend to continue to cultivate a diverse economy where we participate in most sectors through investments with our partners who are shareholders in our subsidiaries or associates. We believe early and strategic investments in our core competencies, including real estate and infrastructure development, have facilitated and will continue to facilitate tie-ups with partners and positions us, together with our partners, to capture the consumption opportunities at Lavasa going forward. Furthermore, we intend to continue to design and price our real estate lease arrangements at Lavasa to appeal to a diverse demography. We believe that this approach, which is diversified across sectors of the economy, will lead to an increase in demand from potential residents and visitors and will contribute to the growth of Lavasa.

Optimal revenue mix

In Fiscal Year 2014, 67.86% of our revenue related to lease arrangements which include sale of built up structures. As of June 17, 2014, we have permission from the State Government to purchase agricultural land up to a limit of 16,478 acres. As of June 18, 2014 we have approximately 10,574 acres of land available for development. In addition, we have entered into agreements for sale for an additional 294 acres of land for which we have paid a substantial part of the purchase price. We expect to purchase an additional approximately 5,959 acres of land within the hill station notified area on an opportunistic basis which, we expect, will generate additional sources of revenue for us. Over time and on an opportunistic basis, we expect to shift our revenue strategy such that an increasing proportion of our revenues will be derived from revenues from businesses and service fees derived from visitors and residents located at Lavasa. We believe that the growth in the economy of Lavasa will allow our subsidiaries and associates to generate higher revenues. We have entered into arrangements with institutions and companies which we believe are recognized in their respective industries. We intend to continue to explore additional tie-ups across Lavasa with a view to expand our reach in the economy of Lavasa for the long term.

Continuing to target recognized companies as partners

We will typically only pursue a new business project at Lavasa after identifying a company with the appropriate expertise in the relevant sector and we are selective with respect to our potential partners. We expect that our stringent standards will only increase following the initial completion of Dasve which, we believe, will serve as a showcase that will attract additional participants to our other planned towns and contribute to Lavasa's economy in the long term. We have tied up partners such as AAPC India Hotel Management Private Limited, Apollo Hospitals Enterprise Limited, Ecole Hoteliere de Lausanne, Symbiosis Society, Langham Hospitality Limited, United Kingdom India Business Council India Private Limited and InterContinental Hotels Group, and we aim to replicate this model in our future developments.

Driving residential demand through economic activity and active job creation

We believe that attractive commercial and social institutions are organic drivers of residential real estate demand and our early focus on non-residential real estate development such as hospitality and retail real estate together with our tie-ups with recognized companies will drive our residential real estate market. Further, we intend to have arrangements for setting up industry hubs such as biotechnology and information technology hubs as well as research and development centers. Based on the development plan that we have followed in Period 1, we believe that our non-residential developments have driven residential developments. We expect that non-residential developments would continue to drive demand for residential developments going forward.

Front-end infrastructure components

For each stage of development, our strategy includes early investments in key infrastructure assets which we believe may drive real estate development revenues. At Dasve, several key infrastructure assets such as the road between Warasgaon and Dasve, the Dasve Dam, the water treatment plant, the sewage treatment plant, the drainage and distribution network, the power transmission and distribution network and an enhanced fibre optic network have been completed and through our continued emphasis on infrastructure and city management, we believe this may lead to additional real estate transactions and consumption opportunities. With Dasve substantially operational during Fiscal Year 2014, the infrastructure of our second town is under development with substantial commencement of operations expected during Fiscal Year 2017 and in particular the Mugaon tunnel is expected to be operational by Fiscal Year 2018. See " — *Our infrastructure business — Roads*".

Monetizing mature investments

City development requires upfront investments by both us and our partners who invest in special purpose vehicles set up for development of particular assets. As the projects mature, we will look to monetize our stakes in the special purpose vehicle on an opportunistic basis in order to use the funds for the next stage of projects within the city development to continue the cycle of investment by us and other partners.

Leveraging our intellectual property

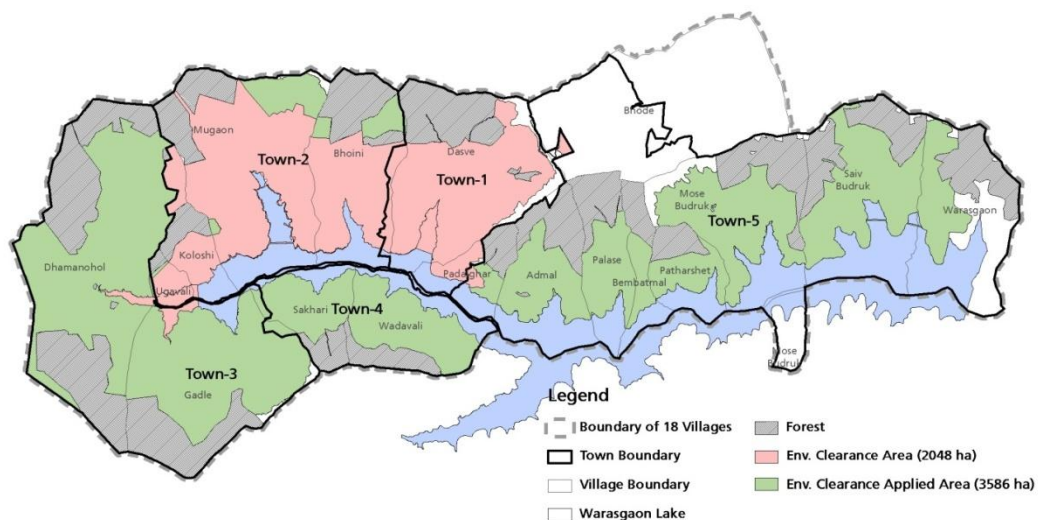
We believe that the pace of urbanization in India is set to increase. The President of India, in an address to the Indian Parliament in June 2014 stated that "Taking urbanization as an opportunity rather than a challenge, the government will build 100 cities focused on specialized domains and equipped with world class amenities." (Source: *Address by the President of India to the Parliament, June 9, 2014*). For details, see "*Industry Overview*". We will consider undertaking any such city development projects on an opportunistic basis and applying our Lavasa related industry and market knowledge to such opportunities. We believe that our experience in designing and developing the infrastructure, town planning and management at Lavasa, on the one hand, as well as our existing relationships with leading players in the infrastructure, education, hospitality, tourism and town planning and management sectors, on the other hand, will give us a competitive advantage in executing such future projects. We have entered into a consultancy agreement dated September 9, 2010 with our Promoters, pursuant to the terms of which, HCC/HREL and/or its affiliates confer upon us, in relation to undertaking development of new cities, the exclusive right to develop, operate, manage and maintain such new cities and/or act as a consultant in relation thereto. In the event we propose to develop any new cities either by ourselves or through any of our Subsidiaries, neither our Promoters nor any of their affiliates shall have the right to develop such new city. In the event that the development of any new city is not proposed to be carried out by our Company or any of our Subsidiaries, our Promoters have agreed to appoint us as consultants to HCC, HREL, and/or any of their respective affiliates which propose to undertake such development. Any intellectual property, whether registered or not, pertaining to the development, operations, management, planning and maintenance of any future new cities shall vest exclusively with our Company.

We will consider undertaking such projects on an opportunistic basis and applying our industry and market knowledge to such opportunities.

Our Master Plan and Development Plan

The State of Maharashtra has declared an area of 18 villages in Mulshi and Velhe Tehasil in the district of Pune as a hill station, measuring approximately 23,014 acres (based on our internal estimates pursuant to review of available land records). As of June 18, 2014, we have approximately 10,574 acres of largely contiguous land available for development within this designated area. This land consists of approximately 10,119 acres of land that we have purchased and 455 acres held on lease by us. In addition, we have entered into agreements for sale for the purchase of an additional 294 acres of land for which we have paid a substantial part of the purchase price. Pursuant to the master plan (the "**Master Plan**"), which we designed in conjunction with the HOK Planning Group, a part of HOK Inc., USA we purchased and leased land required for development activities and constructing basic infrastructure required for a city and invested in infrastructure and essential amenities needed for the towns within Lavasa early in our life cycle, followed by a focus on the development of an economic activity base, and phased development and occupancy growth. The Master Plan is periodically updated to account for changing circumstances and new business opportunities.

The following map shows the 18 villages as notified under the Hill Station Regulations, the area for which the Ministry of Environment and Forests has granted environmental clearance and the area for which we have applied for environmental clearance (but have not yet received the clearance) as of the date of this Draft Red Herring Prospectus:



(Source: Lavasa SPA)

In November 2010, the Indian Ministry of Environment and Forests (the "**MoEF**") issued a show cause notice to us alleging violations of the Environment Impact Assessment Notifications of the MoEF (the "**EIA Notifications**") and directing us to maintain status quo on all construction and development in Lavasa. Further, in January 2011, the MoEF passed an order against us, observing that we were in violation of Environmental Impact Assessment Notifications, but noting that they were prepared to consider the Lavasa project on merits subject to terms and conditions including imposition of penalties. As a result of the status quo order, construction and development work at Lavasa was completely stopped for a period of approximately one year and re-commenced in November 2011 after the issuance of environmental clearance. For further details in relation to these legal proceedings, see "*Outstanding Litigations and Material Developments*" on page 456. See "*Risk Factors — Construction and development work in Lavasa was completely stopped for a period of approximately one year pursuant to a show cause notice of the Ministry of Environment and Forests, Government of India (the "MoEF"), which had a significant and material adverse effect on our business, financial condition and results of operations*"

including our ability to repay our loans. Any such regulatory actions in the future which affect our development plan could have a material adverse effect on our business, financial condition and results of operations" on page 19.

Further, the Maharashtra Pollution Control Board has filed a criminal case before the Chief Judicial Magistrate, Pune against us in relation to alleged violation of the Environment (Protection) Act, 1986 and the EIA Notifications. The environmental clearance issued to us by the MoEF on November 9, 2011, has been challenged in an appeal before the National Green Tribunal by Dyaneshwar Vishnu Shedge. Separately, our Company has filed an appeal before the National Green Tribunal, New Delhi against the MoEF and the Ministry of Environment, State of Maharashtra, challenging some of the conditions prescribed in the environmental clearance order dated November 9, 2011 issued by the MoEF. For further details in relation to these legal proceedings, see "Outstanding Litigations and Material Developments" on page 456. See also "Risk Factors — The environmental clearance for the development construction of the first phase of our hill station township received by us from the MoEF provides certain conditions which we must comply with and which we may be unable to meet"; "There are outstanding civil and criminal legal proceedings against us, our Directors, our Promoters and our Group Companies. An adverse outcome in any of these proceedings may affect our reputation and standing and impact our future business and could have a material adverse effect on our business, financial condition and results of operations"; and "Our purchase of land at Lavasa has been challenged by way of public interest litigation" on page 20.

Our development plan, which is an evolving and adaptive document, targets the development of 10,006 acres of land over five towns spread over three development periods. We will consider opportunistically purchasing additional developable land within the area declared as hill station. Under the Master Plan, the development of Lavasa comprises five towns, the details of which are provided in the table below:

Town	Total land area	Sub-merged	Forest ⁽¹⁾	Developable area	Area already purchased or leased	Land above 1000 m ⁽¹⁾	Land under water body	Area available for development ⁽²⁾	Land Under agreements for sale ⁽³⁾	Total area available for development	Additional Area Expected to be purchased
(All figures in acres)											
Town 1	2,687	178	560	1,949	1,870	184	72	1,614	-	1,614	181
Town 2	5,266	723	1,002	3,541	2,327	21	84	2,222	289	2,511	1,108
Town 3	6,524	336	1,945	4,243	2,954	38	225	2,691	-	2,691	1,340
Town 4	2,043	337	380	1,325	1,148	0	4	1,144	-	1,144	165
Town 5	12,878	2,751	2,496	7,631	2,275	190	44	2,041	5	2,046	3,165
Total	29,398	4,325	6,384	18,689	10,574	433	429	9,712	294	10,006	5,959

Notes:

- (1) The hill station notification and the development plan excludes forest area and any development requires consent of applicable regulatory authorities. The in-principle sanction from the Urban Development Department permits no development over 1,000 meters.
- (2) Includes the aggregate of total land available which we have developed and/or propose to develop ourselves and which we have leased and/or expect to lease on a long-term basis to subsidiaries and associates net of the submerged and forest land.
- (3) The land under agreements for sale is the land for which we have entered into an agreement for sale with the land owner or the power of attorney holder for the land owner and for which a substantial part of the purchase payment has been made.
- (4) The areas included in the above table are based on an architect's certificate dated June 27, 2014 from Sadashiv Nargundkar & Associates.

Period 1 (pre 2008 - Fiscal Year 2014)

Our focus in Period 1 has been to develop a major part of the villages of Dasve ("**Town 1**"), and initial development of the villages of Mugaon, Bhoini, Koloshi and Ugawali (collectively, "**Town 2**"). We commenced the development of Town 1 by first investing in core infrastructure and real estate development. We also initiated development of projects in the education, hospitality, tourism and leisure (including sports) and healthcare sectors. These economic drivers, we believe, will generate residential demand in subsequent periods. Our aim is that every square foot of commercial and institutional asset development should lead to approximately two square feet of

residential asset demand.

The following table reflects the area that we have developed and sold/leased during Period 1 across the residential, commercial, hospitality, institutional and social real estate markets, as measured by square feet.

Figure 1⁽¹⁾	Period 1	
	Real Estate Construction Sales / Leases by Lavasa	
	FSI Area⁽²⁾	Saleable Area⁽³⁾
	<i>(million square feet)</i>	
Residential.....	3.11	3.74
Commercial.....	0.57	0.57
Institutional	0.00	0.00
Hospitality.....	0.32	0.32
Social	0.38 ⁽⁴⁾	0.14
Total	4.38	4.77

Notes:

- (1) The FSI areas and saleable areas included in this table are based on an architect's certificate dated June 27, 2014 from Sadashiv Nargundkar & Associates.
- (2) "FSI", or floor space index, is the ratio of constructed area of a building,(excluding the common areas (the "**Built-up Area**") to the total plot area and determines the quantum of Built-up Area that is permitted for development or construction in accordance with local building regulations.
- (3) Saleable Area is the Built-up Area plus common areas that we sell / lease under (i) a sale/lease arrangement whereby we sell purchasers the physical structures or buildings and grant them a leasehold interest pursuant to a 999-year lease in the underlying land and (ii) pure long-term leases whereby we lease our real estate products, such as our apartments, to residents pursuant to a 999-year lease where no part of the transaction is structured as a sale.
- (4) 0.24 million square feet of area included under the "Social" category is not saleable and is utilized for non-saleable social developments within Lavasa, such as town and civic amenities.

The following table reflects the developable area sold / leased to our special purpose vehicles ("SPVs") during Period 1 on a long-term basis for development or construction across the residential, commercial, hospitality, institutional and social real estate markets, as measured by square feet.

Figure 2⁽¹⁾	Period 1
	Developable Area Sales / Leases to SPVs
	FSI Area⁽²⁾
	<i>(million square feet)</i>
Residential.....	0.00
Commercial.....	0.02
Institutional	0.04
Hospitality.....	1.22
Social	2.50
Total	3.79

Notes:

- (1) The developable areas included in this table are based on an architect's certificate dated June 27, 2014 from Sadashiv Nargundkar & Associates.
- (2) "FSI", or Floor Space Index is the ratio of Built-up Area of a building to the total plot area and determines the quantum of Built-up Area that is permitted for development or construction in accordance with local building regulations.

The following table reflects the developable area sold / leased to third parties during Period 1 on a long-term basis for development or construction across the residential, commercial, hospitality, institutional and social real estate markets, as measured by square feet.

Figure 3⁽¹⁾	Period 1
	Developable Area Sales/ Leases to Third Parties
	FSI Area⁽²⁾ <i>(million square feet)</i>
Residential.....	0.00
Commercial.....	0.03
Institutional	1.70
Hospitality.....	0.10
Social	1.13
Total	<u>2.95</u>

Notes:

- (1) The developable areas included in this table are based on an architect's certificate dated June 27, 2014 from Sadashiv Nargundkar & Associates.
- (2) "FSI", or Floor Space Index is the ratio of built up area of a building to the total plot area and determines the quantum of built up area that is permitted for development or construction in accordance with local building regulations.

The following table reflects the total FSI area and saleable area developed and sold/leased during Period 1:

Figure 4⁽¹⁾	Period 1	
	Total FSI Area⁽²⁾	Total Saleable Area⁽³⁾
	<i>(million square feet)</i>	
Residential.....	3.11	3.74
Commercial.....	0.62	0.62
Institutional	1.74	1.74
Hospitality.....	1.64	1.64
Social	4.01	3.77
Total	<u>11.12</u>	<u>11.51</u>

Notes:

- (1) The total FSI areas and total saleable areas included in this table are based on an architect's certificate dated June 27, 2014 from Sadashiv Nargundkar & Associates.
- (2) Total FSI Area is the sum of (1) the FSI Area that we have developed and sold/leased in Period 1, (2) the FSI Area sold/leased to SPVs in Period 1 and (3) the FSI Area sold/leased to third parties in Period 1. Under the terms of our sales/lease contracts with SPVs and third parties, the FSI Area is the same as the permitted Built-Up Area.
- (3) Total Saleable Area is the sum of the Saleable Area that we have developed / sold/leased in Period 1, the FSI Area sold/leased to SPVs in Period 1 and the FSI Area sold/leased to third parties in Period 1. Under the terms of our sales/lease contracts with SPVs and third parties, the FSI Area is the same as the Saleable Area.

Figures 1, 2, 3 and 4 reflect the real estate development relating to and contained on land we have available for development as of June 27, 2014. We and/or our SPVs may be unable to develop the built up structures referred to in Figures 1 and 2, respectively. The lessees of the developable area referred to in Figures 2 and 3 may not necessarily intend to develop the area and they may be unable or unwilling to develop the area at all. In addition, with respect to the developable area in Figure 3 leased to third parties, we will have no recourse or rights with respect to the revenues relating to the developable area. For additional risks relating to our development plan, please see "Risk Factors — we may be unable to successfully implement our development plan" on page 33.

For additional risks relating to our development plan, please see "Risk Factors — Our development plan may fail to anticipate the construction/development of diverse institutions essential in a fully fledged city; We may not be able to successfully manage the growth of our operations" on page 41.

Period 2 (Fiscal Year 2015 to Fiscal Year 2019)

We expect that our focus during Period 2 would be to commence operations for a significant component of the development of Town 2 as the economic center of Lavasa with a focus on continuing to build the Lavasa brand and the real estate platform, on the one hand, and consolidating education, tourism and leisure, hospitality and healthcare and other businesses and services primarily through the development of residential, office and supporting commercial projects, on the other hand. We would also seek to complete the remaining development in Town 1 in this period.

The following table reflects the area we expect to develop and sell/lease during Period 2 across the residential, commercial, hospitality, institutional and social real estate markets, as measured by square feet, together with the cumulative area for Periods 1 and 2.

Figure 5 ⁽¹⁾	Period 2			
	Real Estate Construction Sales / Leases by Lavasa			
	FSI Area ⁽²⁾	Saleable Area ⁽³⁾	Cumulative FSI Area ⁽⁴⁾	Cumulative Saleable Area ⁽⁵⁾
	(million square feet)			
Residential.....	16.23	20.44	19.34	24.17
Commercial.....	4.30	5.29	4.86	5.86
Institutional	0.00	0.00	0.00	0.00
Hospitality.....	0.00	0.00	0.32	0.32
Social	0.50 ⁽⁶⁾	0.00	0.88	0.14
Total	21.03	25.72	25.41	30.49

Notes:

- (1) The FSI areas and saleable areas included in this table are based on an architect's certificate dated June 27, 2014 from Sadashiv Nargundkar & Associates.
- (2) "FSI", or floor space index, is the ratio of the Built-up Area to the total plot area and determines the quantum of Built-up Area that is permitted for development or construction in accordance with local building regulations.
- (3) Saleable Area is the Built-up Area plus common areas which we sell / lease under (i) a sale/lease arrangement whereby we sell purchasers the physical structures or buildings and grant them a leasehold interest pursuant to a 999-year lease in the underlying land and (ii) pure long-term leases whereby we lease our real estate products, such as our apartments, to residents pursuant to a 999-year lease where no part of the transaction is structured as a sale.
- (4) Cumulative FSI Area is our total planned FSI Area for development / sale / lease in Period 1 and Period 2.
- (5) Cumulative Saleable Area is our total planned Saleable Area for sale / lease in Period 1 and Period 2.
- (6) 0.5 million square feet of area included under the "Social" category is not saleable and is utilized for non-saleable social developments

within Lavasa, such as town and civic amenities, etc.

The following table reflects the developable area we expect to sell / lease to our special purpose vehicles and third parties during Period 2 on a long-term basis for development or construction across the residential, commercial, hospitality, institutional and social real estate markets, as measured by square feet, together with the cumulative area for Periods 1 and 2.

Figure 6 ⁽¹⁾	Period 2	
	Developable Area Sales/ Leases to SPVs and Third Parties	
	FSI Area ⁽²⁾	Cumulative FSI Area ⁽³⁾
	(million square feet)	
Residential.....	0.00	0.00
Commercial.....	0.05	0.10
Institutional	13.32	15.06
Hospitality.....	4.10	5.43
Social	4.17	7.80
Total	21.65	28.38

Notes:

- (1) The FSI areas included in this table are based on an architect's certificate dated June 27, 2014 from Sadashiv Nargundkar & Associates.
- (2) "FSI", or Floor Space Index is the ratio of Built-up Area of a building to the total plot area and determined the quantum of built up area that is permitted for development or construction in accordance with local building regulations.
- (3) Cumulative FSI Area is our cumulative planned FSI Area for sale / lease in Period 1 and Period 2.

The following table reflects the total FSI area and the total saleable area of products we expect to develop / sell / lease during Period 2 and the cumulative total FSI and total saleable area during Periods 1 and 2:

Figure 7 ⁽¹⁾	Period 2			
	Total FSI Area ⁽²⁾	Total Saleable Area ⁽³⁾	Cumulative Total FSI Area ⁽⁴⁾	Cumulative Total Saleable Area ⁽⁵⁾
	(million square feet)			
Residential.....	16.23	20.44	19.34	24.17
Commercial.....	4.34	5.34	4.96	5.96
Institutional	13.32	13.32	15.06	15.06
Hospitality.....	4.10	4.10	5.75	5.75

Social	4.67	4.17	8.69	7.94
Total	<u>42.67</u>	<u>47.37</u>	<u>53.79</u>	<u>58.88</u>

Notes:

- (1) The FSI areas and saleable areas included in this table are based on an architect's certificate dated June 27, 2014 from Sadashiv Nargundkar & Associates.
- (2) Total FSI Area is the sum of (1) the FSI Area that we expect to develop / sell / lease in Period 2, and (2) the FSI Area we expect to sell / lease to SPVs and third parties in Period 2. Under the terms of our sales/lease contracts with SPVs and third parties, the FSI Area is the same as the permitted Built-Up Area.
- (3) Total Saleable Area is the sum of the Saleable Area that we expect to develop / sell / lease in Period 2, the FSI Area sold/leased to SPVs in Period 2 and the FSI Area sold/leased to third parties in Period 2. Under the terms of our sales/lease contracts with SPVs and third parties, the FSI Area is the same as the Saleable Area.
- (4) Cumulative Total FSI Area is the sum of Total FSI Area for Period 1 and the Total FSI Area for Period 2.
- (5) Cumulative Total Saleable Area is the sum of the Total Saleable Area for Period 1 and the Total Saleable Area for Period 2.

Figures 5, 6 and 7 reflect the real estate development relating to and contained on land we have available for development as of June 27, 2014. We and/or our SPVs may be unable to develop the built up structures referred to in Figures 5 and 6, respectively. The lessees of the developable area referred to in Figures 6 may not necessarily intend to develop the area and/or they may be unable or unwilling to develop the area at all. In addition, with respect to the developable area in Figure 6 leased to third parties, we will have no recourse or rights with respect to the revenues relating to the developable area. For additional risks relating to our development plan, please see "Risk Factors — we may be unable to successfully implement our development plan" on page 33.

For additional risks relating to our development plan, please see "Risk Factors — Our development plan may fail to anticipate the construction/development of diverse institutions essential in a fully fledged city; We may not be able to successfully manage the growth of our operations" on page 41.

Subsequent Periods

We expect that our focus subsequent to Period 2, subject to substantial completion of the development plans in Periods 1 and 2 and the receipt of necessary environmental and other government approvals as discussed below, would be to commence operations for a significant component of the development of Dhamanhol and Gadle (collectively, "**Town 3**") with a focus on driving the economic activities by catering to the high-end residential market which for Lavasa refers to premium pricing in properties with special amenities, such as lake facing views and proximity to a golf course, linked to and helping sustain additional demand for hospitality, tourism and leisure. This period would also feature the completion of the remainder of Town 3 and initial sales / lease of land in Sakhari and Wadavali (collectively, "**Town 4**"). We expect that our focus thereafter would be to develop the remaining areas of our Master Plan, classified as Town 5.

Our estimated planned development and sale / lease of areas and developable land for sale / lease to SPVs and third parties for periods subsequent to Period 2 is based on the current total land owned by us as of June 27, 2014, which includes land for which we have not yet received environmental clearance. See "Risk Factors — Risks Relating to Our Business — Construction and development work in Lavasa was completely stopped for a period of approximately one year pursuant to a show cause notice of the Ministry of Environment and Forests, Government of India (the "MoEF"), which had a significant and material adverse effect on our business, financial condition and results of operations including our ability to repay our loans. Any such regulatory actions in the future which affect our development plan could have a material adverse effect on our business, financial condition and results of operations." on page 19. The development / sale / lease of areas for these subsequent periods will be linked to receipt of approvals and could change based on additional land acquired by us. We currently envisage that our development over the subsequent periods after Period 3 would be spread over ten years. However, this estimate depends on a number of factors beyond our control and we cannot assure you that we will be able to complete the developments over the subsequent periods after Period 3 in this time frame or at all.

Subject to the above, the following table reflects, as of June 27, 2014, our estimated total planned area to be developed and sold/leased after Period 2 across the residential, commercial, hospitality, institutional and social real estate markets, as measured by square feet.

Figure 8⁽¹⁾

	Future Real Estate Construction for Sale /Lease by Lavasa			
	FSI Area ⁽²⁾	Saleable Area ⁽³⁾	Cumulative FSI Area ⁽⁴⁾	Cumulative Saleable Area ⁽⁵⁾
	<i>(million square feet)</i>			
Residential.....	45.89	58.35	65.23	82.52
Commercial.....	5.95	7.12	10.82	12.98
Institutional	0.00	0.00	0.00	0.00
Hospitality.....	0.00	0.00	0.32	0.32
Social	1.00 ⁽⁶⁾	0.00	1.88	0.14
Total	52.84	65.47	78.25	95.96

Notes:

- (1) The FSI areas and saleable areas included in this table are based on an architect's certificate dated June 27, 2014 from Sadashiv Nargundkar & Associates.
- (2) "FSI", or floor space index, is the ratio of the Built-up Area to the total plot area and determines the quantum of Built-up Area that is permitted for development or construction in accordance with local building regulations.
- (3) Saleable Area is the Built-up area plus common areas which we sell / lease under (i) a sale/lease arrangement whereby we sell purchasers the physical structures or buildings and grant them a leasehold interest pursuant to a 999 year lease in the underlying land and (ii) pure long-term leases whereby we lease our real estate products, such as our apartments, to residents pursuant to a 999 year lease where no part of the transaction is structured as a sale.
- (4) Cumulative FSI Area is our total planned FSI Area under the Master Plan, including FSI Areas for development / sale / lease in Periods 1 and 2.
- (5) Cumulative Saleable Area is our total planned Saleable Area under the Master Plan, including Saleable Area for sale / lease in Periods 1 and 2.
- (6) 1 million square feet of area included under the "Social" category is not saleable and is utilized for non-saleable social developments within Lavasa, such as town and civic amenities.

Subject to the above, the following table reflects, as of June 27, 2014, our estimated total planned developable area to be sold / leased to our special purpose vehicles or to third parties after Period 2.

Figure 9⁽¹⁾

	Future Developable Area Sales / Leases to SPVs and Third Parties	
	FSI Area ⁽²⁾	Cumulative FSI Area ⁽³⁾
	<i>(million square feet)</i>	
Residential.....	0.00	0.00
Commercial.....	0.99	1.09
Institutional	8.09	23.14
Hospitality.....	6.32	11.75
Social	8.96	16.76
Total	24.36	52.74

Notes:

- (1) The FSI areas included in this table are based on an architect's certificate dated June 27, 2014 from Sadashiv Nargundkar & Associates.
- (2) "FSI", or Floor Space Index is the ratio of Built-Up Area of a building to the total plot area and determines the quantum of built up area that is permitted for development or construction in accordance with local building regulations.

(2) Cumulative FSI Area is our total planned FSI Area under the Master Plan, including FSI Areas for sale / lease in Period 1 and Period 2.

The following table reflects the total FSI area and saleable area expected to be developed after Period 2 and the cumulative total FSI and cumulative total saleable area during Periods 1, 2 and after Period 2:

Figure 10⁽¹⁾

	Subsequent periods			
	Total FSI Area ⁽²⁾	Total Saleable Area ⁽³⁾	Cumulative Total FSI Area ⁽⁴⁾	Cumulative Total Saleable Area ⁽⁵⁾
	<i>(million square feet)</i>			
Residential.....	45.89	58.35	65.23	82.52
Commercial.....	6.95	8.12	11.91	14.07
Institutional	8.09	8.09	23.15	23.15
Hospitality.....	6.32	6.32	12.07	12.07
Social	9.96	8.96	18.64	16.90
Total	77.20	89.83	130.99	148.71

Notes:

- (1) The FSI areas and saleable areas included in this table are based on an architect's certificate dated June 27, 2014 from Sadashiv Nargundkar & Associates.
- (2) Total FSI Area is the sum of (1) the FSI Area that we have developed / sold / leased after Period 2 and the FSI Area sold / leased to SPVs and third parties in Periods 1 and 2. Under the terms of our sales/lease contracts with SPVs and third parties, the FSI Area is the same as the permitted Built-Up Area.
- (3) Total Saleable Area is the sum of the Saleable Area that we have developed and sold/leased after Period 2, the FSI Area sold / leased to SPVs and third parties in Periods 1 and 2. Under the terms of our sales/lease contracts with SPVs and third parties, the FSI Area is the same as the Saleable Area.
- (4) Cumulative Total FSI Area is the sum of Total FSI Area for Period 1, the Total FSI Area for Period 2 and the Total FSI Area after Period 2.
- (5) Cumulative Total Saleable Area is the sum of the Total Saleable Area for Period 1, the Total Saleable Area for Period 2 and the Total Saleable Area after Period 2.

Figures 8, 9 and 10 reflect the real estate development relating to and contained on land we have available for development as of June 27, 2014. We and/or our SPVs may be unable to develop the built up structures referred to in Figures 8 and 9, respectively. The lessees of the developable area referred to in Figures 8 may not necessarily intend to develop the area and/or they may be unable or unwilling to develop the area at all. In addition, with respect to the developable area in Figure 8 leased to third parties, we will have no recourse or rights with respect to the revenues relating to the developable area. For additional risks relating to our development plan, please see "Risk Factors — we may be unable to successfully implement our development plan" on page 33.

For additional risks relating to our development plan, please see "Risk Factors — Our development plan may fail to anticipate the construction/development of diverse institutions essential in a fully fledged city; We may not be able to successfully manage the growth of our operations" on page 41.

Our Businesses

We are in the business of city development, with an integrated offering of three distinct business lines – real estate, infrastructure and consumption. We aim to develop a 365-day economy meaning that Lavasa will not simply be a weekend or tourist destination; instead, we aim to develop an economy at Lavasa where we expect to share in the revenue streams related to our ongoing consumption and infrastructure businesses. Our real estate business line relates to the sale and/or lease of such structures and buildings and the lease of underlying land, development of plots, construction of residential, commercial, institutional, hospitality and social real estate as

well as the sale of built up structures and/or lease thereof. Our infrastructure business relates to the development, ownership and management of our infrastructure assets as well as the collection of revenues by our city management services business in the form of common area maintenance charges, water usage charges and other miscellaneous fees. Our consumption business relates to our ongoing revenue streams in the hospitality, education, healthcare, tourism, leisure and retail sectors of our economy, through direct or indirect participation. We are consciously cultivating these interlinked and co-dependent businesses within the framework of our governance platform which we believe will contribute to this economic integration. Based on the land that we have available for development as of June 18, 2014 measuring 10,574 acres and the additional 294 acres land for which we have entered into agreements for sale for purchase, we estimate that Lavasa can accommodate a permanent population of approximately 240,000 with facilities for approximately two million tourists per annum and an employment base of 80,000.

Our real estate business

Our real estate business aims to continue to develop, sell and lease real estate assets and comprises a range of offerings, including residential (villas, villa plots, apartments, rental housing, retiree housing, student and faculty facilities and hostels), commercial (retail and office), institutional (largely through plot leases), hospitality (hotels, wedding and banquet halls), tourism and leisure and social (education, healthcare and other facilities). As set out in the following table, our villa and hospitality related real estate transactions, which we refer to as "sale/lease" transactions are structured such that the purchasers purchase the structures, but typically only obtain a 999-year leasehold interest (and in some cases 99 year leasehold interest) in the underlying land, which allows our governance platform to maintain control over our development pursuant to our development plan. Our remaining real estate transactions comprising villas, plot leases, rental housing, retail, education, tourism and leisure and healthcare, which we refer to as "pure leases", are typically structured as long-term lease for 999 years. We typically receive and acquire the lease premiums with respect to leases relating to our transactions and our pure lease transactions in tranches with only a nominal annual rent. For more information, see "— *Our governance platform*" on page 183.

Type of Product	Description of Transactions
Villas	We typically sell the constructed structures to customers. The relevant underlying land is owned by us and granted on a lease (typically for a period of 999 years) to customers. We receive a nominal annual lease rental (Re. 1 per annum) in addition to the premiums. The premiums are either a one-time payment or payable in tranches.
Apartments	We typically enter into agreements to lease (typically 999 years) in connection with apartments developed by us. The relevant land, the buildings on which the apartments are situated and the common spaces of the buildings are owned by us and are not leased, licensed or sold to customers.
Rental Housing	We have leased a parcel of land for a period of 999 years to Reasonable Housing Limited (" RHL "), which is developing a rental housing project for persons working in Lavasa. In addition, we sold RHL an aggregate of approximately 160,000 square feet of built up area. RHL in turn would lease out such rental housing accommodations for a periodical rent.
Hospitality	We typically structure our hospitality transactions as follows: • Lease of land/sale of the right to develop: We typically grant our hospitality related Subsidiaries or Associates a leasehold interest pursuant to a 999 year lease in the underlying land and sell them development rights or a permissible amount of developable area. We receive nominal yearly lease rents and lease premiums relating to the lease of the land as well as the sale of the permissible developable area (either paid at the time of execution of the lease deed or in a number tranches (not necessarily periodical)). This is our most common hospitality real estate structure and we have followed this approach with, for example, Ekaant the Retreat, Mercure Lavasa, Novotel Lavasa, Holiday Inn Express and Formule 1. • Long-term lease of the structure: We grant our hospitality related Subsidiaries or Associates a long-term leasehold interest in a structure which we developed. The lease premiums are collected upfront or in tranches within a stipulated time period

Type of Product	Description of Transactions
	as agreed. We have followed this approach with, for example, the Lavasa International Convention Center and the Dasvino Club. Long-term lease of the land: We grant a long-term leasehold interest pursuant to a 999 year lease in the underlying land along with the right to develop subject to the permissible area under the lease agreement. We have followed this approach with, for example, Hazel Hotels and Resorts Private Limited and J. Vora Hotels and Resorts Limited.
Tourism and leisure	We leased certain parcels of land to Full Spectrum Adventure Limited ("FSAL") for a period of 999 years and have given consent to FSAL to develop an adventure and training institute that will offer multi sports activities, water sports, adventure sports and training academy relating to personality development programs. FSAL is required to pay a nominal yearly rent (of ₹ 1 per sq. mtr. for the lease of the land), and a one-time lease premium.
Retail	We leased various parcels of land and sold the development rights with respect to the developable area to DRL for a period of 999 years each and have given our consent to allow DRL to develop and operate various retail outlets. Pursuant to the relevant lease deeds, DRL is required to pay a nominal yearly rent (of ₹ 1 per sq. mtr. for the lease of the land) and a one-time lease premium. DRL in turn would develop such land either on its own or jointly with us and lease/license units to various third parties such as food and beverage outlets, theatres and apparel stores.
Education	We lease land to educational institutions pursuant to 999 year leases where no part of the transaction is structured as a sale. We receive a nominal annual lease rental in addition to the premiums and the premiums are a one-time payment. We develop educational institutes in two different revenue formats: - By way of long-term land leases to educational institutions, such as to Symbiosis Society, Bangalore based university and NSHM Knowledge Campus; and - Through our ownership interest in subsidiaries and/or associates, such as Knowledge Vistas Limited, Dasve Hospitality Institutes Limited and a proposed joint venture with Abhinav Shiksha Sanstha for Doon Public School (in relation to which we have entered into a term sheet with Abhinav Shiksha Sanstha).
Healthcare	We leased land to our subsidiary Apollo Lavasa Health Corporation Limited pursuant to a 999 year lease where no part of the transaction is structured as a sale. We receive a nominal annual lease rental of Re. 1 per acre in addition to the premiums paid in form of allotment of equity shares to our Company.

The following table sets out our aggregate real estate leased or built up structures sold or in relation to which we have signed term sheets or entered into agreements to lease up to June 17, 2014.

Property Type	Aggregate Units	Aggregate Acres	Aggregate Square Feet
Residential.....	2,720	6.2	3,781,303
Commercial.....	-	12	619,168
Institutional	-	182	2,301,068
Hospitality.....	-	45	1,635,311
Social	-	320	3,769,001
Total	2,720	566	12,105,851

We have leased on long term basis 380.18 acres with a permissible developable area of 5,101,209 square feet of land through lease deeds and approximately 71.62 acres with a permissible developable area of 1,872,358 square feet of land through agreements to lease to various customers in the commercial, institutional, hospitality and social (including education) sectors. Further, we have entered into MoUs and signed term sheets for leasing on a long term basis 113.71 acres of land with a permissible developable area of 1,513,023 square feet to various customers in the commercial, institutional, hospitality and social (including education) sectors. As of June 17, 2014, we have leased real estate to 33 third parties and 23 SPVs.

Residential real estate

Our portfolio of residential products includes villas, apartments, rental housing, staff, faculty and student accommodations in the form of hostels and specialized housing units such as retiree homes.

Villas

We have leased land and sold villas (including sale of structures). We develop mainly two types of villas: lake facing and valley facing. Our villas typically have ground floor plus one storey or ground floor plus two-storey structures with sloping roofs, spacious rooms and large windows. Villas in Dasve range from 1/8th of an acre to one acre. As of June 17, 2014 we have executed and registered agreements to lease the land and sell the structures thereon for 476 villas and have issued allotment letters (where the agreements to lease with respect to such allotment letters are pending execution and/or registration) in connection with the lease of 37 villas. Further, as of June 17, 2014, we have completed construction of 308 villas in Dasve.

As of June 17, 2014, we have also executed and registered agreements to lease for 122 villa plots while we have issued allotment letters (where the agreements to lease with respect to such allotment letters are pending execution and/or registration) in connection with the lease of the remaining 13 villa plots. Further, we have entered into agreements with certain of the lessees whereby we will construct the villas on such plots. As of June 17, 2014, we have completed the construction of 27 villas out of a total of 61 such villas.

Apartments

A majority of the apartments in Dasve and Mugaon are expected to be located at the town center. These apartment buildings will typically have ground floor plus a maximum of five floors and sizes will range from studio to three-bedroom apartments. We handed over possession of the first apartment in Lavasa in April 2010. As of June 17, 2014, we have executed and registered agreements to lease in connection with the lease of 1,059 apartments in Dasve and 322 apartments in Mugaon and have issued allotment letters (where the agreements to lease with respect to such allotment letters are pending execution and/or registration) in connection with the lease of 128 apartments in Dasve and 164 apartments in Mugaon. Further, as of June 17, 2014, we have completed construction of 376 apartments in Dasve and handed over and given possession of these apartments.

Rental housing

We plan to offer residential rental units for housing support staff working in our hotels, residences, education, businesses and other facilities. This, we expect, would benefit the support staff and will also have social amenities built within it. As of June 17, 2014, we have entered into a lease agreement to construct and sell an aggregate of 160,000 square feet of rental housing to RHL along with lease of underlying land, leading to development of approximately 399 rental housing units. As of June 17, 2014, we have completed construction of 319 rental units and another 80 rental units are expected to be completed by the end of Fiscal Year 2015.

Retiree housing

Ashiana Housing Limited, a chain of retiree real estate developers in India, has developed Utsav, a retirement village spread across 30 acres at Dasve. We leased land to Ashiana Housing Limited on a long term basis for purposes of the project and our revenues are in the form of lease premiums.

Hostel

We have entered into agreements to lease premises with a developable area of 138,000 sq. ft along with an interest in the undivided underlying land to our Subsidiary, Verzon Hospitality Limited, to run its hostel facilities and further lease out the hostel facilities to educational institutions. As of June 17, 2014, we have completed 81,721

square feet of the hostel facilities aggregating to 189 rooms and leased out 107 rooms. In addition, 56,279 square feet aggregating to 136 rooms is under development and is expected to be completed by end of Fiscal Year 2015.

Commercial real estate

Our portfolio of commercial real estate comprises our retail and office space businesses.

Retail real estate

We plan to develop our real estate around the densely populated town centers. Apart from the transfer of premium retail assets to our subsidiary Dasve Retail Limited, certain retail assets have also been leased or proposed to be leased to third parties. These include retail spaces located within the multi-level car parking, commercial buildings and main road abutting residential buildings. As of June 17, 2014, we have leased on a long term basis 18,530 square feet of retail area to third parties and our revenues are in the form of lease premium. Further, Union Bank of India has entered into a sub lease agreement with DRL, pursuant to which it has opened a branch at Lavasa. State Bank of India has also entered into a lease deed with us, pursuant to which they have opened a branch at Lavasa. See also, " – *Our Consumption Business – Our Retail Business*" for a discussion of our retail consumption business.

Office space

Our office spaces, which we expect will benefit from the Mumbai-Pune economic corridor due to our proximity to the two cities, as of the date of this Draft Red Herring Prospectus, comprise standalone buildings. The first standalone building "*247 Business Square*" is currently under development in Dasve. As of June 17, 2014, we have executed allotment letters and agreements to lease aggregating to 7,119 square feet area out of a total of 227,251 square feet area which is under construction in the above building. Features of this office building will include power and water supplies, fire-fighting systems, IT systems, parking, and high speed elevators.

Hospitality real estate

We aim to offer hotels of various categories ranging from budget to high-end hotels and have been granted "*mega status to tourism projects*", by the Tourism and Cultural Affairs Department, Government of Maharashtra under the Tourism Policy 2006 of the Government of Maharashtra in connection with our proposed tourism project at Lavasa Hill Station at Taluka Mulshi and Tehsil Velhe falling under "C" zone. For more information related to our hospitality consumption business, see "— *Our hospitality consumption business*". As part of our overall strategy, we expect to form subsidiaries and/or associates to own these hospitality assets with recognized operators managing assets. We also expect to divest various stakes in these subsidiaries or associates to third parties. However, in some cases, we grant a long-term leasehold interest pursuant to a 999-year lease in the underlying land along with the right to develop subject to the developable area permissible under the lease agreement.

We have entered into a lease deed with Hazel Hotels and Resorts Private Limited, under which we have leased one acre of land in Dasve to it for the construction and operation of a 87-guest room hotel. We have also entered into an agreement to lease with Hazel Hotels and Resorts Private Limited, under which we have, on long term basis agreed to lease 1.21 acres of land at Dasve to them for the construction and operation of branded serviced apartments.

We have entered into a lease deed with J. Vora Hotels and Resorts Limited, under which we have leased 1.50 acres of land in Dasve to it for 999 years for the construction and operation of an approximately 52-guest room budget hotel.

As of June 17, 2014, approximately 253 rooms are operational and another 506 rooms are under construction and development. Further, we have entered into management and operations agreements with hotel operators for hotels covering a total of 779 rooms.

Tourism and leisure real estate

We have leased certain parcels of land to FSAL for a period of 999 years where FSAL operates an adventure and training institute that will offer multi sports activities, water sports, adventure sports and training academy relating to personality development programs. FSAL is required to pay a nominal yearly rent (per sq. mtr. for the lease of the land), and a one-time lease premium. See also "— *Our Consumption Business – Tourism and leisure*" for details about our tourism and leisure consumption business.

Social Real Estate

Education Real Estate

Education is, in our view, one of our main economic drivers. The educational facilities present at Lavasa can be broadly categorized as primary, secondary, tertiary and continuing education. We develop educational institutes in two different revenue formats:

1. By way of long-term land leases to educational institutions, such as to Symbiosis Society, Bangalore based university and NSHM Knowledge Campus; and
2. Through our ownership interest in subsidiaries and/or associates, such as Knowledge Vistas Limited, Dasve Hospitality Institutes Limited and a proposed joint venture with Abhinav Shiksha Sanstha for Doon Public School (in relation to which we have entered into a term sheet with Abhinav Shiksha Sanstha).

Our leases of land to educational institutions are pursuant to 999-year leases. Under the terms of such leases, we receive a nominal annual lease rental (on a per square foot basis) in addition to the premiums and the premiums are either a one-time payment or payable in tranches. For more information related to our education consumption business where we additionally share in the ongoing revenues of the schools, see "*Education*" on page 199. Our education real estate business is comprised of primary, secondary, tertiary and continuing education institutions.

Primary and Secondary Education

We intend to have primary and secondary educational institutions located at Lavasa. We aim to develop our education business by providing access to modern infrastructure and support facilities for educational institutions and research organizations.

- *Christel House Lavasa*. Christel House Lavasa ("**CH Lavasa**"), a trust set up by us and Christel House India, provides education, nutrition and healthcare to children from impoverished and underserved communities in and around Lavasa. The school caters exclusively to children hailing from the economically disadvantaged sections of society. CH Lavasa commenced operations in July 2010 and currently has 385 students from kindergarten to grade 6.

Tertiary and continuing education

We aim to set up management institutions by seeking partners across a host of varied disciplines from institutions across the world. Our plan is to provide for a greater representation of disciplines and introduce a wider range of specializations in keeping with the infrastructure being developed.

- We have entered into a lease deed with a Bangalore based university, under which we have, on long term basis, leased 20 acres of land in Dasve for the purpose of construction and operation of an educational institution for management and science programs. The total built up area on the land allocated is not expected to exceed 261,371 square feet.
- *Symbiosis Society*. We have entered into a lease deed with Symbiosis Society, Pune under which we have on a long term basis leased 59.57 acres of land in Dasve for the establishment of educational institutions. Symbiosis Society have submitted their development plan for the establishment of the institutions and paid development charges to us in our capacity as the SPA for this project.
- *NSHM Knowledge Campus*. We have entered into an agreement to lease with NSHM Knowledge Campus ("**NSHM**"), Kolkata in connection with NSHM opening a retail university at Lavasa. NSHM has leased 20 acres of land on a 999 year basis in our second town for the purpose of building the retail university. The retail university would offer courses in retail management, media, communications, design and management. The total built up area for the land leased cannot exceed 350,000 square feet.
- *Shail Group*. We have entered into a term sheet with Shail Group in connection with Shail Group for opening residential school in Town 2. We propose to lease 13.95 acre of land to them with a developable area of 238,226 square feet.

Healthcare real estate

We have entered into exclusive arrangements with Apollo Hospitals Enterprise Limited, a recognized Indian healthcare provider in the private sector, for the setting up and management of our subsidiary Apollo Lavasa Health Corporation Limited and for health and wellness development at Lavasa covering primary hospitals, wellness research development and medical education across 200 acres. As of June 17, 2014, our subsidiary has started operations of a 60 bed multispecialty hospital in Dasve. For more information related to our health business, see "*— Our healthcare consumption business*".

Others

Below are certain other real estate related agreements that we have entered into:

- We have leased approximately 4.499 acres of land to Brand Equity Treaties Limited. This land is proposed to be developed to set up a training center, learning center, spiritual center having a permissible developable area of 60,000 square feet.
- We have entered into an agreement to lease with Girias Investment Private Limited for developing and operating a training center spread over 5.98 acres with a built-up area of 67,773 square feet and have executed a term sheet for 2.16 acres of land with a built-up area of 24,480 square feet to be used for residential purpose supporting the training center.
- We have entered into a term sheet with HT Media Limited for a plot of land measuring 6.37 acres.
- We have entered into a memorandum of understanding with L&T Infrastructure Finance Company Limited to lease on a long term basis two parcels of land aggregating to 40.55 acres for mixed use development including training center and back end operations.
- We have leased land measuring 1.30 acres and with a built up area of 10,764 square feet to the State Bank of India for setting up branch premises, branch manager's residence, holiday home, VIP rooms and ATMs in Dasve.
- We have entered into a lease deed with Passionate Developers Private Limited for land measuring 5.34 acres and with a built up area of 70,000 square feet for mixed use development including hospitality, commercial and education in Mugaon.
- We have entered into a term sheet with Brigade Nook for the lease of land measuring 6.55 acres and with a built up area of 74,233 square feet for mixed use development including the development of a corporate training centre.

Future purchases of land

As of June 18, 2014, we have 10,574 acres of land available for development. In addition, we have entered into agreements for sale for 294 acres of land for which we have made substantial payment of the purchase price. We will consider purchasing additional areas of up to 5,959 acres within the hill station notified area on an opportunistic basis. For details of risks relating to the purchase of this additional land, please see "*Risk Factors — Our inability to purchase the remaining parcels of land required for completion of Lavasa on acceptable terms or at all may affect our future development*" on page 36.

Our infrastructure business

We define our infrastructure business as planning, developing, owning and managing (which includes operations, maintenance and revenue collection) our infrastructure assets. We develop and own major infrastructure assets related to dams, water, sewerage, drainage, solid waste management, power distribution within Lavasa, telecommunications, parking lots and decks roads, public lighting public buildings, parks and landscaping and propose to own future assets to be created. Based on an engineer's certificate dated June 17, 2014 from Taamra Engineering Consultants India Private Limited, on the land that we own and lease, we expect to treat 100% sewage and solid waste generated and have 100% piped water and sewage, our storm water drains are expected to cover 120% of our road network and we have designed our water supply to deliver 216 liters per capita per day,

all of which, satisfy the service level benchmarks specified by the Indian Ministry of Urban Development.

Statistical data on the progress of our various infrastructure segments as of June 17, 2014 are set out below. There can be no assurance that we will be able to develop the entire remaining infrastructure. For risks relating to our infrastructure, see "Risk Factors" on page 19.

Water

- We have installed a treatment capacity of 3.4 million liters per day ("**MLD**") and are currently developing another 16.70 MLD out of total final planned capacity of 36.4 MLD;
- We have installed distribution pipelines of 35.5 kilometres and are currently developing another 34.29 kilometres out of total final planned capacity of 325 kilometres; and
- Out of 10 planned dams, we have completed one dam and are currently developing another four dams.

Roads

- Out of a total planned 263 kilometres of internal road network within the towns in Lavasa, we have completed 40 kilometres and are currently developing another 42.5 kilometres;
- We are currently developing the Mugaon tunnel that we expect would reduce access time to Lavasa. We have applied to the State Wildlife Board for the required approvals for the Mugaon tunnel. See also, "Risk Factors - Our business is subject to extensive Government regulation, including in relation to the environment and land development, and the success of Lavasa depends upon our compliance with laws, rules, regulations and notifications promulgated by the central, state and local government bodies, including obtaining environmental clearance and renewing and maintaining statutory and regulatory permits, licenses and approvals from time to time. Any delay or inability to obtain such permits, licenses or approvals or failure to otherwise comply with applicable laws, rules and regulations or changes in governmental policies or stricter or more burdensome regulations, may have a material and adverse effect on our business, results of operations, financial condition and prospects"; and
- Out of 50 kilometres of inter village roads planned, we have completed 37 kilometres and are currently developing the remaining 13 kilometres.

Power

- Out of the total proposed connected load of 478 MW, we have completed 46 MW and are currently developing another 34 MW;
- We have installed a distribution network of 55.5 kilometres and are currently developing another 41 kilometres out of total final planned capacity of 422 kilometres; and
- We have installed a transmission network of 12.5 kilometres and are currently developing another 19.79 kilometres out of a total final planned capacity of 187 kilometres.

Sewerage

- We have installed a collection network of 51.5 kilometres and are currently developing another 28.25 kilometres out of a total final planned capacity of 462 kilometres;
- Out of the total planned storm water drainage network of 315 kilometer, we have installed a storm drainage network of 51 kilometres and are currently developing another 39.60 kilometres, out of which 12.5 kilometres drains are partially completed.
- We have installed a treatment capacity of 2.4 MLD and are currently developing another 21 MLD out of total final planned capacity of 43 MLD.

Solid Waste

- We have installed mechanical composting treatment capacity of 1.8 tpd and are currently developing capacity of 50 tpd out of a total planned 136 tpd.

Dams and water

In September 2002, we executed an agreement with the MKVDC pursuant to which we were granted permission to construct, at our cost, two check-dams in the submergence area of the Warasgaon dam and six check-dams outside the submergence area but within the catchment area of the Warasgaon dam with the total capacity of 871 million cubic feet (mcft). In December 2003, we executed a similar agreement with the Irrigation Department of the Government of Maharashtra pursuant to which we were granted permission to construct two additional check-dams with a total capacity of 160 mcft in the catchment areas of the west-flowing rivers in Dhamanohol village. The total capacity of the 10 check-dams is expected to be 1,031 mcft.

These check-dams, particularly those at Dasve and Gadle, are intended to be permanent bodies of water in these towns enabling the development of lake front real estate. Within the allocation of 871 mcft of water from the Warasgaon catchment area, we are also seeking approval from the MKVDC to construct an additional check-dam in Mugaon, our second town, in the submergence area of the Warasgaon dam. Without depriving the Warasgaon dam of its present storage, we plan to create additional bodies of water in the area to make Lavasa more self-sufficient with respect to its water needs. We also plan to recycle 80% of the water used for domestic purposes and re-use it for flushing, landscaping, irrigating mass plantation and construction. The first phase of Dasve's treated sewage effluent distribution network is in operation. For risks relating to the satisfaction of our water requirements see *"Risk Factors – Our water requirements may not be met due to hydrological conditions or water flows inconsistent with our expectations and there are certain water bodies contiguous with Lavasa that we will not be able to access"* on page 42.

Sewage and drainage

Our waste water system is designed according to local industry norms and involves the establishment of large, decentralized sewerage treatment plants ("STPs") and collection networks in densely populated zones that would treat waste water to meet standards prescribed by regulation. The 2.4 million liters per day sewerage treatment plant is presently operational in Dasve. Waste water is treated to meet standards prescribed by Indian regulations and is then used for irrigation, construction purposes and other non-potable uses in Lavasa.

Power

Our primary source of power is the 110 KV transmission line laid from Tata Power's existing grid network at Nive, which is approximately 16 kilometres from Lavasa. A main receiving station ("MRS") was established at Bhoini, one of the villages falling within the notified hill station area which has installed capacity of 50 MW.

Roads

Lavasa is located approximately 42 kilometres from Chandni Chowk, an intersection on the outskirts of Pune. Prior to the commencement of construction of Lavasa, access to the project site was through a 70 kilometer drive from Pune to the Warasgaon dam, followed by a 20 kilometer boat ride to the project site. Our initial focus was to enhance accessibility of the project to Pune city. To achieve this, a road 31.8 kilometres in length was widened and improved on a build-own-transfer basis by Pune Paud Toll Road Company Limited, one of our Group Companies. This road is currently operational and has reduced driving time from Pune to Lavasa. This road ends at Mutha village beyond which a 9.5 kilometer public road from Mutha to Temghar was widened and improved and a new 7.8 kilometer hill road from Temghar to Lavasa's entry gate was constructed by us. We are also widening and improving a third access to Lavasa through a six kilometer road up to Mugaon. Since a part of this road is a steep hill road, we intend to construct a 1.2 kilometer tunnel and an approach road of 800 meters to ease the movement across the Mugaon hills. The first stage approval from the Ministry of Environment and Forest, Government of India has been obtained and the work is expected to commence in October 2015. For details in relation to applications pending in relation to the Mugaon tunnel from the State Wildlife Board and Conservator of Forests, see *"Government and Other — Approvals for our Company — Approvals Applied for and Pending Receipt"*.

Within Lavasa we have a mandate from the Zilla Parishad, Pune to widen, improve and maintain inter-village roads from Warasgaon to Wadavali along the Warasgaon lake edge. We have completed construction of 40

kilometres of external/internal roads between different towns. We have also completed construction of 37 kilometres out of a total of 50 kilometres of planned intra-village roads which connect the different towns within Lavasa.

Lighting

Our lighting activities comprise street lighting, lighting in common areas and lighting in common public areas. We maintain and operate streetlights on all our internal, external and intra-village roads. We install the streetlights concurrently with the construction of our roads, the lights in the buildings at the completion of the construction and the lights in the open areas concurrently with the landscaping of the area.

Our city management services team

Our city management services team aims to ensure that the quality of life, daily service delivery and community experience at Lavasa is demonstrably different than the quality of life, service quality and overall community experience to be found in other Indian cities. To accomplish this aim, we have divided the city management team into six departments: public works; safety and security; enterprise utilities; GIS; administration and finance; and customer services. In addition to normal operational responsibilities, managers in the city management services team oversee the facilities created specifically to provide municipal-like functions and services (power, water and sewer, rental housing and the facility management services). We also employ a city manager, Scot Wrighton, with over 20 years of international experience in city management in the states of Illinois, Kansas and Missouri in the United States. Our city management services team also meets with a committee of villagers from throughout the Lavasa project area on a monthly basis to discuss matters related to the social upliftment of villagers.

As of the date of this Draft Red Herring Prospectus, our city management subsidiaries are comprised of the following entities: Whistling Thrush Facilities Services Limited, Warasgaon Asset Maintenance Limited, Warasgaon Power Supply Limited, Sahyadri City Management Limited, Reasonable Housing Limited and Warasgaon Infrastructure Providers Limited. As of the date of this Draft Red Herring Prospectus, all of these are operational except for Warasgaon Infrastructure Providers Limited. As our governance model matures, we expect that certain city management functions would be executed by separate subsidiaries and that we will consolidate our city management functions under our subsidiary, Sahyadri City Management Limited. At present, we receive maintenance charges from occupants at Lavasa, which are divided into property management charges and common area charges, which we charge on a square feet basis; and water usage charges, which are charged according to the actual usage of water. Further, we also collect power charges, according to the actual usage, on behalf of the Maharashtra State Electricity Distribution Company Limited and receive a percentage of the collections from the Maharashtra State Electricity Distribution Company Limited.

We believe that our city management services team is at the core of our replicable model for other city development projects that we may undertake.

Public works department

Our public works department is responsible for managing public amenities, our streets and public areas (including parks, promenades, lighting, pedestrian facilities, public rest rooms, horticulture, storm drainage systems) and providing solid waste and recycling services.

Our infrastructure subsidiary, Warasgaon Asset Maintenance Limited, is responsible for developing, operating and maintaining all roads, bridges, street lightings and promenade assets. In the future, we intend that our city management subsidiary, Sahyadri City Management Limited will carry out the day-to-day management of these assets, which includes customer billing and collection of city management service fees and other types of usage fees for the utilization of assets.

Safety and security

Safety and security at Lavasa is provided through two separate levels: first, a police force provided by the Government of Maharashtra and totally under the supervision of the state police; and second, a Lavasa-trained and recruited mobile patrolling security force which is comprised of our security managers, contracted security guards and traffic wardens, all under the supervision of our city management team. Lavasa safety and security personnel work closely with the state police. The bulk of day-to-day safety and security work is performed by Lavasa-employed or Lavasa-contracted personnel, but they will have to rely on state police to intervene in cases of serious crime, arrest and criminal investigation.

Enterprise utilities

Our enterprise utilities department is responsible for managing our water and sewer systems including managing the collection, treatment, distribution and disposal of our water, maintaining reliable power service by providing internal transmission and maintenance activities, including power quality monitoring and end-user metering. Billing and collection of utility revenues is performed by a separate department of city management services. The enterprise utilities department is also responsible for managing the gas distribution system.

We currently manage the collection, treatment, distribution and disposal of our water. The drinking water treatment system is presently operational in Dasve. Water charges are currently billed to customers on a monthly basis with other maintenance fees. In the future, we intend that our city management subsidiary, Sahyadri City Management Limited will carry out the day-to-day management of these assets, which includes customer billing and water system revenue collection.

Our infrastructure subsidiary Warasgaon Power Supply Limited is responsible for the internal transmission of power, power quality monitoring, generation of alternative energy to be fed into the distribution system at the MRS, maintenance of generator back-up of sub-stations and related power functions including development of these assets.. In the future we intend that our city management subsidiary, Sahyadri City Management Limited, will carry out the day-to-day management of these assets, which includes all system maintenance and meter reading. Customer bills are issued by the Maharashtra State Electricity Distribution Company Limited under the terms of a distribution franchise agreement.

GIS

Our geographic information systems ("GIS") department is responsible for collecting all performance outcome data for all departments, providing all updated maps and other spatial data both for city management and our other departments, conducting surveys as required, approving as-built construction drawings, and providing mapping and topographic support to the construction teams.

Administration and finance

Our administration and finance department is responsible for providing internal support to our city management team and our other departments for communications and vehicle services, office space allocation and management, labor colony management, community development/corporate social responsibility as well as centralized financial management of city management transactions.

Customer Services

Our customer services department supervises building inspections, connects our residents with value-added services, provides general information about city services to all residents and guests via a "Citizen Contact Center", represent the interests of the customer in residential handovers, and helps new residents become accustomed to live in Lavasa.

The role of our city management services department is to manage the city and its focus is on providing municipal like services to the residents of Lavasa and we believe it is a differentiating feature of city life at Lavasa.

Our consumption business

We expect to generate income on an ongoing basis based on the consumption of residents, visitors and workers within the city. We expect to have a direct or indirect participation in the hospitality, education, hotels, hospitals, retail and tourism and leisure businesses of Lavasa. In most cases, we intend to maintain an equity stake in the subsidiaries and associates developed for the purpose, thus providing an ongoing stream of income from consumer spending in Lavasa. For more information related to our Subsidiaries and Associates, see "*History and Certain Corporate Matters*" and "*Subsidiaries and Associates*" on pages 220 and 236 respectively.

Our hospitality consumption business

Our hospitality consumption business is comprised of our hotels, convention centers and clubs. For details of the

Subsidiaries and Associates for the hospitality consumption business, see "Subsidiaries and Associates" on page 236.

Hotels, clubs and convention centers

A material part of our development plan is devoted to our hospitality and convention business, and the aim is to turn Lavasa into a convention destination that will attract meetings, exhibitions, corporate events, training and development and national and international conventions. We expect that this business would primarily be the bulk of our tourist business during the week.

Additionally, we plan to create a tourist destination with theme parks and several other similar entertainment attractions which will draw people from neighboring cities which would form the tourist business over the weekends.

We describe below the various hotels, clubs, and convention centers that we have developed or are currently developing:

Fortune Select Lavasa

Fortune Select Lavasa is a hotel owned by Lavasa Corporation Limited and operated by Fortune Parks Hotels Limited under an agreement dated September 5, 2005. While we maintain ownership of the hotel, we have entered into a managing agreement with our wholly owned subsidiary Lavasa Hotel Limited pursuant to which we have granted the right to manage this hotel to Lavasa Hotel Limited. The hotel has 60 rooms and two restaurants (called Zodiac and Earthenoven). The Fortune Select Dasve hotel has been operational since April 2009. The hotel has been certified as a "Green Building" with a silver rating by the Indian Green Building Council.

Mercure Lavasa

We developed the Mercure Lavasa hotel in Dasve pursuant to our associate Ecomotel Hotel Limited. As of the date of this Draft Red Herring Prospectus, we own 29.22% and 70.78% of the equity share capital of Ecomotel Hotel Limited is owned by CRH. This 130-room hotel with a multi-cuisine restaurant called Celebration is spread across an area of approximately 1.2 acres. AAPC India Hotel Management Private Limited has been appointed to manage the hotel. This hotel has been operational since May 2010. For further details of this arrangement, see "Subsidiaries and Associates" on page 236.

Ekaant the Retreat

We developed Ekaant the Retreat, a resort in Dasve and have transferred the ownership of the resort to Starlit Resorts Limited. Starlit Resorts Limited is a 100% subsidiary of the Company. This 20 room resort with Vyanjan, the multi-cuisine restaurant at Ekaant is spread across an area of four acres and offers a view of the hills and the Warasgaon lake. Ekaant the Retreat has been operational since August 2007. We have entered into a term sheet with Ayana Hospitality Private Limited to convert Ekaant the Retreat into a boutique hotel.

The Waterfront Shaw

We have developed service apartments at Dasve, which we continue to own as of the date of this Draft Red Herring Prospectus. We have granted the right to manage these service apartments to Bona Sera, our Associate which, as of the date of this Draft Red Herring Prospectus, is 26% owned by us and 74% owned by Shawman Software Private Limited in Bona Sera. The Waterfront Shaw has 43 fully equipped service apartments (comprising of studio, 1 BHK and 2BHK apartments) and has been operational since April 2009. For further details of this arrangement, see "Subsidiaries and Associates" on page 236.

Dasvino Town and Country Club

We developed the Dasvino Town and Country Club at Dasve and have leased the structure to our wholly owned subsidiary, Lakeview Clubs Limited. The club is located in Dasve and its facilities include a family restaurant, bar, function and activity rooms, swimming pool, pool bar, health club and modern gymnasium, a spa, indoor and outdoor sports facilities and an amphitheatre. This club is being managed by Bona Sera Hotel Limited as management operator. Currently, there are 174 members while the club has signed affiliation with 25 renowned clubs in India. The Dasvino Town and Country Club commenced operations in April 2010.

Lavasa International Convention Center

We developed the Lavasa International Convention Center at Dasve and have leased the structure to our wholly owned subsidiary, Dasve Convention Center Limited. This convention center is being managed and operated by AAPC India Hotel Management Private Limited.

The Lavasa International Convention Center is equipped with amenities for organizing meetings, events, conferences and exhibitions with a capacity of up to 1,500 persons. The convention center has six main convention halls, meeting rooms, VIP lounge and business center. The convention center has been operational since April 2010.

Novotel Lavasa

We are developing the Novotel Lavasa hotel through our associate Warasgaon Lakeview Hotels Limited. As of the date of this Draft Red Herring Prospectus, we own 28.67% and 71.34% is owned by third party investors in Warasgaon Lakeview Hotels Limited. This resort hotel spread over 7.48 acres in the Dasve village and 1.46 acres in Padalghar village, would have a total of 192 guest rooms. The facilities in this hotel will include guest rooms, specialty restaurants, lounge bar, business center, banquets and meeting rooms, swimming pool, pool bar, health club and spa with gymnasium, indoor recreation facilities, outdoor viewing deck and reflective pool. We have entered into a management contract with AAPC India Hotel Management Private Limited to run the hotel under the Novotel brand. The hotel is under construction and is expected to be completed by September 2015.

Holiday Inn Express Lavasa Dasve

We are developing the Holiday Inn Express hotel through our associate Andromeda Hotel Limited which is 41.76% owned by us and 58.24% by third party investors. This budget hotel spread over 1.93 acres in the Dasve village would have a total of 120 guest rooms. The facilities in this hotel will include guest rooms, small meeting rooms and a restaurant. We have entered into a management contract with InterContinental Hotels Group to run the hotel under the Holiday Inn Express brand. The hotel is under construction and is expected to be completed by June 2015.

Formule 1 Lavasa

We are developing the Formule 1 hotel through our wholly owned subsidiary Rosebay Hotels Limited. This budget hotel spread over 60,000 square feet in the Dasve village would have a total of 142 guest rooms. It is being developed as a bed and breakfast hotel. We have entered into a management contract with Economy Hotels India to run the hotel under the Formule 1 brand. The hotel is under construction and is expected to be completed by June 2015.

Eaton Hotel Mugaon

We have signed a management and technical agreement with the Langham Hospitality Limited to manage a 200-guest room hotel under the Eaton Brand.

Grand Mercure Lavasa

We have signed a management and technical agreement with AAPC India Hotel Management Private Limited for management and operation of 84 room hotel under the Grand Mercure brand.

Pullman Lavasa

We have signed a management agreement with AAPC India Hotel Management Private Limited for management and operation of a 258-room hotel under the Pullman brand.

Holiday Inn Lavasa

We have signed a management and technical agreement with InterContinental Hotels Group for management and operation of a 150-guest room hotel under the Holiday Inn Brand.

Mugaon Service Apartments

Our subsidiary, Hill City Service Apartments Limited, is expected to develop 130,000 square feet of service apartments in Mugaon.

Tourism and leisure

Together with our partners, we intend to offer various tourism and leisure amenities such as golf training, boating, nature trails, water sports, outdoor sports, adventure sports, theme based entertainment parks with an intention to draw visitors. We received approximately 0.75 million visitors in the period April 2013 to March 2014. We are additionally developing sports related training programs with recognized professionals and companies. For further details, see "— *Our education consumption business — Training institutes*" on page 209. Our strategy for tourism and leisure consumption is to enter into the following types of transactions: (i) to lease out the land on a long term basis to third parties, with our revenues linked to the gross turnover with a minimum guarantee and (ii) to lease constructed space on a long term basis to our Subsidiaries and receive the lease premium and/or revenue sharing.

We describe below the tourism and leisure projects that we have developed or are developing:

Lakeshore Watersports

As on the date of this Draft Red Herring Prospectus, we own a 100% stake in our Subsidiary, Lakeshore Watersports, which has developed water sports activities at Dasve. We offer various water sports/activities such as jet ski, pontoon boats, water bikes, pools, bumper boats, personal water crafts, pedal boats, trampolines, kayaks, water obstacles and vortex splash pad.

X-thrill Adventure Academy

We developed our Adventure Academy activities in a three-acre parcel of land at Bembatmal pursuant to our subsidiary FSAL. We own 90.91% of FSAL while 9.09% is held by Z-Bac Adventure Institute India Private Limited. FSAL has also entered into a management agreement with Z-Bac Adventure Institute India Private Limited for operating full spectrum adventure under the "X-Thrill" brand. We offer various activities including zip-line, paint ball, camping, rock climbing, trekking, rappelling, rafting, all terrain vehicles, corporate camps and events.

India-centric Theme Park

Pursuant to a term sheet executed with an Indian company, we have agreed to lease on a long term basis of 30 years, with an option to extend for another 30 years, a 43 acre piece of land in Mugaon, for the development of an India-centric theme park. We will receive revenues of ₹ 0.50 million per month per acre as lease payments or 10% of the revenue, whichever is greater, from the theme park entity.

Valley View Entertainment Limited

We intend to develop an amusement theme park at Lavasa through our wholly owned Subsidiary Valley View Entertainment Limited. We intend that the themed entertainment park will spread over approximately 200 acres at Mugaon and will include theme park and rides, edutainment zone, wet park and resort, and extreme sport zone. We have signed a non-binding term sheet with an international brand to brand, design and operate an entertainment and hospitality project which will include a hotel resort, indoor waterpark and outdoor waterpark within the above area.

In addition to the theme park at Mugaon, we are planning to develop an indoor themed retail dining entertainment experience of around 150,000 square feet in Dasve.

Warasgaon Tourism Limited

Lavasa Corporation Limited has set up a subsidiary called Warasgaon Tourism Limited ("WTL") for the promotion of tourism at Lavasa. WTL takes the following initiatives with the objective of attracting visitors to

Lavasa:

- **Travel agent promotion** – Destination management is focused on the B2B segment.
- **Exhibitions and conferences** – WTL reaches out to conference organizers across India. These are companies that provide accommodation and logistic support to corporates that want to hold their conferences within India.
- **Tourism Attractions** –WTL also seeks to create tourism attractions across Lavasa for visitors and residents. In this regard the X-Thrill adventure camp was opened for adventure activities. Further, water based activities are also available; fishing as a sport is promoted at Lavasa; water play area for adults and children is also available. In addition, we organize day tours across the city, which can be done on foot, via cars on rent, segaways and cycles.
- **Awards** – WTL also participates in tourism award functions. In 2013 Lavasa was awarded five awards by various travel bodies including being recognized in Berlin by the Pacific Area Travel Writers Association as India's emerging tourist destination. We were also awarded "Best Integrated Tourism City in India" at the Indian Travel Congress. In 2012, we received the award for "Most Promising Destination" by the Indian Travel and Tourism Fair.
- **Travel Press** – WTL also seeks to ensure that Lavasa is featured in travel publications across India.
- **Events** – WTL also organizes events which aim to draw tourists to Lavasa. One such event was "F.A.M.E." (Food, Arts, Music and Entertainment) in June 2014.

WTL also interacts with all the business units at Lavasa that are dependent on tourism and assesses the city's management information system of footfalls, average spend of money by tourist at the destination, average length of stay of customers and their feedback for improvement.

Our education consumption business

We intend to have primary, secondary, tertiary, continuing and training educational institutions located at Lavasa. In this section, we describe the education at Lavasa where we will have a share in the ongoing revenue of the institutions through (i) lease premiums or (ii) potential dividend payments from our Subsidiaries or Associates.

We believe that our education consumption business will benefit from a location which is uncluttered and planned to provide for the needs of such institutions which we believe will attract leading academics and students. In addition, we believe that our business will benefit from our varied long-term and short-term rental options for student and support staff housing, supported by our infrastructure and amenities.

As of the date of this Draft Red Herring Prospectus, we have entered into the following education consumption related businesses:

Subsidiary/Associate	Partner(s)	Project	Our Share
Knowledge Vistas Limited.....	Educomp Infrastructure and School Management Limited	Residential school	49%
Dasve Hospitality Institutes Limited	N.A.	Ecole Hoteliere Lavasa	100%
Proposed*.....	Abhinav Shiksha Sanstha	International Boarding School	26%

* The name of the company has not yet been decided.

For details of the agreements with Educomp Infrastructure and School Management Limited, see "Subsidiaries and Associates" on page 236.

Primary and secondary education

Residential School

We expect to develop our residential school on approximately eight acres of land in Dasve through our associate, Knowledge Vistas Limited. We currently own 49% shareholding in Knowledge Vistas Limited and Educomp

Infrastructure and School Management Limited own the remaining 51%. For further details of this arrangement, see "*Subsidiaries and Associates*" on page 236. The primary objective of Knowledge Vistas Limited is to provide quality education. Academic facilities available in the school are expected to include classrooms, auditoriums, assembly hall, science laboratories, music and drama rooms, art and design technology room, library and IT facilities. The school is expected to commence its operations from academic year June 2015. We expect the school to have 900 students at full capacity. Currently we are operating a pre primary school under the brand Little Millennium at Dasve.

Doon Public School – The project is intended to be a joint venture between Abhinav Shiksha Sanstha and Lavasa Corporation Limited to start a boarding school under the brand Doon Public School in Mugaon. We will lease on a long term basis 10.84 acres of land with permissible built up area of 125,000 square feet to the joint venture company. The school is expected to commence its operations from academic year June 2017. We expect the school to have 900 students at full capacity.

Continuing Education

Ecole Hoteliere Lavasa

We have entered into a consulting agreement with Ecole Hoteliere de Lausanne whereby they provide consultancy services to us in connection with the development of a hospitality learning institute. The hospitality management institute has been developed under our wholly owned subsidiary – Dasve Hospitality Institutes Limited and it provides its graduates with Hospitality Management certification from Ecole hôtelière de Lausanne, Bachelor in Arts in tourism from the Indira Gandhi National Open University, Delhi and Diploma certificate from America Hotel Lodging Association. The first batch of Ecole Hotelier Lavasa started their programme in 2009 and graduated in year 2013 and the second batch graduated in 2014. We intend to divest our stake in this SPV. As of date of this Draft Red Herring Prospectus, it has 79 students enrolled for the above program. We expect the institution to have 600 students at full capacity.

UK India Business Council India Private Limited ("UKIBC")

We have entered into a memorandum of understanding with UKIBC to impart various levels of vocational training programs to be conducted at Lavasa.

Training institutes

We intend to also offer students at Lavasa learning experiences that go beyond the academic curriculum and include sports academies, adventure sports, amateur astronomy and fine arts. Our leisure facilities are expected to include music events, tennis, cricket, football, rowing and golf academies. We intend to develop a golf training academy in Mugaon and we have entered into an agreement for this. Further, we have also entered into an agreement to develop a golf course at Dhamanohol. In addition, pursuant to term sheets, we are also setting up a training academy for hockey along with Hockey Australia Limited and a licence agreement for rowing and training activities with Sir Steve Redgrave through Golden Five Limited. We have also entered into a term sheet with Chitah JKD Global Sports Federation for operating a martial art's academy at Lavasa.

Our healthcare consumption business

We have entered into an agreement with Apollo Hospitals Enterprise Limited for the setting up and the management of our subsidiary Apollo Lavasa Health Corporation Limited and for health and wellness development at Lavasa covering primary hospitals, wellness research development and medical education across 200 acres. The day to day management of Apollo Lavasa Health Corporation Limited shall vest with Apollo Hospitals Enterprise Limited. Apollo Hospitals Enterprise Limited shall have the exclusive option to develop ventures in the "hospital and pharmacy space" only in Lavasa. A hospital at Dasve, with a capacity of 60 beds has been operational since January 2010. Under the terms of the agreement, within 24 months of the commissioning of this hospital, the parties shall plan for the second phase which shall comprise of wellness and education. Planning for this second phase is currently underway.

Under the provisions of our agreement with Apollo Hospitals Enterprise Limited, we shall hold 62.5% of Apollo Lavasa Health Corporation Limited and provide 200 acres of land including five acres of land at Dasve and Apollo Hospitals Enterprise Limited shall hold 37.5% of the shares of Apollo Lavasa Health Corporation Limited and permit the use of the brand name "*Apollo Healthcity*" by Apollo Lavasa Health Corporation Limited. Under the terms of the agreement, our shareholding of Apollo Lavasa Health Corporation Limited can be diluted to 49%.

For further details of this arrangement see "*Subsidiaries and Associates*" on page 236.

Our retail business

We plan to develop our real estate around the densely populated town centers. Our strategy for our retail consumption business is to sell constructed spaces to one of our Subsidiaries, which will then lease the space to third parties on a revenue sharing basis with a minimum yearly guarantee. In order to do this effectively, we have organized the retail business under our subsidiary, DRL. Pursuant to three lease deeds and three agreements to lease executed with DRL, we have leased 106,384 square feet of retail space in various buildings constructed, under construction and/or proposed to be constructed on the various parcels of land to DRL for the purpose of setting up and operating retail, food and beverage and other such outlets. As of the June 17, 2014, DRL has leased 13,667 square feet to various brands through leave and licence agreements and has also signed termsheets and management and operations agreement for the lease of a further 8,157 square feet. In addition to this, we have further entered into management and operation agreements in relation to 16,662 square feet of area to various brands which is on revenue sharing and/or minimum guarantee fees.

Our laundry business

We have entered into arrangements with Tex-Kare Cleaners Private Limited for developing and operating a centralized laundry facility at Lavasa through our Subsidiary, Spotless Laundry Services Limited. We currently own a 76.02 % stake in the Spotless Laundry Services Limited while 23.98% by Tex-Kare Cleaners Private Limited. We expect this facility to cater to the laundry needs of all of our retail, educational, commercial, hospitality and residential customers. This has been operational since June, 2013. For further details of this arrangement, see "*Summary of Key Agreements /Scheme of Amalgamation*" in "*History and Certain Corporate Matters*" on page 227.

Our governance platform

Pursuant to a notification dated June 12, 2008 issued under the Maharashtra Regional and Town Planning Act, 1966 (the "**MRTP Act**") (the "**SPA Notification**"), the Government of Maharashtra has appointed our Company as a special planning authority ("**SPA**") in connection with land owned by us.

Under the MRTP Act, the SPA is required to, from time to time, submit its proposals for the developments of the land in the area as detailed in the SPA Notification ("**Statutory Proposals**") to the government of Maharashtra (the "**State Government**") after having invited and considered suggestions and objections from the public. The State Government may in turn, after consultation with the Director of Town Planning, approve such Statutory Proposals either with or without modification. The Statutory Proposals are required to be prepared taking into consideration the provisions of any regional plan or a draft thereof, any development plan, building bye-laws and regulations, which are already in force in the area notified under the SPA Notification.

Prior to the SPA Notification, pursuant to a letter dated June 7, 2008, the Office of the Collector, Revenue Department, District Pune, has approved and granted permission to our Company for our proposed development at Dasve and Padalghar for a total area of 636.82 hectares. Currently, the Draft Planning Proposal and Draft Development Control Regulations (the "**Lavasa DCRs**") have been approved by the SPA and have been submitted to the State Government for sanction. These Lavasa DCRs are to be within the framework of the Hill Station Regulations and the development control rules, regulations, and notifications issued by the State Government of Maharashtra, as applicable to the notified area in the Pune district (the "**Pune Region DCRs**"). The SPA supervises and ensures that all development within the city is in accordance with the Lavasa DCRs and the Pune Region DCRs.

For risks related to the Statutory Proposals including potential impacts on our development plan, see "*Risk Factors — Our ability to develop Lavasa in accordance with our proposed designs and development plan, in a timely manner or at all may be adversely affected if the State Government does not approve the proposals for development of Lavasa prepared by the SPA, in a timely manner or at all, or suggests material modifications to such proposals*" on page 29.

Our intellectual property

We will consider undertaking similar city development projects on an opportunistic basis and applying our Lavasa related industry and market knowledge to such opportunities. We believe that our experience in designing and developing the infrastructure, industrial structures and town planning and management at Lavasa, on the one hand,

as well as our pre-existing relationships with recognized industry participants in the infrastructure, education, hospitality, tourism and town planning and management sectors, on the other hand, will give us a competitive advantage in winning and efficiently executing such future projects. We have entered into a consultancy agreement dated September 9, 2010 with our Promoters, pursuant to the terms of which, HCC/HREL and/or its affiliates conferred exclusively upon our Company, in relation to undertaking development of new cities, the right to develop, operate, manage and maintain such new cities and/or act as a consultant in relation thereto. In the event we propose to develop any new cities either by ourselves or through any of our Subsidiaries, neither our Promoters nor any of their affiliates shall have the right to develop such new city. In the event that the development of any new city is not proposed to be carried out by our Company or any of our Subsidiaries, our Promoters have agreed to appoint us as consultants to HCC, HREL, and/or any of their respective affiliates which propose to undertake such development. Any intellectual property, whether registered or not, pertaining to the development, operations, management, planning and maintenance of any future new cities shall vest exclusively with our Company. Our intellectual property may not be enforceable and we may compete with HCC with respect to future development opportunities. For additional risks, see *"Risk Factors – We may not be able to ensure that we are able to participate in the development of future cities along with our Promoters HCC and/or HREL, and/or their affiliates. Further, our Promoters, HCC and/or HREL may have a conflict of interest with us in connection with future city development opportunities"* on page 49.

We have registered our trademark "Lavasa" under various classes. As of the date of this Draft Red Herring Prospectus, while certain of our trademarks so registered as mentioned have expired, we have filed applications for renewal thereof with the Trade Marks Registry, Government of India. These applications are currently pending. Additionally, we have registered certain logos used by our Subsidiaries and made applications for the registration of our logos and trademarks and those of our Subsidiaries.

Our Development Process Flow

Our business development, design, land and town planning, control cell, construction and Geographic Information System teams support our real estate and infrastructure businesses.

Business development

Our business development team identifies synergistic commercial opportunities, serves as the liaison between current and potential partners and, together with specialist teams, structures and documents an advantageous corporate form. In addition, our subsidiary and associate teams arrange both debt and equity funding as needed, prepare business models and coordinate all company related issues.

Town planning and SPA

After a project is initially approved by our business development team, our town planning team identifies a land parcel based on suitability for the project. The team then defines various design parameters in terms of built up area, height of the building, open spaces and any other specifications specified in the master plan. Once the building design is finalized, the SPA approves the building plans and issues a commencement certificate. The SPA carries out the checking to confirm that the building complies with the Pune Region DCRs and the Lavasa DCRs. Upon completion the SPA issues an occupancy certificate after ensuring that all the necessary requirements for the occupancy certificate have been met.

Construction

In March 2014, we entered into a master construction agreement with Steiner India Limited, a wholly owned subsidiary of Steiner AG, a Swiss engineering and building construction company, whereby we have transferred all the construction activities in Lavasa to Steiner India Limited which is acting as our construction partner. Accordingly, Steiner India Limited carries out all the engineering, procurement, design and construction work within Lavasa and has currently 209 employees working on the Lavasa project. Further, there are 3,212 contractual construction workers (on contract with Steiner India Limited) working on the Lavasa project as of June 17, 2014.

Branding and Marketing

We introduced our live, work, learn and play vision through various channels, such as a marketing center at Lavasa, kiosks at key locations, signage on buses and cars and gift and merchandise promoting our brand. In addition, our website and websites for certain of our Subsidiaries, new advertisements campaigns and social

media initiatives, have helped disseminate information to customers and various stakeholders.

The Lavasa Future Cities initiative is an initiative undertaken by Lavasa in association with the Times of India to sensitize and create awareness amongst the Indian public on the need for planned new cities. This campaign was aimed to create awareness amongst the Indian public on the need for new cities. The initiative reviews existing cities to develop awareness of practices followed for city planning, governance, infrastructure development, basic necessities, environmental issues and technology.

Lavasa Women's Drive is a car drive from Mumbai and Pune to Lavasa in the aid of women's cancer prevention through early detection. Lavasa has been hosting this drive for last six years and this has created a Guinness Book of World Record in 2014 for the maximum number of women's participation in a motorsports event. This drive is done in association with Times of India. Further, in 2014, we initiated the "Lavasa hill run", which we expect will be a regular event going forward.

Our Employees and Our CSR

Human resources

As of June 17, 2014, we had 801 employees and Lavasa Corporation Limited had 173 employees at a standalone level. The details of the employees of Lavasa Corporation Limited at a standalone level as of June 17, 2014 are set forth below:

Category	No. of Employees
Engineers	18
Architects.....	6
Management Graduates.....	40
Commerce and Law	60
Others	49
Total.....	173

We have not experienced any materials strikes, work stoppages or action by or with our employees and we consider our relationship with our employees to be good.

Our Subsidiaries and Associates employed 628 employees as of June 17, 2014. Further, we also have contracted manpower of 4,337 workers at Lavasa working on construction and development activities through Steiner India Limited or our Subsidiaries or Associates.

Corporate social responsibility and eco-friendly practices

Development of village settlements (Gaothan)

We have constructed 34 houses for villagers of Dasve village in the form of a resettlement colony. The residents have been allotted fully constructed houses ranging from 450 square feet to 650 square feet. The resettlement colony has been provided with school building, roads, solar lights, toilets, and drains. In addition, at Padalghar village, we constructed 14 houses for disadvantaged families and are constructing two more houses and a temple. We have developed 55 plots at Mugaon to rehabilitate tribal families and provided financial assistance and building material for the construction of their houses.

Crèche

As a part of our CSR initiative we own a crèche in Bhoini. We have entered into an MOU with TaraMobile Crèches which is non-governmental organization that operates crèches. Our Crèche in Bhoini is designed to provide facilities such as a day care center, food, education, entertainment, regular health camps and vocational training to children.

Rehabilitation Program

Apart from resettlement we have implemented various rehabilitation programs for original land owners and villagers to make them a part of the development of Lavasa. The programs include the development of job skills such as training villagers to develop skills in bamboo craft with help from non-governmental organizations, entrepreneurship skills, and community development programs which include the establishment of religious places, assistance for primary education, superstition eradication campaign, environmental awareness and construction of school buildings. As part of the program, we provide contract jobs to villagers for various gardening jobs such as tree plantation, contour trenching, bush cutting, seed collection, mass plantation and fencing, encourage self-employment with jobs related to providing water, electricity and garbage disposal and provide drinking water and health services to villages where regular health checks up and vaccination programs regularly undertaken.

New urbanism

Our dedication to efficiently developing Lavasa is matched by our planning and adherence to "New Urbanism", which organizes all components of essential city life within walking distance. New urbanism incorporates the "Transect Planning Model" which defines a series of zones that transition from sparse rural farmhouse to the dense urban core. Each zone is split into parts such that it contains a transition from the edge to the center of the neighborhood. New urbanism aims to promote sustainable natural resources through optimal utilization and minimal exploitation of the available natural resources. Our eco-conscious approach has earned us international recognition and awards, including the Charter Awards for the Best Master Plan in 2005 by the Congress for the New Urbanism, based in the USA as well as the following three awards from the American Society of Landscape Architects: the Award of Excellence for the Dasve Master Plan in 2005, the Honor Award for the Mugaon Valley Master Plan in 2009 and the Merit Award for Lavasa Landscape Guidelines in 2010.

Hydroseeding

To enable us to treat large areas in order to better prevent soil erosion and to facilitate re-vegetation, we brought in the technology of hydroseeding from the USA. A mixture of seeds, mulch, cellulosic tackifier (binding material), geobinder and water is thoroughly mixed in a 6,000 gallon machine and sprayed over a distance of approximately 100–150 feet over barren slopes to prevent the soil erosion and facilitate quick re-vegetation.

Information Communication and Technology

We use information technology to enhance our performance and efficiency as well as the quality of life of our residents and visitors.

We have entered into an agreement with a leading information technology company in India to set up My City Technology to plan, implement and manage information and communication technology services across Lavasa. Further, we have entered into an agreement with a leading network industry player for divesting 18% of the share capital in My City Technology in favor of this industry player.

For further details of this agreement, see "*Subsidiaries and Associates*" on page 236.

Insurance

Our operations are subject to hazards inherent in real estate, infrastructure, city management, hospitality, water sports, adventure sports, health and tourism sectors, including accidents, collapse of structures, erosion, exposure to dangerous materials, such as certain solvents and risks related to machinery noise and manual handling activities.

We maintain comprehensive insurance coverage for all of our projects under development as well as under operation with Oriental Insurance Company Limited. The insurance coverage we carry varies from project to project, but generally includes, among other things, losses related to earthquake, fire, flooding, inundation, accidents and general liability including our legal liability consequent to acts of terrorism during operational phases. Under our "Comprehensive Project Insurance cum Operational Cover", we are also insured against our legal liability to pay damages for third party civil claims arising from bodily injury or property damage caused by an accident during project construction. We have not made any major claims under our insurance policies.

Our Corporate and Registered Office

Our Corporate and Registered Office, which is located at Hicon House, 11th Floor, 247Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083, is not owned by us. Pursuant to a letter dated November 2, 2009, our Promoter, HCC, has permitted us to share the premises located at 247Park licensed to HCC by Vikhroli Corporate Park Private Limited. Under this arrangement, we are required to pay approximately ₹ 30 million annually for the use of such premises.

REGULATIONS AND POLICIES

The following description is a summary of some of the relevant regulations and policies as prescribed by the Central and State Governments in India. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and this section is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional legal advice.

Maharashtra Regional and Town Planning Act, 1966 (the “MRTP Act”)

The MRTP Act has been enacted with the object of establishing local development authorities in Maharashtra to ensure efficient town planning and development of lands within their jurisdiction. It provides for the creation of new towns and compulsory acquisition of land required for public purposes. It provides a mechanism for the better preparation of planning proposal and their effective execution.

The Special Planning Authority (“SPA”)

The State Government may appoint a company as a SPA for planning the development of any undeveloped area notified under the MRTP Act. A planning proposal is to be prepared by the SPA indicating the manner in which the land is going to be developed by a planning authority, which includes a SPA. The SPA, in furtherance of the approved planning proposal, has the power to hold, manage and dispose of the land and other property, to carry out buildings and other operations, to provide water, electricity, gas, sewerage and other services, amenities and facilities and generally do anything which is necessary and expedient to give effect to the development of the area as planned subject to the directions of the State Government.

The planning proposal shall contain details regarding land use, construction and all other civic amenities and services intended to be provided by that authority. A planning proposal is to be made by the SPA indicating the manner in which the land is going to be developed. The planning proposal would contain details regarding land use, construction and all other civic amenities and services intended to be provided by that authority. Any change in the use or development of any land which is part of a notified area or site for a new town requires the permission of the planning authority and it may revoke or modify the permission granted if it appears inconsistent with the planning proposal. All development permissions granted by the SPA shall be brought to the notice of the Assistant Director of Town Planning within a period of three months from the date of grant of permission.

The MRTP Act empowers the SPA to levy development charges, at specified rates, on the use, change of use or development of land for which permission is required.

The local authorities will make contributions towards the expenses incurred by the SPA as determined and fixed by the State Government, either in lump sum or in installments. The SPA is also entitled to borrow money from the open market and also receive deposits in relation to allotments and sale of land made in furtherance of the approved planning proposal.

Special Regulation for Development of Tourist Resorts/ Holiday Homes/ Town Ships in Hill Station Type Areas, 1996 (the “Hill Station Regulations”)

The Maharashtra Government passed the Hill Station Regulations in 1996 to permit the development of tourism sites. The Urban Development Department is empowered to declare any area at appropriate height, having suitable topographical features, for the purposes of the development, as a hill station. Hill station development is treated as an industry under the Hill Station Regulations. The developer can purchase agricultural land and use it for non-agricultural purposes. In this context, the condition that an agricultural land can be bought only by an agriculturist shall be waived and the ceiling of agricultural land holding shall not apply. The Bombay High Court in the matter of Bombay Environmental Action Group and Others v. State of Maharashtra and others has passed certain observations in relation to Regulation 19 and which have not yet been clarified by the State of Maharashtra and its applicability is not free from doubt. These regulations, amongst other things, provide that the developer shall provide all infrastructural facilities like storm water drains, drainage lines, electrical lines, and drinking water and sewage disposal facilities. The developer may also provide for amenities like shopping malls, club houses, hospitals, schools, college, golf course and helipad. The Hill Station Regulations also provide that 33% of the total area under development should be kept as open space/ garden/parks and the minimum size of residential plots should be 500 Sq. Mtrs. The power of planning lies with the Collector and all disputes with regard to the interpretation of any of the Hill Station Regulations will be decided by the State Government, whose decision shall be binding on the concerned parties.

Tourism Policy of the Government of Maharashtra, 2006 (the “Tourism Policy”)

The Tourism Policy was formulated in 2006, in order to develop tourism in Maharashtra in a systematic manner. It shall remain in force for a period of 10 years or until substituted by a new package scheme of incentives. Incentives under the Tourism Policy cover tourism projects in the private sector, state public sector/joint sector and the co-operative sector but not in the central public sector. The objectives of the Tourism Policy are to develop infrastructure at tourist destinations and ensure accessibility to tourist destinations. It also encourages public private partnership in tourism related activities and infrastructural development by providing fiscal and other incentives to private investors. The Maharashtra Tourism Development Corporation Limited (the “MTDC”) shall be the notified authority for the purpose of registration, providing incentives, marketing and promotional activities. A tourism unit developing hill stations is an eligible unit for claiming incentives under the Tourism Policy.

General steps to be taken for investment under the policy are as follows:

- A registration certificate has to be obtained from the MTDC.
- A project report has to be submitted specifying the category of tourism activity and the incentives that are proposed to be availed of by the eligible unit will all relevant details.
- Permission has to be obtained from all concerned statutory and executive authorities from whom permission is required under various laws.
- The units should have a minimum fixed capital investment of ₹ 10 million or more which should be made within three years from the date of registration.
- These units can avail tax exemptions, electricity concessions and other benefits. These units will have to apply to MTDC to avail of the benefits and MTDC after due consideration shall issue Eligibility Certificates following which they will be entitled to avail these benefits.
- The licenses/ permissions are to be renewed every five years.
- The unit shall remain in commercial operation continuously for at least eight to 17 years after it is commissioned. However, in cases where the operation is discontinued due to any reason, the unit shall have to repay the amount of incentives availed.
- Regular details need to be furnished to the State Government about commercial operations, employment and other matters. Additionally, quarterly details has to be submitted to MTDC about the benefits availed during the eligibility period. Any excess claims of incentives by a unit will be recovered with interest of 2% per month.

Property Related Laws

Transfer of Property Act, 1882 (the “TP Act”)

The TP Act establishes the general principles relating to transfer of property in India. It forms a basis for 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. It also provides for the rights and liabilities of the vendor and purchaser in a transaction of sale of land.

Registration Act, 1908 (the “Registration Act”)

The Registration Act has been enacted with the objective of providing public notice of the execution of documents affecting, *inter alia*, the transfer of interest in immovable 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 any 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 TP Act or as collateral), unless it has been registered. Evidence of 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.

Indian Stamp Act, 1899 (the “Stamp Act”)

Under the Stamp Act, stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. 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 and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all. However, the instruments which have not been properly stamped can, in certain cases, be validated by paying a penalty of up to 10 times of the proper duty or deficient portion thereof payable on such instruments.

Indian Easements Act, 1882 (the “Easement Act”)

An easement is 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 or upon, other land not his own. Under the Easements Act, a license is defined as a right to use property without any interest in favour of the licensee. The period and incident may be revoked and grounds for the same may be provided in the license agreement entered in between the licensee and the licensor.

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (“2013 Land Acquisition Act”)

The 2013 Land Acquisition Act has replaced the Land Acquisition Act, 1894 and aims at establishing a participative, informed and transparent process for land acquisition for industrialization, development of essential infrastructural facilities and urbanization. While aiming to cause least disturbance to land owners and other affected families, it contains provisions aimed at ensuring just and fair compensation to the affected families whose land has been acquired or is proposed to be acquired. It provides for rehabilitation and resettlement of such affected persons. Under the 2013 Land Acquisition Act, the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Maharashtra) Rules, 2014 have been notified which frame rules in relation to *inter alia* the consent process, the compensation mechanism and rehabilitation and resettlement.

STATE LAWS OF MAHARASHTRA

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 there under and require sanctions from the government departments and developmental authorities at various stages.

The Bombay Village Panchayats Act, 1958

The 73rd Amendment to the Constitution inserted Part IX to the Constitution of India (“Constitution”) which provides for the constitution and functioning of panchayats. Article 243-H (a) authorised the panchayats to levy, collect and appropriate such taxes, duties, tolls and fees in accordance with such procedure and subject to such limits. Accordingly, The Bombay Village Panchayats Act, 1958 was legislated to empower the panchayat to levy taxes on buildings and lands within the limits of the village, shop keeping and hotel keeping, trade or calling other than agriculture. The panchayat passes a resolution specifying the tax to be levied and the rate at which it is to be levied and then notify it to the public. Any person may in writing object to the levy of tax. The panchayat may, at a special meeting, pass a resolution to propose the abolition or variation of any tax already levied. The tax is primarily leviable from the actual occupier of the building or land, if such occupier is the owner of the building or land. If the land or building is occupied by the lessee, the tax is leviable from the lessor. Tax on shop-keeping and hotel-keeping is to be paid by the proprietor of the shop or hotel. Tax on trades and calling is levied on the person carrying on the business.

Bombay Stamp Act, 1958 (the “Bombay Stamp Act”)

Stamp duty on instruments in the state of Maharashtra is governed by the Bombay Stamp Act. This act levies stamp duty on documents/instruments by which any right or liability is or purports to be created, transferred, limited, extended, extinguished or recorded. All instruments chargeable with duty and executed by any person are required to be stamped before or at the time of execution or immediately thereafter on the next working day following the day of execution. It authorises the State government on receiving information from any source, to call for examination of any instrument to satisfy itself that the market value of the property referred therein has been truly set forth and the duty paid on it is adequate. Instruments not duly stamped are incapable of being admitted in court as evidence of the transaction in question. The State government has the authority to impound insufficiently stamped documents.

Maharashtra Land Revenue Code, 1966 (the “MLR Code”)

The MLR Code is a consolidated code governing the sphere of land revenue and powers of revenue officers in the state of Maharashtra. Under the MLR Code, the Commissioner is the chief controlling authority in all matters connected with the land revenue for a particular division within the state, subject to the superintendence, direction and control of the State Government. Land revenue has been defined to mean all sums and payments claimable by the State Government on account of any land or interest in or right exercisable over any land held, and any cess or rate authorized by the State Government, any rent, lease money, quit rent or any other payment provided under any law or contract. All land, whether applied for agricultural or other purposes, and wherever situated, is liable for the payment of land revenue to the State Government as provided under the MLR Code, unless otherwise exempted. Further, any arrears of land revenue due on a land shall be a paramount charge on the land and shall have precedence over every other debt, demand or claim. The MLR Code also provides for the constitution of Maharashtra Revenue Tribunal.

The Bombay Tenancy and Agricultural Lands Act, 1948 (the “BTAL Act”)

The BTAL Act regulates the concept of tenancy over those areas of the state of Maharashtra within which our project is situated. A tenancy has been defined in the BTAL Act as the relationship between the landlord and the tenant, and recognizes a deemed tenancy in favour of a person lawfully cultivating land belonging to another. The BTAL Act lays down provisions with respect to the term for which tenancy could be granted, and the renewal and termination of a tenancy. The transfer of land to non-agriculturists is barred except in the manner provided under the BTAL Act. Agricultural land tribunals have been constituted under the BTAL Act with an officer not below the rank of a mamlatdar as the presiding officer.

ENVIRONMENTAL REGULATION

The three major statutes in India which seek to regulate and protect the environment against pollution and 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, Pollution Control Boards (“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.

The Environment (Protection) Act, 1986 confers extensive powers on the Ministry of Environment and Forests to lay down rules for, *inter alia*, the standards of quality of air, water or soil for various areas and purposes and the prohibition and restriction on the location of industries and carrying on of processes and operations in different areas, towards the prevention, control and abatement of environmental pollution.

In addition, the Ministry of Environment and Forests looks into Environment Impact Assessment. The Ministry of Environment and Forest 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 Ministry of Environment and Forest before granting clearances for the proposed projects.

The MoEF has issued a draft notification dated March 10, 2014 (*the “Draft Notification”*), which proposes to notify certain areas as eco-sensitive zones including certain villages in the State of Maharashtra. Under the terms of the Draft Notification, *inter alia*, all new and expansion projects of building and construction with built up area of 20,000 square metres and above and all new and expansion of townships and area development projects with an area of 50 hectares and above or with built up area of 150,000 square metres or more, in areas notified as eco-

sensitive zones, shall be prohibited. The finalisation of the Draft Notification is subject to comments from different state governments and other stakeholders.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated as Pearly Blue Lake Resorts Private Limited on February 11, 2000 under the Companies Act, 1956. Pursuant to a resolution passed by the Board of Directors and shareholders on December 6, 2000 and December 11, 2000 respectively, the name of our Company was changed to The Lake City Corporation Private Limited on December 12, 2000. Our Company was converted into a public limited company on March 3, 2003 and consequently, the name was changed to The Lake City Corporation Limited. Pursuant to board and shareholders resolutions dated March 10, 2004 and March 26, 2004 respectively, the name of our Company was changed to Lavasa Corporation Limited and our Company received a fresh certificate of incorporation pursuant to change of name on June 8, 2004.

Aniruddha P. Deshpande, Aniruddha U. Seolekar and Vithal B. Maniar were the initial subscribers to the Memorandum and Articles of Association of our Company. The Promoters of our Company, HCC and HREL, first acquired equity shares in our Company on September 27, 2003 and October 24, 2005 respectively. The Promoters, HCC and HREL, have acquired further equity shares in our Company since then. The details in this regard have been disclosed in the section “Capital Structure” on page 101.

Aniruddha P. Deshpande and Aniruddha U. Seolekar have disassociated themselves from our Company on April 21, 2008 and March 29, 2003 respectively. Our Company is not aware of the reasons for the same.

On August 1, 2002, the Bombay High Court approved the scheme for the merger of Yashomala Leasing and Finance Private Limited (“**YLFPL**”) with our Company. For further details, see “- Summary of Key Agreements / Scheme of Amalgamation.”

Our Company had filed a draft red herring prospectus dated September 14, 2010 with SEBI. SEBI had issued final observations, however, our Company was unable to undertake the initial public offer due to market conditions and other circumstances in relation to the business of the Company.

For information on our Company’s profile, activities, services, market, growth, managerial competence, standing with reference to prominent competitors, major suppliers and customers, see the sections “Management”, “Our Business” and “Industry Overview” on pages 263, 177 and 157, respectively.

Changes in the Registered Office of the Company

Date	Details of change	Reasons for change
January 7, 2002	The registered office of our Company was changed from BG, 1/A, Konark Estates, 9, Cannought Road, Opposite Pune Club, Pune 411 001 to Amar Avinash Corporate City, 5 th Floor, S. No. 13, Bund Garden Road, Pune 411 001	Greater operational efficiency
February 24, 2003	The registered office of our Company was changed from Amar Avinash Corporate City, 5 th Floor, S. No. 13, Bund Garden Road, Pune 411 001 to Viola Business Centre, ‘D’ Building, S. No. 118, Katraj Dehu Road, Bypass (N.H. 4), Warje, Pune 411 052	Administrative convenience
September 26, 2008	The registered office of our Company was changed from Viola Business Centre, ‘D’ Building, S. No. 118, Katraj Dehu Road Bypass (N.H. 4), Warje, Pune 411 052 to Hincon House, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083	Administrative convenience
November 16, 2011	The registered office of our Company was changed from Hincon House, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083 to Hincon House, 11 th floor, 247Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083	Administrative convenience

Main Objects of our Company

The main objects as contained in the Memorandum of Association are:

- I. To establish, build, construct, furnish, equip, decorate, improve, maintain, manage, organize, run places of returns in various forms such as holidays resorts, holiday camps, farm houses, guest houses, inns, hotels, motels, cottages, convention centers, vacation homes, residential houses, forests, dams, bridges, road and other amusement, recreation, commercial and educational amenities, facilities, inter alia including golf courses, health clubs, go-carting, snow parks, boating mini railway, water sports, racing tracks amusement and fantasy park and resorts, naturopathy centers, meditation and prayer centers, swimming pools, tennis courts, skating halls, indoor games, video games, rope ways, cable cars, mountaineering, hang gliding, theatres, seminar/conference halls, super markets, departmental stores, industrial park and hospitality, marketing arcades, residential schools, colleges, research institutions, natural health centres, adventure sports institution and similar establishments and to engage in other activities as may be deemed fit to develop the area as a hill station.
- II. To promote, develop, enlarge, purchase, own and otherwise deal in group schemes, farm houses, green houses, bungalows, townships, satellite townships and to purchase, buy, take on lease or in exchange or otherwise acquire any/or supervise, manage, develop and cultivate any farms, agricultural land or any other rural property to sell, allot, give on lease, exchange or otherwise any agricultural land either fully developed, particularly developed or underdeveloped subject to approval of appropriate authority.
- III. To promote, establish, improve develop, administer, own and run agro-industries, projects or enterprises or programs for manufacture or production of plant, machinery, implements, accessories, tools, materials, substances, goods or things will help the growth and modernization of agriculture, horticulture, forestry, sericulture, poultry farming and animal husbandry.
- IV. To promote, establish, improve, develop, administer, own and run industries, projects or enterprises or programs for processing and preservation of agricultural products, forest produce and produce of horticulture, farming, handicrafts, sericulture for the purpose of increasing quality, sericulture for the purpose of increasing quality, availability or otherwise of goods and subsidiary food in all their forms and variations either for export or consumption in the country.
- V. To act as providers and suppliers of various infrastructural facilities and to undertake development of infrastructure project in all areas of infrastructure including basic infrastructure such as roads, power, water management, power, sewerage, waste management systems etc., industrial infrastructure, urban infrastructure, tourism infrastructure, social infrastructure such as healthcare, education and entertainment etc. & more particularly as contractor, sub contractor, builder, property developers, constructors, surveyors, engineers for design and construction of and repairs to residential, commercial, industrial and other buildings, bridges, culverts, reservoirs, dams, canal, hotels, telephone exchange, dock, harbors, cinema houses, auditoriums, plot houses, roads, air ports and industrial projects, contractors, sub-contractor and land developers for warehouses godowns and such other manufacturing or storage units, roads, dams, bridges, wharfs piers, laying of pipe lines, for water oil and gas either above the ground or underground or on an earth surface and setting up of telecommunication networks, Internet gateways, satellites, web sites and such other devices in information technology, ships, Barges, tugs, boats and craft builder, proprietor of docks, wharves, piers, workshops, marine engineers, dredges, tug and barge owners in wharfingers; warehousemen, ship breakers and freight contractors.
- VI. To act as providers and suppliers of various infrastructural facilities and to carry on the business of providing services in India and outside India in all the areas of infrastructure including basic infrastructure such as roads, water management, power, sewerage, waste management systems etc., Industrial infrastructure, Urban infrastructure, Tourism infrastructure, Social infrastructure such as healthcare, education and entertainment and more particularly as consultant, project manager, market research consultant, valuers and estate agents, projects consultant and project appraisers, assessors, surveyors, actuaries and insurance brokers, vendors developers and intermediaries for obtaining licenses, permissions and approvals from state or central government or local statutory bodies and others for giving know-how which the company may have or arrange from others for the development and management thereof and generally to transact and undertake all type of agency and trustees business, whether or not the objects and business of such persons, firms, associations, concerns, contractors, companies or corporations are similar to those of the Company.
- VII. To act as providers and suppliers of various infrastructural facilities. To invest in development of all types of infrastructural projects and more particularly to set up, provide and/or participate in providing venture capital, technology funds or any other funds for seed capital, risk capital foundation, including giving guarantees or such other financial assistance as may be conducive for development of new

enterprises, innovative methods of production and development of existing and new technology, to identify projects, projects ideas, to prepare project profiles, project reports market research, feasibility studies and pre-investments studies and investigation of industries on macro and micro level; to undertake appropriate service to identify scope for potential and industrial development in any particular geographical areas or location whether in India and abroad; to act as lead managers in respect of project assignments by undertaking follow up, supervision and coordination work at the instance, behest or on behalf of banks financial institutions, companies, bodies corporate and to monitor the same to the participants; to act as an advisor in the management of undertaking's business, enterprises offices, trade, occupation, calling or professions by introducing modern methods and techniques and systems and render all assistance as may be necessary including by acting agents for recruitment of personnel, technical process, economic size, sources of plant and machinery and other utilities for business entrepreneurs and to carry on the business of promotion, organizing, procuring incorporation of and giving financial or other assistance in India and abroad independently or in association with any person, government or any other agencies whether incorporated or not, for any business of the company.

Amendments to our Memorandum of Association

Date of shareholders' resolution	Nature of Amendment
November 20, 2000	Increase in the authorised share capital of our Company from ₹ 20 million divided into 2,000,000 Equity Shares to ₹ 50 million divided into 5,000,000 Equity Shares
December 11, 2000	Change in the name of our Company from Pearly Blue Lake Resorts Private Limited to The Lake City Corporation Private Limited
December 24, 2001	Increase in the authorised share capital from ₹ 50 million divided into 5,000,000 Equity Shares to ₹ 300 million divided into 9,000,000 Equity Shares and 21,000,000 Redeemable Preference Shares
December 27, 2001	Addition of four new sub-clauses in the main objects in our Memorandum of Association after replacing existing clause I in the clause (A) main object of Part III. I. To establish, build, construct, furnish, equip, decorate, improve, maintain, manage, organize, run places of returns in various forms such as holidays resorts, holiday camps, farm houses, guest houses, inns, hotels, motels, cottages, convention centers, vacation homes, residential houses, forests, dams, bridges, road and other amusement, recreation, commercial and educational amenities, facilities inter alia including golf courses, health clubs, go-carting, snow parks, boating, mini railway, water sports, racing tracks, amusement and fantasy park and resorts, naturopathy centers, meditation and prayer centers, swimming pools, tennis courts, skating halls, indoor games, video games, rope ways, cable cars, mountaineering, hang gliding, theatres, seminar/conference halls, super markets, departmental stores, industrial park and hospitality, marketing arcades, residential schools, colleges, research institutions, natural health centers, adventure sports institution and similar establishments and to engage in other activities as may be deemed fit to develop the area as a hill station. II. To promote, develop, enlarge, purchase, own and otherwise deal in group schemes, farm houses, green houses, bungalows, townships, satellite townships and to purchase, buy, take on lease or in exchange or otherwise acquire any / or supervise, manage, develop and cultivate any farms, agricultural land or any other rural property to sell, allot, give on lease, exchange or otherwise any agricultural land either fully developed, particularly developed or underdeveloped subject to approval of appropriate authority. III. To promote, establish, improve, develop, administer, own and run agro-industries, projects or enterprises or programs for manufacture or production of plant, machinery, implements, accessories, tools, materials, substances, goods or things will help the growth and modernization of agriculture, horticulture,

Date of shareholders' resolution	Nature of Amendment
	forestry, sericulture, poultry farming and animal husbandry. IV. To promote, establish, improve, develop, administer, own and run industries, projects or enterprises or programs for processing and preservation of agricultural produce, forest produce and products of horticulture, farming, handicrafts, sericulture for the purpose of increasing quality, sericulture for the purpose of increasing quality, availability or otherwise of goods and subsidiary food in all their forms and variations either for export or consumption in the country.
February 5, 2003	Change in the name of our Company from The Lake City Corporation Private Limited to The Lake City Corporation Limited pursuant to conversion of our Company from a private to a public company
December 5, 2003	Increase in the authorised share capital of our Company from ₹ 300 million divided into 9,000,000 Equity Shares and 21,000,000 Redeemable Preference Shares to ₹ 400 million divided into 9,000,000 Equity Shares and 31,000,000 Redeemable Preference Shares
March 26, 2004	Change in the name of our Company from The Lake City Corporation Limited to Lavasa Corporation Limited
March 26, 2004	Addition of three new sub-clauses in the main objects in the Memorandum of Association after the existing sub clause IV. The sub-clauses included are provided below: V. To act as providers and suppliers of various infrastructural facilities and to undertake development of infrastructure project in all areas of infrastructure including basic infrastructure such as roads, power, water management, power, sewerage, waste management systems etc., industrial infrastructure, urban infrastructure, tourism infrastructure, social infrastructure such as healthcare, education and entertainment etc. & more particularly as contractor, sub contractor, builder, property developers, constructors, surveyors, engineers for design and construction of and repairs to residential, commercial, industrial and other buildings, bridges, culverts, reservoirs, dams, canal, hotels, telephone exchange, dock, harbors, cinema houses, auditoriums, plot houses, roads, air ports and industrial projects, contractors, sub-contractor and land developers for warehouses godowns and such other manufacturing or storage units, roads, dams, bridges, wharfs piers, laying of pipe lines, for water oil and gas either above the ground or underground or on an earth surface and setting up of telecommunication networks, Internet gateways, satellites, web sites and such other devices in information technology, ships, Barges, tugs, boats and craft builder, proprietor of docks, wharves, piers, workshops, marine engineers, dredges, tug and barge owners in wharfingers; warehousemen, ship breakers and freight contractors. VI. To act as providers and suppliers of various infrastructural facilities and to carry on the business of providing services in India and outside India in all the areas of infrastructure including basic infrastructure such as roads, water management, power, sewerage, waste management systems etc., Industrial infrastructure, Urban infrastructure, Tourism infrastructure, Social infrastructure such as healthcare, education and entertainment and more particularly as consultant, project manager, market research consultant, valuers and estate agents, projects consultant and project appraisers, assessors, surveyors, actuaries and insurance brokers, vendors developers and intermediaries for obtaining licenses, permissions and approvals from state or central government or local statutory bodies and others for giving know-how which the company may have or arrange from others for the development and management thereof

Date of shareholders' resolution	Nature of Amendment
	and generally to transact and undertake all type of agency and trustees business, whether or not the objects and business of such persons, firms, associations, concerns, contractors, companies or corporations are similar to those of the Company. VII. To act as providers and suppliers of various infrastructural facilities. To invest in development of all types of infrastructural projects and more particularly to set up, provide and/or participate in providing venture capital, technology funds or any other funds for seed capital, risk capital foundation, including giving guarantees or such other financial assistance as may be conducive for development of new enterprises, innovative methods of production and development of existing and new technology, to identify projects, projects ideas, to prepare project profiles, project reports market research, feasibility studies and pre-investments studies and investigation of industries on macro and micro level; to undertake appropriate service to identify scope for potential and industrial development in any particular geographical areas or location whether in India and abroad; to act as lead managers in respect of project assignments by undertaking follow up, supervision and coordination work at the instance, behest or on behalf of banks financial institutions, companies, bodies corporate and to monitor the same to the participants; to act as an advisor in the management of undertaking's business, enterprises offices, trade, occupation, calling or professions by introducing modern methods and techniques and systems and render all assistance as may be necessary including by acting agents for recruitment of personnel, technical process, economic size, sources of plant and machinery and other utilities for business entrepreneurs and to carry on the business of promotion, organizing, procuring incorporation of and giving financial or other assistance in India and abroad independently or in association with any person, government or any other agencies whether incorporated or not, for any business of the company.
March 13, 2006	Increase in the authorised share capital of our Company from ₹ 400 million divided into 9,000,000 Equity Shares and 31,000,000 Redeemable Preference Shares to ₹ 650 million divided into 34,000,000 Equity Shares and 31,000,000 Redeemable Preference Shares
January 15, 2007	Increase in the authorised share capital of our Company from ₹ 650 million divided into 34,000,000 Equity Shares and 31,000,000 Redeemable Preference Shares to ₹ 1,000 million divided into 60,000,000 Equity Shares and 40,000,000 Redeemable Preference Shares
January 21, 2008	Change in the registered office of our Company from Pune to Mumbai
June 25, 2008	Increase in the authorised share capital of our Company from ₹ 1,000 million divided into 60,000,000 Equity Shares and 40,000,000 Redeemable Preference Shares to ₹ 1,250 million divided into 60,000,000 Equity Shares, 40,000,000 Redeemable Preference Shares and 25,000,000 Compulsory Convertible Preference Shares
June 7, 2010	Increase in the authorised share capital of our Company from ₹ 1,250 million divided into 60,000,000 Equity Shares, 40,000,000 Redeemable Preference Shares and 25,000,000 Compulsory Convertible Preference Shares to ₹ 6,250 million divided into 560,000,000 Equity Shares, 40,000,000 Redeemable Preference Shares and 25,000,000 Compulsory Convertible Preference Shares
July 30, 2010	Increase in the authorised share capital of our Company from ₹ 6,250 million divided into 560,000,000 Equity Shares and 40,000,000 Redeemable Preference Shares and 25,000,000 Compulsory Convertible Preference Shares to ₹ 8,650 million divided into 800,000,000 Equity Shares and 40,000,000 Redeemable Preference Shares and

Date of shareholders' resolution	Nature of Amendment
	25,000,000 Compulsory Convertible Preference Shares
August 5, 2011	Increase in the authorised share capital of our Company from ₹ 8,650 million divided into 800,000,000 Equity Shares and 40,000,000 Redeemable Preference Shares and 25,000,000 Compulsory Convertible Preference Shares to ₹ 10,250 million divided into 800,000,000 Equity Shares and 200,000,000 Redeemable Preference Shares and 25,000,000 Compulsory Convertible Preference Shares
November 16, 2011	Increase in the authorised share capital of our Company from ₹ 10,250 million divided into 800,000,000 Equity Shares and 200,000,000 Redeemable Preference Shares and 25,000,000 Compulsory Convertible Preference Shares to ₹ 11,250 million divided into 800,000,000 Equity Shares and 200,000,000 Redeemable Preference Shares and 125,000,000 Compulsory Convertible Preference Shares
June 11, 2012	Increase and reclassification of the authorised share capital of our Company of ₹ 11,250 million divided into 800,000,000 Equity Shares and 200,000,000 Redeemable Preference Shares and 125,000,000 Compulsory Convertible Preference Shares to ₹ 20,000 million divided into 1,675,000,000 Equity Shares and 200,000,000 Redeemable Preference Shares and 125,000,000 Preference Shares
June 30, 2014	Increase in the authorised share capital of our Company from ₹ 20,000 million divided into 1,675,000,000 Equity Shares and 200,000,000 Redeemable Preference Shares and 125,000,000 Preference Shares to ₹ 28,250 million divided into 2,500,000,000 Equity Shares and 200,000,000 Redeemable Preference Shares and 125,000,000 Preference Shares.

Major events of our Company

Date	Event
June 1, 2001	The Urban Development Department, Government of Maharashtra issued a notification declaring 18 villages as a hill station
June 27, 2001	The Urban Development Department, Government of Maharashtra granted an in-principle sanction for the development of villages Bhode, Pathershet, Bembatal, Palse, Admal, Padalghar, Dasve, Wadavali, Sakari, Bhoini, Mugaon, Ugawali, Koloshi, Dhamanohol, Gadle, Mose, Saiv and Warasgaon for the purpose of tourist resorts and holiday homes
June 5, 2002	Our Company entered into an memorandum of understanding with the Maharashtra Tourism Development Department whereby the Maharashtra Tourism Development Department agreed to provide technical information, data, assistance in obtaining various permissions and help promote the hill station being developed by our Company
March 18, 2004	The Environment Department, Government of Maharashtra granted environmental clearance to develop a hill station
June 12, 2008	The Urban Development Department, Government of Maharashtra issued a notification appointing our Company as a Special Planning Authority with respect to 14 villages
March 6, 2009	Launch of Fortune Select Dasve
August 21, 2009	The Urban Development Department, Government of Maharashtra issued a letter permitting research and development and other allied uses in the hill station
January 11 - 13, 2010	First Massachusetts Institute of Technology workshop held at Lavasa

Date	Event
March 10 – 12, 2010	Biomimicry workshop held at Lavasa
June 3, 2010	The Ministry of Environment and Forest, Government of India granted an in-principle approval for the construction of a tunnel at Mugaon
July 14, 2010	The Tourism and Cultural Affairs Department, Government of Maharashtra granted mega status to the project
November 12, 2010	Development Commissioner (Industries), Government of Maharashtra, granted permission to purchase agricultural land
July 25, 2011	Submission of the draft planning proposal to the Principal Secretary Urban Development Department, Government of Maharashtra
November 9, 2011	The Ministry of Environment and Forest, Government of India granted environmental clearance to the first phase of the hill station project for a land area admeasuring 2,048 hectares subject to specified conditions
December 15, 2011	Gulabchand Foundation opens Public Health Center at Lavasa for locals
March 24, 2012	Our Company launches Mugaon – its second town
August 27, 2012	Special study workshop for Standard 10 students from the neighbouring villages to prepare for key subjects
September 21, 2012	Tourist traffic touches all time high with over one lakh seventy thousand visitors during monsoon
June 26, 2013	Our Company signs memorandum of understanding with the global accountancy body, ACCA, to offer accountancy education
January 16, 2014	Our Company and UKIBC sign memorandum of understanding to facilitate behavioral training
February 25, 2014	Our Company enters into a tie with School of Social Work, Rutgers University to deliver certificate program in training skills

Awards and Achievements

Date	Award/Achievement
2005	Congress for New Urbanism, USA awarded our Company with the Charter Award – Award of excellence for Dasve village
December 2005	The American Society of Landscape Architects has awarded our Company the Award of Excellence in recognition of outstanding professional achievement – Dasve village master plan
January 2009	The American Society of Landscape Architects has awarded our Company the Honor Award in recognition of outstanding professional achievement – Mugaon valley master plan
January 2010	The American Society of Landscape Architects has awarded our Company the Merit Award in recognition of outstanding professional achievement – Lavasa landscape guidelines
August 30, 2013	Our Company receives awards at Today's Traveller Awards in the category of best all-seasons destination and best exhibition & convention centre - West India. Lavasa city is conferred with the "Best Print & Promotional Material" award by the Travel & Tourism

Date	Award/Achievement
	Fair 2013
March 7, 2014	Guinness World Record for Lavasa Women's Drive – 'Most Female Participants in a Motor Sport Event'
March 6, 2014	Our Company receives PATWA International Award for 'Emerging Destination in India' at ITB Berlin 2014

For details in relation to delays in certain construction activities at Lavasa, see “Risk Factors – *Our business is subject to extensive Government regulation, including in relation to the environment and land development, and the success of Lavasa depends upon our compliance with laws, rules, regulations and notifications promulgated by the central, state and local government bodies, including obtaining environmental clearance and renewing and maintaining statutory and regulatory permits, licenses and approvals from time to time. Any delay or inability to obtain such permits, licenses or approvals or failure to otherwise comply with applicable laws, rules and regulations or changes in governmental policies or stricter or more burdensome regulations, may have a material and adverse effect on our business, results of operations, financial condition and prospects*” and “*We may be unable to successfully implement our development plan*”, “*There may be delays in the completion of our development or projects at Lavasa. Any such delays may adversely affect our reputation and ability to complete our development plan in time, which may have a material adverse affect on our business, financial condition and results of operation*” on page 21 and page 33.

For details in relation to defaults in payments to and rescheduling of borrowings with financial institutions/ banks, see “Risk Factors – *We are subject to restrictive covenants in debt facilities provided to us by our lenders which may limit our strategic decisions and operations and we may not be able to service our debt or make repayments on a timely basis or at all thereunder which may materially and adversely affect our business, results of operations, financial condition and prospects*” and “Financial Indebtedness” on page 23 and 413 respectively.

Subsidiaries

Our Company has 35 Subsidiaries. For details regarding our Subsidiaries, see “Subsidiaries and Associates” on page 236.

Our Promoters

The Promoters of our Company are HCC and HREL. For details, see “Promoters and Promoter Group” on page 279.

Capital raising activities through equity or debt

For details regarding our capital raising activities through equity and debt, see “Capital Structure” and “Financial Indebtedness” on page 101 and 413.

Our Shareholders

For details regarding our Shareholders, see “Capital Structure” on page 101.

Injunctions or restraining order against our Company

Except as disclosed in “Outstanding Litigation and Material Defaults” on page 456, there are no injunctions or restraining order against our Company.

Financial and Strategic Partners

Our Company does not have any financial and strategic partners as of the date of filing this Draft Red Herring Prospectus.

Summary of Key Agreements /Scheme of Amalgamation

1. Scheme of Amalgamation of Yashomala Leasing and Finance Private Limited (“YLFPL”) with our

Company

Our Company obtained permission dated June 27, 2001 from the Government of Maharashtra to develop a hill station and pursuant to the aforesaid permission, our Company commenced the acquisition of lands in Mose valley which was declared as a tourism zone and as a hill station by the Government of Maharashtra. Our Company believed that the amalgamation of YLFPL with our Company would be profitable.

On January 15, 2002, our Board approved the scheme of merger under Sections 391 to 394 of the Companies Act, 1956 for the amalgamation (the “**Scheme of Merger**”) of YLFPL with our Company, whereby all the assets, liabilities, rights, duties, obligations, etc. of YLFPL were transferred to our Company and YLFPL was dissolved without winding up, pursuant to a report by the official liquidator, with effect from the last of the dates on which all approvals were obtained and certified true copies of the orders of the Bombay High Court sanctioning the scheme are filed with the registrar of companies. The Bombay High Court has approved the Scheme of Merger vide its order dated August 1, 2002. The valuation reports both for our Company and Yashomala Leasing and Finance Private Limited were prepared by A. S. Nadgauda, civil engineer and contractor, who is a government approved valuer.

The Scheme of Merger envisaged the transfer of the undertakings, business, investments, obligations, employees, etc. from YLFPL to our Company and the consequent issue of 750 Equity Shares of ₹ 10 each and 1,600 Redeemable Preference Shares of ₹ 10 each credited as fully paid up at a premium of ₹ 10 per share, by our Company to the shareholders of YLFPL for every 1 equity share of ₹ 100 held by the then shareholders of YLFPL in the manner provided therein.

The Scheme of Merger, *inter alia*, provided for the manner of vesting and transfer of the assets of YLFPL to our Company, the transfer of contracts of whatsoever nature of YLFPL to our Company and the continuance of our Company as a party in YLFPL’s place in the same, the transfer of all debts, liabilities and duties of YLFPL to our Company, the transfer of all suits and proceedings by or against YLFPL to our Company and the transfer of employees engaged by YLFPL to our Company.

2. **Shareholders’ agreement between Apollo Hospitals Enterprise Limited and Our Company dated September 21, 2007**

Our Company and Apollo Hospitals Enterprise Limited (“**AHEL**”) have entered into a shareholders’ agreement dated September 21, 2007 (the “**Apollo Agreement**”) for the setting up and the management of a joint venture company, namely Apollo Lavasa Health Corporation Limited, for the purposes of health and wellness development at Lavasa covering primary hospitals, wellness research development and medical education. The day to day management of Apollo Lavasa Health Corporation Limited shall vest with AHEL. AHEL shall have the exclusive option to develop ventures in the “hospital and pharmacy space” only in Lavasa. The parties envisaged that the company shall commence operations with approximately 50 bed hospital in Dasve. Within 24 months of the commissioning of this hospital, the parties shall plan for the second phase which shall comprise of wellness and education. Apollo Lavasa Health Corporation Limited may also develop customized health care package for the residents of Lavasa to be provided by the hospital, pursuant to specific agreement.

Under the provisions of the Apollo Agreement, our Company shall hold 62.5% of Apollo Lavasa Health Corporation Limited and contribute 200 acres of land including five acres of land at Dasve which the parties agree to be valued at ₹ 600 million and AHEL shall hold 37.5% of the shares of Apollo Lavasa Health Corporation Limited and permit the use of the brand “Apollo Healthcity” by Apollo Lavasa Health Corporation Limited. Any further capital requirements of Apollo Lavasa Health Corporation Limited shall be funded by AHEL until its shareholding increases to 51% and that of our Company reduces to 49%. When AHEL makes a further contribution, our Company shall dilute its shareholding proportionately till such time the shareholding of AHEL is 51% and that of our Company is 49%. Any further dilution will be with an option to our Company to infuse further equity, failing which AHEL or any other strategic investor may infuse further equity. The shares of Apollo Lavasa Health Corporation Limited in the hands of the parties were locked in for a period of five years and this lock-in expired on March 29, 2014. Any transfer post the five year lock-in period shall require the transferee to provide an option to the other party to purchase such shares before sale or transfer to any third party. The parties shall not sell or transfer the shares to a competitor of the other party. Neither party shall transfer their shareholding in such a manner that their direct shareholding in the company falls below 5% in the company. Further, the Apollo Agreement can be terminated by the written consent of the parties or

automatically in the event that the shareholding of either party in Apollo Lavasa Health Corporation Limited falls below 5%.

3. Shareholders' agreement between Shawman Software Private Limited and our Company dated November 7, 2008

Our Company and Shawman Software Private Limited ("**Shawman**") have entered into a shareholders' agreement dated November 7, 2008 (the "**Shawman Agreement**") pursuant to which Shawman has subscribed to the shareholding of Bona Sera Hotels Limited ("**Bona Sera**"), a special purpose vehicle incorporated by our Company for the purpose of management of serviced apartments being constructed in Lavasa. Our Company and Shawman are required to contribute 26% and 74% respectively in the equity share capital of Bona Sera. Pursuant to the terms of the Shawman Agreement, Bona Sera shall be responsible to bring in further contributions required provided that the debt to equity ratio shall not exceed 1.5.

The rights of management over Bona Sera shall vest with Shawman. Bona Sera shall have four directors of which three shall be appointed by Shawman and one by our Company. Further, in the event the shareholding of our Company in Bona Sera falls below 23%, our Company shall continue with one director and Shawman may appoint an additional director and certain rights of our Company in relation to approval of certain matters by the Board of Directors shall also cease. Neither party may sell / dispose off their shareholding in Bona Sera for five years except by way of a transfer or sale to any of their affiliates. The five year lock-in period expired on April 15, 2014. Neither party may transfer / sell their shares to any party prohibited under the Shawman Agreement. Any transfer post the lock-in period shall require the transferee to provide an option to the other party to purchase the shares before sale or transfer to any third party. Additionally, under the terms of the Shawman Agreement, Shawman shall not transfer its shareholding in such a manner that its shareholding in Bona Sera falls below 51% without consent of our Company. The Shawman Agreement will stand terminated in the event of breach of its terms by either party or automatically in the event that the shareholding of either party in Bona Sera falls below 5% of the paid up share capital of the company.

4. Shareholders' agreement between Akash Cleaners Private Limited, Spotless Laundry Services Limited and our Company dated February 12, 2009

Our Company, Akash Cleaners Private Limited ("**ACPL**") and SLSL have entered into a shareholders' agreement dated February 12, 2009 (the "**Spotless Laundry Agreement**") in relation to a special purpose vehicle for the purpose of running and operating laundry business in Mugaon village. Pursuant to a deed of adherence dated November 20, 2009 between Tex-Kare Cleaners Private Limited ("**Tex-Kare**"), ACPL, SLSL and our Company wherein Tex-Kare agreed to observe, perform and bound by all the terms of the Spotless Laundry Agreement. ACPL has transferred all its shares held by it in SLSL to Tex-Kare. SLSL shall be a joint venture with our Company holding 74% and Tex-Kare holding 26% in the share capital of SLSL. SLSL shall have four directors of which three shall be appointed by our Company and one by Tex-Kare. Tex-Kare can nominate one director as long as it holds 25% of the equity in SLSL and can nominate one more director when it increases its shareholding beyond 50% in SLSL. Tex-Kare can nominate one more director upon increasing its stake to 74% in SLSL. Our Company can nominate three directors as long as it holds between 50% and 74% of SLSL but if our shareholding in SLSL drops below 50% but remains above 26%, then our Company will be entitled to appoint two directors and only one director when shareholding falls below 26%.

Our Company shall arrange for 1.7 acres of land with a right to construct 25,000 sq. ft built up area to be leased to SLSL at ₹ 5 million per acre. SLSL may grant a project management contract for the project to our Company and if so awarded, SLSL shall pay our Company an amount equivalent to 10% of the total development cost of the project as and by way of fees for this consultancy service. Further, SLSL shall pay a management fee of 2.5% of the periodic annual turnover to Tex-Kare.

Neither party may sell / dispose off their shareholding in SLSL for three years except undertaking permitted transfer amongst themselves. The lock-in period expired on April 12, 2012. Neither party may transfer / sell their shares to any party prohibited under the Spotless Laundry Agreement. Any transfer post the lock-in period shall require the transferee to provide an option to the other party to purchase the shares before sale or transfer to any third party. Neither party may sell shares in such a manner that the direct shareholding in SLSL falls below 20% and in case of the Tex-Kare during the term of the Spotless Laundry Agreement without written consent of our Company. In case one of the parties is willing to

purchase the shares of the other, the purchaser is to appoint an expert to determine the fair value of such shares.

The Spotless Laundry Agreement shall stand terminated if either party commits a breach of the Spotless Laundry Agreement which is not cured by the defaulting party within the notice period of 30 days. In such an instance, the other party shall have the right to purchase the shares of the defaulting party at fair value, as determined by the expert appointed by non defaulting party.

5. Shareholders' agreement between Celebration Resorts and Hotels (India) Private Limited, Ecomotel Hotel Limited and our Company dated January 29, 2009

Our Company, Celebration Resorts and Hotels (India) Private Limited (“**CRH**”) and Ecomotel Hotel Limited (“**EHL**”) have entered into a shareholders' agreement dated January 29, 2009 (the “**CRH Agreement**”) to enable CRH to become a shareholder of EHL and carry on its business jointly with our Company. EHL has been established for the purpose of development, operations and management of a 133 room hotel under the “Accor Mercure” brand in Lavasa. Our Company and CRH shall hold 26% and 74% of the shareholding of EHL respectively. The board of directors of EHL shall have atleast four directors of which three shall be nominated by CRH and one by our Company.

The future fund requirements of the company shall be the responsibility of the company itself. Our Company will assist the company to raise debt as required, subject to the debt to equity ratio not exceeding 1.5.

Our Company will provide project management consultancy to EHL for the fees as shall be prescribed by the agreement to be entered into in this regard. Neither party may sell / dispose off their shareholding in EHL for five years except transfer to any affiliate. Any transfer post the lock-in shall require the transferee to provide an option to the other party to purchase the shares before sale or transfer to any third party. Under the provisions of the CRH Agreement, the shareholding of CRH in EHL cannot fall below 51%. The CRH agreement shall stand terminated in the event the shareholding of either party in EHL falls below 5% of the paid up share capital of EHL.

6. Share subscription and shareholders' agreement between Wipro Limited and our Company dated June 4, 2009, as amended and share purchase agreement between our Company, My City Technology Limited and CSI BD Mauritius dated July 9, 2010

Our Company and Wipro Limited (“**Wipro**”) have entered into a share subscription and shareholders' agreement dated June 4, 2009 (the “**Wipro Agreement**”) to set up a special purpose vehicle (“**SPV**”) to plan, set up, maintain and operate activities and business of information and communication technology at Lavasa. Pursuant to the Wipro Agreement, the SPV, My City Technology Limited (“**My City Technology**”) was incorporated on August 4, 2009. Our Company and Wipro agreed to hold 81% and 19% in the share capital of My City Technology. Subsequently, our Company, My City Technology and CSI BD Mauritius have entered into a share purchase agreement dated July 9, 2010 whereby our Company has agreed to sell and transfer shares equal to 18% of the paid up capital in My City Technology to CSI BD Mauritius. Consequent to the transfer of shares to CSI BD Mauritius, our Company shall hold 63% of the share capital of My City Technology and Wipro shall hold 19% of the share capital of My City Technology, respectively. Concurrent with the execution of the share purchase agreement dated July 9, 2010, our Company, Wipro and CSI BD Mauritius entered into an amendment to the Wipro Agreement, whereby the networking company became party to the Wipro Agreement.

My City Technology will provide information and communication technology solutions, products and services at Lavasa, whereas Wipro will provide the information and communication technology solutions to My City Technology. CSI BD Mauritius will propose the technology, products, services and solutions. My City Technology shall have a minimum of three directors, all of whom shall be nominated by our Company. Wipro and CSI BD Mauritius shall each be entitled to nominate invitee who shall not have right to vote on the board of directors.

7. Share subscription and shareholders' agreement between Educomp Infrastructure and School Management Limited and Knowledge Vistas Limited and our Company dated March 30, 2010 and addendum agreement dated April 23, 2010

Our Company, Educomp Infrastructure and School Management Limited (“**Educomp**”) and Knowledge

Vistas Limited (“**Knowledge Vistas**”) have entered into a share subscription and shareholders’ agreement dated March 30, 2010 (the “**Educomp Agreement**”) and an addendum agreement to the Educomp Agreement dated April 23, 2010 to enable Educomp to become a shareholder of Knowledge Vistas and carry on its business jointly with our Company. Knowledge Vistas was incorporated to construct and lease land and infrastructure for setting up and carry on operations of residential and day schools and other institutions in Lavasa.

Our Company and Educomp have agreed to hold 49% and 51% of the share capital of Knowledge Vistas. Under the provisions of the Educomp Agreement, Knowledge Vistas is required to obtain prior written consent of Educomp prior to undertaking any further issuances of security. Our Company and Knowledge Vistas shall have the right to subscribe to any proposed issuance and Knowledge Vistas shall provide a notice to both parties. Educomp and our Company agree that Knowledge Vistas will undertake an initial public offer any time prior to 6 years from the closing of the Educomp Agreement or any extended time as decided by the board of Knowledge Vistas and both parties agree and undertake to proportionately offer their shares for restriction on transfer as applicable to “promoters” under applicable statutory and regulatory guidelines.

The board of directors of Knowledge Vistas shall comprise of five directors of which three shall be nominated by Educomp and two shall be nominated by our Company. In the event the shareholding of either party in Knowledge Vistas falls below 26%, the number of nominee directors of that entity shall be reduced to one and if it falls below 10% the respective entity shall not have the right to appoint any nominee directors. Neither party may sell / dispose off their shareholding in Knowledge Vistas for five years except transfer to any affiliate. The five year lock-in period expires on April 22, 2015. Any transfer post the lock-in shall require the selling shareholder to provide an option to the other party to purchase the shares before sale or transfer to any third party. In the event the other shareholder does not elect to exercise its right of first refusal, then it shall have the right to sell all or any portion of its shares. If the prospective purchaser refuses to purchase shares from the other shareholder, then the Selling shareholder cannot sell its shares unless the prospective buyer purchases the shares of the other shareholder. If Educomp wishes to sell or transfer its shares to a third party and the third party wishes, as part of the same transaction, to acquire the entire or substantial part of the share capital of Knowledge Vistas, Educomp may, in its sole discretion, require the other shareholders to sell to such third party, shares as Educomp shall specify. However, the total shareholding of our Company and its affiliates collectively after such drag along sale shall not drop below 26% of the total shareholding of Knowledge Vistas.

8. Joint venture shareholders agreement between IMK Hotels Private Limited, SSAR Hotels Private Limited, Anfield Investment Limited and our Company dated July 13, 2010

Our Company, IMK Hotels Private Limited (“**IMK**”), SSAR Hotels Private Limited (“**SSAR**”) and Anfield Investment Limited (“**AIL**”) and together with IMK and SSAR, the “**Investors**”) have entered into a joint venture shareholders’ agreement dated July 13, 2010 (“**Warasgaon Agreement**”) to enable the Investors to become a shareholder of Warasgaon Lake View Hotels Limited (“**Warasgaon Lake Views**”), a company incorporated by our Company, in the business of construction, fitting out and furnishing a five star hotel having 220 rooms and providing the same to AAPC Hotels Management PTE Limited or another hotel operator to manage. Our Company has provided Warasgaon Lake Views lease of 250,000 sq. ft. and shall grant additional FSI, if requested by the Investor or Warasgaon Lake Views, at specified rate. Our Company shall construct roadways, pavements and street lighting in connection with the property of Warasgaon Lake Views subject to Warasgaon Lake Views paying relevant charges in relation to the same. Our Company is also required to ensure that Warasgaon Lake Views does not carry on any activities in relation to the business prior to December 31, 2010. On completion, the parties shall procure that our Company transfer 37,000 equity shares of ₹ 10 each to the Investors. Under the provisions of the Warasgaon Agreement, the Investors shall subscribe for 74% of the shareholding of Warasgaon Lake Views and our Company shall subscribe for 26%. In the event the Investors or our Company does not subscribe to the shares, the non-defaulting party may subscribe for such shares and the parties shall ensure that any further issue of capital over the amount of ₹500,500,000 shall be undertaken in such a manner to ensure that the shareholding of the parties continues in the same proportion.

Warasgaon Lake Views shall have eight directors of which six shall be appointed by the Investors and two by our Company. Neither party nor any of its subsidiaries or group companies shall, in the hill station in respect of the business of Warasgaon Lake Views, operate or deal with or seek the custom of any person that is or was, a client or customer of Warasgaon Lake Views or any of its subsidiaries within

the previous 12 months or in the case that a party is no longer a shareholders, within a period of 12 months before ceasing to be a shareholders. This restriction is applicable when the party in question is a shareholder of Warasgaon Lake Views and for a period of two years after the party ceases to be a shareholder of Warasgaon Lake Views.

The parties shall not sell the shares held in Warasgaon Lake Views for a period of two years after the hotel first commences trading and if either party wishes to sell the shares, the same shall be offered to the other party. However, the shares may be transferred to a member of their respective groups provided the transferee enters into a deed of adherence. Further, in case of occurrence of certain specified events, the parties shall procure that Warasgaon Lake Views appoints an expert to determine the fair value of the shares and the other party shall have a right to purchase the shares at the fair value thus determined. The Warasgaon Agreement shall terminate when one party ceases to hold shares in Warasgaon Lake Views or a resolution is passed or an order is made by a court for winding up of Warasgaon Lake Views.

9. Joint venture, share purchase, share subscription and shareholders' agreement between Integron Property Management Services Private Limited, Whistling Thrush Facilities Services Limited and our Company dated May 16, 2011

Our Company, Integron Property Management Services Private Limited (“**Integron**”), Whistling Thrush Facilities Services Limited (“**Whistling Thrush**”) and our Company have entered into a joint venture, share purchase, share subscription and shareholders' agreement dated May 16, 2011 (“**WT Agreement**”) to record the terms on which Integron shall become a member of Whistling Thrush. Under the provisions of the WT Agreement, our Company and Integron are required to contribute 51% and 49% respectively in the equity share capital of Whistling Thrush. In the event a party defaults in making equity contributions, it shall become liable to pay interest. Equipments with value over ₹ 5 million shall be provided by our Company and small equipments, consumables and chemicals would be purchased by Integron. Our Company shall transfer all its existing contracts to Whistling Thrush within the time specified. Integron shall take charge of the operations of Whistling Thrush and create and implement its growth plan.

Subject to the competitiveness and technical capabilities, our Company shall exclusively award contracts in respect of facility management services, except strategic services at Lavasa to Whistling Thrush on a cost plus 10% mark up basis. Our Company shall offer a maximum price preference of 5% to Whistling Thrush over third party quotes. Whistling Thrush shall exclusively contract all manpower intensive services facilities management services, except strategic services, to Integron on a cost plus 10% basis and Integron shall not sub-contract such contract. Whistling Thrush shall offer a 5% price preference to Integron over market prices and in the event quote from third parties varies more than 5%, Whistling Thrush shall be free to contract with such third party.

The board of directors of Whistling Thrush shall have five directors of which two shall be nominees of Integron and our Company shall nominate three directors. In the event shareholding of either party falls below 26%, they shall cease to have rights specified in the WT Agreement. Neither party shall be entitled to sell or encumber their shareholding in Whistling Thrush for a period of 2 years from the date of the respective allotment except any transfer to an affiliate. The lock-in expires on August 16, 2014. Post the lock in, any transfer shall require the selling shareholder to provide an option to the other party to purchase the shares before sale or transfer to any third party. In the event any party proposes to transfer any shares in Whistling Thrush after the lock-in period, the other shareholder shall have the option to exercise tag along rights provided that the shareholding of the party exercising such tag along does not fall below 26% of the share capital of Whistling Thrush. The WT Agreement shall automatically terminate if Integron or our Company ceases to be a shareholder of Whistling Thrush. Further, in the event the WT Agreement is terminated due to the default of our Company, our Company shall be obliged to acquire the entire shareholding of Integron in Whistling Thrush at a fair market value as determined by the expert and in the event our Company is not able to acquire such shares, Integron may offer it to a third party. In the event of termination by our Company due to material default of Integron, Integron shall be obligated to sell its entire shareholding in Whistling Thrush to our Company at the fair market value determined by the expert.

10. Share subscription and shareholders' agreement between Hill City Service Apartment Limited, Rachvan Singh and our Company dated September 30, 2010

Our Company, Hill City Service Apartment Limited (“**Hill City**”) and Rachvan Singh (“**Investor**”) have

entered into a share purchase, share subscription and shareholders' agreement dated September 30, 2010 (the "**Hill City Agreement**") for the construction, management and operation of serviced apartments.

Our Company and the Investors shall hold 40% and 60% respectively in Hill City. Under the provisions of the Hill City Agreement, our Company has agreed to grant a lease of land alongwith right to construct on the same for a certain consideration. The board of directors of Hill City shall have five directors of which two shall be nominated by our Company and three shall be nominated by the Investors. Certain matters shall require the assent of at least one nominee director of our Company and one nominee director of the Investors. Neither party may sell / dispose off their shareholding in Hill City for five years except transfer to any affiliate. Any transfer post the lock-in shall require the transferee to provide an option to the other party to purchase the shares before sale or transfer to any third party. The Hill City Agreement shall stand terminated if either party commits a material breach of the Hill City Agreement after a 30 days notice. The Hill City Agreement shall stand automatically terminated in the event the shareholding of our Company or the Investors in Hill City falls below 5%.

11. Share subscription and shareholders' agreement between Andromeda Hotels Limited, Rachvan Singh, Hardeep Singh, Kanwaljit Singh and our Company dated September 30, 2010

Our Company, Andromeda Hotels Limited ("**Andromeda**") and Rachvan Singh, Hardeep Singh, Kanwaljit Singh ("**Investors**") have entered into a share purchase, share subscription and shareholders' agreement dated September 30, 2010 (the "**Andromeda Agreement**") as amended by an amendment agreement dated December 18, 2013 for the construction, management and operation of a hotel under the brand "Holiday Inn Express".

Our Company and the Investors shall hold 40% and 60% respectively in Andromeda. Under the provisions of the Andromeda Agreement, our Company has agreed to grant a lease of land alongwith right to construct on the same for a certain consideration. The Investors are responsible for finalizing the required agreements with Holiday Inn Express and getting the designs approved by Holiday Inn Express. The board of directors of Andromeda shall have five directors of which two shall be nominated by our Company and three shall be nominated by the Investors. Certain matters shall require the assent of at least one nominee director of our Company and one nominee director of the Investors. Neither party may sell / dispose off their shareholding in Andromeda for five years except transfer to any affiliate. Any transfer post the lock-in shall require the transferee to provide an option to the other party to purchase the shares before sale or transfer to any third party. The Andromeda Agreement shall stand terminated if either party commits a material breach of the Andromeda Agreement after a 30 days notice. The Andromeda Agreement shall stand automatically terminated in the event the shareholding of our Company or the Investors in Andromeda falls below 5%.

12. Share cum warrant subscription agreement between Bennett, Coleman & Co. Limited, HREL and our Company dated March 30, 2009 as amended by the amendments to Share cum Warrant subscription agreement dated March 30, 2009 and June 30, 2014 (collectively referred to as the "Agreements")

In accordance with the terms of the Agreements, our Company has issued 10 equity shares of face value ₹ 10 each and one warrant to Bennett, Coleman & Co. Limited ("**BCCL**").

Pursuant to the agreement, BCCL agreed to subscribe to 10 equity shares of ₹ 10 each at a premium of ₹ 2,107 per share and one warrant for a consideration of ₹ 81.25 million and having a warrant value of ₹ 812.50 million. The warrant may be exercised anytime during the period of seven years from the date of allotment of the 10 equity shares and one warrant, at the sole discretion of BCCL or at the end of seven years from the date of allotment of the equity shares and the warrant. Upon our Company proposing to have an initial public offer of its equity shares, BCCL shall exercise the warrant within a period of 45 days from the receipt of a written communication from our Company.

The warrant entitles BCCL to subscribe to and be allotted equity shares equal to the warrant exercise amount divided by the subscription price. The subscription price per equity share shall be the lower of (i) warrant value divided by the number of fully diluted equity shares as on the relevant date, multiplied by 2.03125%; or (ii) the price per share at which an investor has been issued Equity Shares; or (iii) the lower end of the price band in an initial public offer.

In the event BCCL does not exercise its option to acquire all the equity shares within the warrant exercise

period, our Company may, at its discretion forfeit the proportionate warrant subscription price to the extent that it is not exercised and the warrant shall lapse without any recourse to BCCL.

The fully paid up equity shares to be allotted to BCCL on conversion of their warrant shall, amongst others, be subject to a lock-in as per SEBI Regulations.

BCCL, by a letter dated June 5, 2014 has undertaken to convert the warrant held in our Company into equity shares prior to filing of the red herring prospectus with the RoC.

13. Convertible Debenture Subscription Agreement between Bennett, Coleman & Co. Limited, HREL and our Company dated September 10, 2012 as amended by the Amendment to Convertibles Debenture Subscription Agreement dated June 30, 2014 (collectively referred to as the “Debenture Subscription Agreements”)

In accordance with the terms of the Debenture Subscription Agreements, our Company has issued one zero percent convertible debenture to BCCL. Pursuant to the agreement, the debenture allotted to BCCL shall be convertible to Equity Shares at the value of ₹ 150,528,000 at the end of two years from the date of allotment of the debenture with the option that our Company to redeem the debenture and pay the redemption amount at the end of such period. If our Company does not opt to redeem the debentures, the same shall be converted into equity shares. The conversion price per equity share shall be the lower of (i) warrant value divided by the number of fully diluted equity shares as on the relevant date, multiplied by 2.03125%; or (ii) the price per share at which an investor has been issued Equity Shares; or (iii) the lower end of the price band in an initial public offer

In terms of the Debenture Subscription Agreements, our Company will endeavor to cause an initial public offering within five years from the date of this agreement and in such case the fully paid up equity shares to be allotted to BCCL on conversion of their debenture shall, amongst others, be subject to a lock-in for one year as per SEBI Regulations.

BCCL, by a letter dated June 5, 2014 has undertaken to convert the convertible debenture held in our Company into equity shares prior to filing of the red herring prospectus with the RoC.

14. Warrant subscription agreement between Redkite Capital Private Limited and our Company dated June 29, 2013

In accordance with the terms of the warrant subscription agreement dated June 29, 2013 (the “**Warrant Subscription Agreement**”), our Company has issued one warrant to Redkite Capital Private Limited (“**Redkite**”).

Pursuant to the agreement, Redkite has agreed to subscribe to one warrant for a subscription amount of ₹ 1 million. The warrant may be exercised by Redkite at its option until September 30, 2018. Upon the Company proposing to undertake an initial public offer of its equity shares, in terms of the agreement, the Company shall provide intimation to Redkite disclosing its intention to file a draft red herring prospectus with SEBI and Redkite shall intimate whether it intends to convert the warrants. In the event Redkite imitates the Company that it proposes to convert the warrant, the Company shall provide a written intimation to Redkite seven business days before the filing of the red herring prospectus with SEBI and the RoC, requiring Redkite to mandatorily convert the warrant. On receipt of the notice, Redkite shall mandatorily convert the warrant within three days before the filing of the red herring prospectus and in the event Redkite decides not to convert the warrant into Equity Shares, the warrants shall be considered to have lapsed and the warrant subscription amount shall stand forfeited.

The warrant entitles Redkite to subscribe to and be allotted equity shares equal to shareholding specified by Redkite in the warrant exercise notice multiplied by the relevant equity shares, being the total number of paid up equity shares as on the date of the warrant exercise notice, as increased by any dilutive instrument in issued by the Company as on that date (excluding shares issued pursuant to ESOPs and deep convertible discount bonds). The maximum shareholding Redkite is entitled to 1.4625% of the relevant equity shares.

Redkite, by a letter dated May 21, 2014 has undertaken to convert the warrants held in our Company into equity shares of ₹ 10 each in accordance with the terms of the Warrant Subscription Agreement prior to filing of the red herring prospectus with the RoC. Additionally, Redkite has confirmed that in the event it

does not exercise its option to convert, such warrants shall, in terms of the Warrant Subscription Agreement, lapse prior to filing of the red herring prospectus with the RoC.

15. Master Construction Agreement between our Company and Steiner India Limited dated March 25, 2014

Pursuant to a master construction agreement dated March 25, 2014 (the “**Master Construction Agreement**”), our Company has appointed Steiner India Limited as its principal contractor for execution and completion of construction related activities at Lavasa. Steiner India Limited, is a wholly owned subsidiary of Steiner AG, which is ultimately wholly owned by HCC. Steiner India Limited is a Group Company and forms part of the Promoter Group. In terms of the Master Construction Agreement, with effect from October 1, 2013, in relation to ongoing work, Steiner India Limited would act as a project management consultant and our Company would pay Steiner on a cost plus fee basis, wherein the fee would amount to 10% of the contract value. In relation to any new projects, our Company would award all new work to Steiner India Limited, who would construct and complete them on a cost plus fee basis. Further, in relation to new projects, the fee would amount to 25% of the contract value for the development stage of the project. For the execution and completion of the new projects, the parties may agree to a cost plus fee (amounting to 10% of the contract value) basis or a maximal price guarantee basis or a fixed price basis. Further, our Company has agreed to ensure that Steiner India Limited does not incur any loss out of or in connection with the project for a period of 18 months, regardless of the revenue actually generated under the Master Construction Agreement. For details, see “Objects of the Issue”, “Risk Factors – *“A substantial portion of the Issue Proceeds are proposed to be paid to Steiner India Limited, a Group Company and a member of our Promoter Group”*” and “Material Contracts and Documents for Inspection” on page 25 and 607 respectively. As per the terms of the Master Construction Agreement, an amount of ₹ 3,500 million, towards the development of certain infrastructure facilities at Mugaon and construction of certain buildings at Dasve and Mugaon, is estimated to be paid to Steiner India Limited

16. Agreements in relation to the DDCDs issued by our Company

Our Company has issued one DDCD to Allahabad Bank and one DDCD to IndusInd Bank Limited (together referred to as the “**DDCD holders**”) in accordance with the terms of the deep discount convertible debenture subscription agreement entered into by our Company with each of the DDCD holders. The details of the deep discount convertible debentures subscription agreements entered into by our Company and our Promoters in relation to the DDCDs are provided below:

Name of the bank	Date of the DDCD subscription agreement	Issue price per DDCD (₹ in Million)	No. of DDCDs issued
IndusInd Bank Limited	July 7, 2009	500	One
Allahabad Bank	October 23, 2009	500	One

Our Company, has, by its letter dated June 27, 2014 given a notice to IndusInd Bank Limited for exercise of its right to prepay the DDCD at the end of the fifth year from the closing date under the DDCD Subscription Agreement dated July 7, 2009, that is, on July 9, 2014. Accordingly, the DDCD issued to IndusInd Bank Limited shall not be convertible into Equity Shares at the end of their tenure.

In relation to the DDCD of ₹ 500 million, held by Allahabad Bank, the bank, by its letter dated June 27, 2014 has agreed to issue a debt instrument/credit exposure, as deemed fit by it, before filing of the Red Herring Prospectus with the RoC.

SUBSIDIARIES AND ASSOCIATES

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus.

Our Company has the following Subsidiaries:

1. Apollo Lavasa Health Corporation Limited;
2. Dasve Business Hotel Limited;
3. Dasve Convention Center Limited;
4. Dasve Hospitality Institutes Limited;
5. Dasve Retail Limited;
6. Full Spectrum Adventure Limited;
7. Future City Multiservices SEZ Limited;
8. Green Hills Residences Limited;
9. Hill City Service Apartments Limited;
10. Hill View Parking Services Limited
11. Kart Racers Limited;
12. Lakeshore Watersports Company Limited;
13. Lakeview Clubs Limited;
14. Lavasa Bamboocrafts Limited;
15. Lavasa Hotel Limited;
16. My City Technology Limited;
17. Mugaon Luxury Hotels Limited;
18. Nature Lovers Retail Limited;
19. Osprey Hospitality Limited;
20. Our Home Service Apartments Limited;
21. Reasonable Housing Limited;
22. Rhapsody Commercial Space Limited;
23. Rosebay Hotels Limited;
24. Sahyadri City Management Limited;
25. Sirrah Palace Hotels Limited;
26. Spotless Laundry Services Limited;
27. Starlit Resort Limited;
28. Valley View Entertainment Limited;
29. Verzon Hospitality Limited;

30. Warasgaon Assets Maintenance Limited
31. Warasgaon Infrastructure Providers Limited;
32. Warasgaon Power Supply Limited;
33. Warasgaon Tourism Limited;
34. Warasgaon Valley Hotels Limited; and
35. Whistling Thrush Facilities Services Limited.

Details of the Subsidiaries

1. Apollo Lavasa Health Corporation Limited

Corporate Information:

Apollo Lavasa Health Corporation Limited was incorporated under the Companies Act, 1956 on December 13, 2007, in Mumbai. Apollo Lavasa Health Corporation Limited is involved in the business of setting up, running and construction of multi speciality and super speciality hospitals, nursing homes and wellness centers.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised capital	5,000,000
Issued, subscribed and paid-up capital	1,279,201

Shareholding Pattern:

The shareholding pattern of Apollo Lavasa Health Corporation Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Lavasa Corporation Limited	799,440	62.50
2.	Vithal P. Kulkarni*	10	0.00
3.	Praveen Sood*	10	0.00
4.	Rajgopal Nogja*	10	0.00
5.	Sureshkumar Prabhakar Pendharkar*	10	0.00
6.	Vinayak Jadhav*	10	0.00
7.	Shripad Waman Gaitonde*	10	0.00
8.	Apollo Hospitals Enterprise Limited	479,701	37.50
Total		1,279,201	100.00

* As nominees of Lavasa Corporation Limited.

2. Dasve Business Hotel Limited

Corporate Information:

Dasve Business Hotel Limited was incorporated under the Companies Act, 1956 on August 19, 2008, in Mumbai. Dasve Business Hotel Limited is involved in the business of establishing and running hotels.

Capital Structure:

	No. of shares of ₹ 10 each
Authorised capital	200,000 Equity Shares 350,000 Convertible Preference Shares
Issued, subscribed and paid-up capital	50,000 Equity Shares 233,976 Convertible Preference shares

Shareholding Pattern:

The shareholding pattern of Dasve Business Hotel Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)	No. of convertible preference shares of ₹ 10 each	Percentage of total convertible preference holding (%)
1.	Lavasa Corporation Limited	49,940	99.88	233,976	100.00
2.	Vithal P. Kulkarni*	10	0.02	0	0.00
3.	Praveen Sood*	10	0.02	0	0.00
4.	Rajgopal Nogja*	10	0.02	0	0.00
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02	0	0.00
6.	Vinayak Jadhav*	10	0.02	0	0.00
7.	Shripad Waman Gaitonde*	10	0.02	0	0.00
Total		50,000	100.00	233,976	100.00

* As nominees of Lavasa Corporation Limited.

3. Dasve Convention Center Limited

Corporate Information:

Dasve Convention Center Limited was incorporated under the Companies Act, 1956 on August 19, 2008, in Mumbai. Dasve Convention Center Limited is involved in the business of developing and maintaining convention centers, halls, exhibition centers, exhibition halls and auditoriums.

Capital Structure:

	No. of shares of ₹ 10 each
Authorised capital	200,000 equity shares 570,000 convertible preference shares
Issued, subscribed and paid-up capital	50,000 equity shares 517,828 convertible preference shares

Shareholding Pattern:

The shareholding pattern of Dasve Convention Center Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)	No. of convertible preference shares of ₹ 10 each	Percentage of total convertible preference holding (%)
1.	Lavasa Corporation Limited	49,940	99.88	517,828	100.00
2.	Vithal P. Kulkarni*	10	0.02	0	0.00
3.	Praveen Sood*	10	0.02	0	0.00
4.	Rajgopal Nogja*	10	0.02	0	0.00
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02	0	0.00
6.	Vinayak Jadhav*	10	0.02	0	0.00
7.	Shripad Waman Gaitonde*	10	0.02	0	0.00
Total		50,000	100.00	517,828	100.00

* As nominees of Lavasa Corporation Limited.

4. Dasve Hospitality Institutes Limited

Corporate Information:

Dasve Hospitality Institutes Limited was incorporated under the Companies Act, 1956 on September 19, 2008, in Mumbai. Dasve Hospitality Institutes Limited is involved in the business of establishing, promoting, encouraging, providing, maintaining, developing and conducting culinary academy(s), academy pertaining to hospitality industry and training / human resource development centre for culinary / hospitality.

Capital Structure:

	No. of shares of ₹ 10 each
Authorised capital	200,000 equity shares 100,000 redeemable preference shares 189,500 convertible preference shares
Issued, subscribed and paid-up capital	105,000 equity shares 50,000 redeemable preference shares 170,564 convertible preference shares

Shareholding Pattern:

The shareholding pattern of Dasve Hospitality Institutes Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)	No. of redeemable preference shares of ₹ 10 each	Percentage of total redeemable preference holding (%)	No. of convertible preference shares of ₹ 10 each	Percentage of total convertible preference holding (%)
1.	Lavasa Corporation Limited	1,04,940	99.94	50,000	100.00	170,564	100.00
2.	Vithal P. Kulkarni*	10	0.01	0	0.00	0	0.00
3.	Praveen Sood*	10	0.01	0	0.00	0	0.00
4.	Rajgopal Nogja*	10	0.01	0	0.00	0	0.00
5.	Sureshkumar Prabhakar Pendharkar*	10	0.01	0	0.00	0	0.00
6.	Vinayak Jadhav*	10	0.01	0	0.00	0	0.00
7.	Shripad Waman Gaitonde*	10	0.01	0	0.00	0	0.00
Total		1,05,000	100.00	50,000	100	170,564	100

* As nominees of Lavasa Corporation Limited.

5. Dasve Retail Limited

Corporate Information:

Dasve Retail Limited was incorporated under the Companies Act, 1956 on October 8, 2008, in Mumbai. Dasve Retail Limited is in the business of carrying on trade or retail business in India through retail formats and including but not limited to hyper markets, super markets and mega markets.

Capital Structure:

	No. of shares of ₹ 10 each
Authorised capital	200,000 equity shares 800,000 convertible preference shares
Issued, subscribed and paid-up capital	50,000 equity shares 789,148 convertible preference shares

Shareholding Pattern:

The shareholding pattern of Dasve Retail Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)	No. of convertible preference shares of ₹ 10 each	Percentage of total convertible preference holding (%)
1.	Lavasa Corporation Limited	49,940	99.88	789,148	100.00
2.	Vithal P. Kulkarni*	10	0.02	0	0.00
3.	Praveen Sood*	10	0.02	0	0.00
4.	Rajgopal Nogja*	10	0.02	0	0.00
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02	0	0.00
6.	Vinayak Jadhav*	10	0.02	0	0.00
7.	Shripad Waman Gaitonde*	10	0.02	0	0.00
Total		50,000	100.00	789,148	100.00

* As nominees of Lavasa Corporation Limited.

6. Full Spectrum Adventure Limited**Corporate Information:**

Full Spectrum Adventure Limited was incorporated under the Companies Act, 1956 on December 1, 2008, in Mumbai. Full Spectrum Adventure Limited is involved in the business of organizing, promoting, managing nominating representatives thereof of companies in the field of adventure training, events, course design and conducting adventure camps including adventure sports.

Capital Structure:

	No. of shares of ₹ 10 each
Authorised capital	200,000
Issued, subscribed and paid-up capital	55,000

Shareholding Pattern:

The shareholding pattern of Full Spectrum Adventure Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Lavasa Corporation Limited	49,940	90.79
2.	Vithal P. Kulkarni*	10	0.02
3.	Praveen Sood*	10	0.02
4.	Rajgopal Nogja*	10	0.02
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02
6.	Vinayak Jadhav*	10	0.02
7.	Shripad Waman Gaitonde*	10	0.02

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
8.	Z-Bac Adventure Institute India Private Limited	5,000	9.09
Total		55,000	100.00

* As nominees of Lavasa Corporation Limited.

7. Future City Multiservices SEZ Limited

Corporate Information:

Future City Multiservices SEZ Limited was incorporated under the Companies Act, 1956 on November 30, 2009, in Mumbai, as Minfur Interior Technologies Limited. The name of the company was changed to Future City Multiservices SEZ Limited with effect from May 5, 2010. Future City Multiservices SEZ Limited is involved in the business of promoting, developing, building, organising all kinds of infrastructure facilities and services including but not limited to free trade zone, special economic zones and export processing zones.

Capital Structure:

	No. of shares of ₹ 10 each
Authorised capital	200,000 equity shares 20000 convertible preference shares
Issued, subscribed and paid-up capital	50,000 equity shares 16948 convertible preference shares

Shareholding Pattern:

The shareholding pattern of Future City Multiservices SEZ Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)	No. of convertible preference shares of ₹ 10 each	Percentage of total convertible preference holding (%)
1.	Lavasa Corporation Limited	49,940	99.88	16,948	100.00
2.	Vithal P. Kulkarni*	10	0.02	0	0.00
3.	Praveen Sood*	10	0.02	0	0.00
4.	Rajgopal Nogja*	10	0.02	0	0.00
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02	0	0.00
6.	Vinayak Jadhav*	10	0.02	0	0.00
7.	Shripad Waman Gaitonde*	10	0.02	0	0.00
Total		50,000	100.00	16,948	100.00

* As nominees of Lavasa Corporation Limited.

8. Green Hills Residences Limited

Corporate Information:

Green Hills Residences Limited was incorporated under the Companies Act, 1956 on May 6, 2009, in Mumbai. Green Hills Residences Limited is involved in the business of establishing and running hostels, hotels and resorts.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised capital	200,000
Issued, subscribed and paid-up capital	88,865

Shareholding Pattern:

The shareholding pattern of Green Hills Residences Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Lavasa Corporation Limited	53,259	59.94
2.	Vithal P. Kulkarni*	10	0.01
3.	Praveen Sood*	10	0.01
4.	Rajgopal Nogja*	10	0.01
5.	Sureshkumar Prabhakar Pendharkar*	10	0.01
6.	Vinayak Jadhav*	10	0.01
7.	Shripad Waman Gaitonde*	10	0.01
8.	Money Matters Advisory Services Limited	35,546	40.00
Total		88,865	100.00

* As nominees of Lavasa Corporation Limited.

9. Hill City Service Apartments Limited**Corporate Information:**

Hill City Service Apartments Limited was incorporated under the Companies Act, 1956 on March 26, 2010, in Mumbai. Hill City Service Apartments Limited is involved in the business of constructing, acquiring, selling, developing, promoting, conducting, managing and running for commercial objectives service apartments, land, properties, estates, buildings, townships, complexes and hotels.

Capital Structure:

	No. of shares of ₹ 10 each
Authorised capital	200,000 equity shares 105,000 convertible preference shares
Issued, subscribed and paid-up capital	50,000 equity shares 103,288 convertible preference shares

Shareholding Pattern:

The shareholding pattern of Hill City Service Apartments Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)	No. of convertible preference shares of ₹ 10 each	Percentage of total convertible preference holding (%)
1.	Lavasa Corporation Limited	49,940	99.88	103,288	100.00
2.	Vithal P. Kulkarni*	10	0.02	0	0.00
3.	Praveen Sood*	10	0.02	0	0.00
4.	Rajgopal Nogja*	10	0.02	0	0.00
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02	0	0.00
6.	Vinayak Jadhav*	10	0.02	0	0.00
7.	Shripad Waman Gaitonde*	10	0.02	0	0.00
Total		50,000	100.00	103,288	100.00

* As nominees of Lavasa Corporation Limited.

10. Hill View Parking Services Limited**Corporate Information:**

Hill View Parking Services Limited was incorporated under the Companies Act, 1956 on June 24, 2011, in Mumbai. Hill View Parking Services Limited is involved in the business of managing, regulating, supervising, operating, maintaining, holding, selling, allotting, permitting licence parking lots, parking structures, parking area and parking structure assets.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised capital	200,000
Issued, subscribed and paid-up capital	50,000

Shareholding Pattern:

The shareholding pattern of Hill View Parking Services Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Lavasa Corporation Limited	49,940	99.88
2.	Vithal P. Kulkarni*	10	0.02
3.	Praveen Sood*	10	0.02
4.	Rajgopal Nogja*	10	0.02
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02
6.	Vinayak Jadhav*	10	0.02
7.	Pritpal Singh*	10	0.02
Total		50,000	100.00

* As nominees of Lavasa Corporation Limited.

11. Kart Racers Limited**Corporate Information:**

Kart Racers Limited was incorporated under the Companies Act, 1956 on April 1, 2010, in Mumbai. Kart Racers Limited is involved in the business of organising, promoting, managing, operating, administering, creating events, developing academies in the field of adventures, including motor sports, go-karting and motor car racing.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised capital	200,000
Issued, subscribed and paid-up capital	50,000

Shareholding Pattern:

The shareholding pattern of Kart Racers Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Lavasa Corporation Limited	49,940	99.88
2.	Vithal P. Kulkarni*	10	0.02
3.	Praveen Sood*	10	0.02
4.	Rajgopal Nogja*	10	0.02
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02
6.	Vinayak Jadhav*	10	0.02

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
7.	Shripad Waman Gaitonde*	10	0.02
Total		50,000	100.00

* As nominees of Lavasa Corporation Limited.

12. Lakeshore Watersports Company Limited

Corporate Information:

Lakeshore Watersports Company Limited was incorporated under the Companies Act, 1956 on August 1, 2008, in Mumbai. Lakeshore Watersports Company Limited is involved in the business of organizing, promoting, managing, running, administering, nominating representatives thereof, of companies in the field of adventures, including adventure sports and marine sports.

Capital Structure:

	No. of shares of ₹ 10 each
Authorised capital	200,000 equity shares 110,000 convertible preference shares
Issued, subscribed and paid-up capital	50,000 equity shares 109,796 convertible preference shares

Shareholding Pattern:

The shareholding pattern of Lakeshore Watersports Company Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)	No. of convertible preference shares of ₹ 10 each	Percentage of total convertible preference holding (%)
1.	Lavasa Corporation Limited	49,940	99.88	109,796	100.00
2.	Vithal P. Kulkarni*	10	0.02	0	0.00
3.	Praveen Sood*	10	0.02	0	0.00
4.	Rajgopal Nogja*	10	0.02	0	0.00
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02	0	0.00
6.	Vinayak Jadhav*	10	0.02	0	0.00
7.	Shripad Waman Gaitonde*	10	0.02	0	0.00
Total		50,000	100.00	109,796	100.00

* As nominees of Lavasa Corporation Limited.

13. Lakeview Clubs Limited

Corporate Information:

Lakeview Clubs Limited was incorporated under the Companies Act, 1956 on September 19, 2008, in Mumbai. Lakeview Clubs Limited is involved in the business of establishing and running clubs, hotels and resorts.

Capital Structure:

	No. of shares of ₹ 10 each
Authorised capital	200,000 equity shares 210,000 convertible preference shares
Issued, subscribed and paid-up capital	50,000 equity shares 193,580 convertible preference shares

Shareholding Pattern:

The shareholding pattern of Lakeview Clubs Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)	No. of convertible preference shares of ₹ 10 each	Percentage of total convertible preference holding (%)
1.	Lavasa Corporation Limited	49,940	99.88	193,580	100.00
2.	Vithal P. Kulkarni*	10	0.02	0	0.00
3.	Praveen Sood*	10	0.02	0	0.00
4.	Rajgopal Nogja*	10	0.02	0	0.00
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02	0	0.00
6.	Vinayak Jadhav*	10	0.02	0	0.00
7.	Shripad Waman Gaitonde*	10	0.02	0	0.00
Total		50,000	100.00	193,580	100.00

* As nominees of Lavasa Corporation Limited.

14. Lavasa Bamboocrafts Limited**Corporate Information:**

Lavasa Bamboocrafts Limited was incorporated under the Companies Act, 1956 on February 24, 2009, in Mumbai. Lavasa Bamboocrafts Limited deals in all kinds and forms of bamboos, cranes, grass and agro-forestry products.

Capital Structure:

	No. of shares of ₹ 10 each
Authorised capital	200,000 equity shares 80,000 convertible preference shares
Issued, subscribed and paid-up capital	50,000 equity shares 79,024 convertible preference shares

Shareholding Pattern:

The shareholding pattern of Lavasa Bamboocrafts Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)	No. of convertible preference shares of ₹ 10 each	Percentage of total convertible preference holding (%)
1.	Lavasa Corporation Limited	49,940	99.88	79,024	100.00
2.	Vithal P. Kulkarni*	10	0.02	0	0.00
3.	Praveen Sood*	10	0.02	0	0.00
4.	Rajgopal Nogja*	10	0.02	0	0.00
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02	0	0.00

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)	No. of convertible preference shares of ₹ 10 each	Percentage of total convertible preference holding (%)
6.	Vinayak Jadhav*	10	0.02	0	0.00
7.	Shripad Waman Gaitonde*	10	0.02	0	0.00
Total		50,000	100.00	79,024	100.00

* As nominees of Lavasa Corporation Limited.

15. Lavasa Hotel Limited

Corporate Information:

Lavasa Hotel Limited was incorporated under the Companies Act, 1956 on September 1, 2007, in Mumbai. Lavasa Hotel Limited is involved in the business of establishing and running hotels.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised capital	1,000,000
Issued, subscribed and paid-up capital	50,000

Shareholding Pattern:

The shareholding pattern of Lavasa Hotel Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Lavasa Corporation Limited	49,940	99.88
2.	Vithal P. Kulkarni*	10	0.02
3.	Praveen Sood*	10	0.02
4.	Rajgopal Nogja*	10	0.02
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02
6.	Vinayak Jadhav*	10	0.02
7.	Shripad Waman Gaitonde*	10	0.02
Total		50,000	100.00

* As nominees of Lavasa Corporation Limited.

16. My City Technology Limited

Corporate Information:

My City Technology Limited was incorporated under the Companies Act, 1956 on August 4, 2009, in Mumbai. My City Technology Limited is involved in the business of information and communication technology ("ICT") in the areas of city management system and services, E-governance, ICT infrastructure planning, building and management and intelligent home solutions.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised capital	300,000
Issued, subscribed and paid-up capital	286,500

Shareholding Pattern:

The shareholding pattern of My City Technology Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Lavasa Corporation Limited	180,435	63.00
2.	Vithal P. Kulkarni*	10	0.00
3.	Praveen Sood*	10	0.00
4.	Rajgopal Nogja*	10	0.00
5.	Sureshkumar Prabhakar Pendharkar*	10	0.00
6.	Vinayak Jadhav*	10	0.00
7.	Shripad Waman Gaitonde*	10	0.00
8.	Wipro Limited	54,435	19.00
9.	CSI BD Mauritius	51,570	18.00
Total		286,500	100.00

* As nominees of Lavasa Corporation Limited.

17. Mugaon Luxury Hotels Limited

Corporate Information:

Mugaon Luxury Hotels Limited was incorporated under the Companies Act, 1956 on November 29, 2010, in Mumbai. Mugaon Luxury Hotels Limited is involved in the business of establishing and running hotels.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised capital	200,000
Issued, subscribed and paid-up capital	50,000

Shareholding Pattern:

The shareholding pattern of Mugaon Luxury Hotels Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Lavasa Corporation Limited	49,940	99.88
2.	Vithal P. Kulkarni*	10	0.02
3.	Praveen Sood*	10	0.02
4.	Rajgopal Nogja*	10	0.02
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02
6.	Vinayak Jadhav*	10	0.02
7.	Pritpal Singh*	10	0.02
Total		50,000	100.00

* As nominees of Lavasa Corporation Limited.

18. Nature Lovers Retail Limited

Corporate Information:

Nature Lovers Retail Limited was incorporated under the Companies Act, 1956 on April 30, 2010, in Mumbai. Nature Lovers Retail Limited is involved in the business of trade or retail business through retail formats and including but not limited to hyper markets, super markets, mega markets and mega stores / discount stores.

Capital Structure:

	No. of shares of ₹ 10 each
Authorised capital	200,000 equity shares 18,000 convertible preference shares
Issued, subscribed and paid-up capital	50,000 equity shares 17,320 convertible preference shares

Shareholding Pattern:

The shareholding pattern of Nature Lovers Retail Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)	No. of convertible preference shares of ₹ 10 each	Percentage of total convertible preference holding (%)
1.	Lavasa Corporation Limited	49,940	99.88	17,320	100.00
2.	Vithal P. Kulkarni*	10	0.02	0	0.00
3.	Praveen Sood*	10	0.02	0	0.00
4.	Rajgopal Nogja*	10	0.02	0	0.00
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02	0	0.00
6.	Vinayak Jadhav*	10	0.02	0	0.00
7.	Shripad Waman Gaitonde*	10	0.02	0	0.00
Total		50,000	100.00	17,320	100.00

* As nominees of Lavasa Corporation Limited.

19. Osprey Hospitality Limited**Corporate Information:**

Osprey Hospitality Limited was incorporated under the Companies Act, 1956 on November 15, 2010, in Mumbai. Osprey Hospitality Limited is involved in the business of establishing and running hotels.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised capital	200,000
Issued, subscribed and paid-up capital	50,000

Shareholding Pattern:

The shareholding pattern of Osprey Hospitality Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Lavasa Corporation Limited	49,940	99.88
2.	Vithal P. Kulkarni*	10	0.02
3.	Praveen Sood*	10	0.02
4.	Rajgopal Nogja*	10	0.02
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02
6.	Vinayak Jadhav*	10	0.02
7.	Pritpal Singh*	10	0.02
Total		50,000	100.00

* As nominees of Lavasa Corporation Limited.

20. Our Home Service Apartments Limited**Corporate Information:**

Our Home Service Apartments Limited was incorporated under the Companies Act, 1956 on March 10, 2010, in Mumbai. Our Home Service Apartments Limited is involved in the business of constructing, acquiring, selling, developing, promoting, conducting, managing and running service apartments, land, properties, estates, buildings, townships, complexes and hotels for commercial objectives.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised capital	200,000
Issued, subscribed and paid-up capital	50,000

Shareholding Pattern:

The shareholding pattern of Our Home Service Apartments Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Lavasa Corporation Limited	49,940	99.88
2.	Vithal P. Kulkarni*	10	0.02
3.	Praveen Sood*	10	0.02
4.	Rajgopal Nogja*	10	0.02
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02
6.	Vinayak Jadhav*	10	0.02
7.	Shripad Waman Gaitonde*	10	0.02
Total		50,000	100.00

* As nominees of Lavasa Corporation Limited.

21. Reasonable Housing Limited**Corporate Information:**

Reasonable Housing Limited was incorporated under the Companies Act, 1956 on September 23, 2009, in Mumbai. Reasonable Housing Limited is in business relating to housing of any type such as flats, dwelling houses, shops, offices and clubs.

Capital Structure:

	No. of shares of ₹ 10 each
Authorised capital	200,000 equity shares 230,000 convertible preference shares
Issued, subscribed and paid-up capital	50,000 equity shares 196,572 convertible preference shares

Shareholding Pattern:

The shareholding pattern of Reasonable Housing Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)	No. of convertible preference shares of ₹ 10 each	Percentage of total convertible preference holding (%)
1.	Lavasa Corporation Limited	49,940	99.88	196,572	100.00
2.	Vithal P. Kulkarni*	10	0.02	0	0.00
3.	Praveen Sood*	10	0.02	0	0.00
4.	Rajgopal Nogja*	10	0.02	0	0.00
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02	0	0.00
6.	Vinayak Jadhav*	10	0.02	0	0.00
7.	Shripad Waman Gaitonde*	10	0.02	0	0.00
Total		50,000	100.00	196,572	100.00

* As nominees of Lavasa Corporation Limited.

22. Rhapsody Commercial Space Limited

Corporate Information:

Rhapsody Commercial Space Limited was incorporated under the Companies Act, 1956 as Rhapsody Hospitality Limited on January 14, 2010, in Mumbai. The name of the company was changed to Rhapsody Commercial Space Limited with effect from September 28, 2010. Rhapsody Commercial Space Limited is involved in the business of constructing, developing, acquiring, purchasing movable and immovable property including commercial complex, corporate parks, industrial parks and integrated Information technology parks.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised capital	200,000
Issued, subscribed and paid-up capital	50,000

Shareholding Pattern:

The shareholding pattern of Rhapsody Commercial Space Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Lavasa Corporation Limited	49,940	99.88
2.	Vithal P. Kulkarni*	10	0.02
3.	Praveen Sood*	10	0.02
4.	Rajgopal Nogja*	10	0.02
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02
6.	Vinayak Jadhav*	10	0.02
7.	Shripad Waman Gaitonde*	10	0.02
Total		50,000	100.00

* As nominees of Lavasa Corporation Limited.

23. Rosebay Hotels Limited

Corporate Information:

Rosebay Hotels Limited was incorporated under the Companies Act, 1956 on November 24, 2010, in Mumbai. Rosebay Hotels Limited is involved in the business of establishing and running hotels.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised capital	200,000
Issued, subscribed and paid-up capital	50,000

Shareholding Pattern:

The shareholding pattern of Rosebay Hotels Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Lavasa Corporation Limited	49,940	99.88
2.	Vithal P. Kulkarni*	10	0.02
3.	Praveen Sood*	10	0.02
4.	Rajgopal Nogja*	10	0.02
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02
6.	Vinayak Jadhav*	10	0.02

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
7.	Pritpal Singh*	10	0.02
Total		50,000	100.00

* As nominees of Lavasa Corporation Limited.

24. Sahyadri City Management Limited

Corporate Information:

Sahyadri City Management Limited was incorporated under the Companies Act, 1956 on March 12, 2010, in Mumbai. Sahyadri City Management Limited is involved in the business of constructing, improving, decorating, furnishing and maintaining flats, houses, markets, shops, workshops, restaurants, theatres, discotheques, safari park, town plaza, hospitals, schools and business centres.

Capital Structure:

	No. of shares of ₹ 10 each
Authorised capital	200,000 equity shares 400,000 convertible preference shares
Issued, subscribed and paid-up capital	50,000 equity shares 387,136 convertible preference shares

Shareholding Pattern:

The shareholding pattern of Sahyadri City Management Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)	No. of convertible preference shares of ₹ 10 each	Percentage of total convertible preference holding (%)
1.	Lavasa Corporation Limited	49,940	99.88	387,136	100.00
2.	Vithal P. Kulkarni*	10	0.02	0	0.00
3.	Praveen Sood*	10	0.02	0	0.00
4.	Rajgopal Nogja*	10	0.02	0	0.00
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02	0	0.00
6.	Vinayak Jadhav*	10	0.02	0	0.00
7.	Shripad Waman Gaitonde*	10	0.02	0	0.00
Total		50,000	100.00	387,136	100.00

* As nominees of Lavasa Corporation Limited.

25. Sirrah Palace Hotels Limited

Corporate Information:

Sirrah Palace Hotels Limited was incorporated under the Companies Act, 1956 on January 25, 2010, in Mumbai. Sirrah Palace Hotels Limited is involved in the business of establishing and/or running hotels, motels and resorts.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised capital	200,000
Issued, subscribed and paid-up capital	50,000

Shareholding Pattern:

The shareholding pattern of Sirrah Palace Hotels Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Lavasa Corporation Limited	49,940	99.88
2.	Vithal P. Kulkarni*	10	0.02
3.	Praveen Sood*	10	0.02
4.	Rajgopal Nogja*	10	0.02
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02
6.	Vinayak Jadhav*	10	0.02
7.	Shripad Waman Gaitonde*	10	0.02
Total		50,000	100.00

* As nominees of Lavasa Corporation Limited.

26. Spotless Laundry Services Limited**Corporate Information:**

Spotless Laundry Services Limited was incorporated under the Companies Act, 1956 on January 20, 2009, in Mumbai. Spotless Laundry Services Limited is involved in the business of steam and general laundry.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised capital	200,000
Issued, subscribed and paid-up capital	126,857

Shareholding Pattern:

The shareholding pattern of Spotless Laundry Services Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Lavasa Corporation Limited	96,377	75.96
2.	Vithal P. Kulkarni*	10	0.01
3.	Praveen Sood*	10	0.01
4.	Rajgopal Nogja*	10	0.01
5.	Sureshkumar Prabhakar Pendharkar*	10	0.01
6.	Vinayak Jadhav*	10	0.01
7.	Shripad Waman Gaitonde*	10	0.01
8.	Tex-Kare Cleaners Private Limited	30,420	23.98
Total		126,857	100.00

* As nominees of Lavasa Corporation Limited.

27. Starlit Resorts Limited**Corporate Information:**

Starlit Resorts Limited was incorporated under the Companies Act, 1956 on November 16, 2010, in Mumbai. Starlit Resorts Limited is involved in the business of establishing and/or running hotels, motels and resorts.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised capital	200,000
Issued, subscribed and paid-up capital	50,000

Shareholding Pattern:

The shareholding pattern of Starlit Resorts Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Lavasa Corporation Limited	49,940	99.88
2.	Vithal P. Kulkarni*	10	0.02
3.	Praveen Sood*	10	0.02
4.	Rajgopal Nogja*	10	0.02
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02
6.	Vinayak Jadhav*	10	0.02
7.	Prit Pal Singh*	10	0.02
Total		50,000	100.00

* As nominees of Lavasa Corporation Limited.

28. Valley View Entertainment Limited**Corporate Information:**

Valley View Entertainment Limited was incorporated under the Companies Act, 1956 on January 20, 2010, in Mumbai. Valley View Entertainment Limited is involved in the business of constructing, running, managing amusement centres or parks of all the nature and to carry on the business of hotels, motels, restaurants and cafes.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised capital	200,000
Issued, subscribed and paid-up capital	50,000

Shareholding Pattern:

The shareholding pattern of Valley View Entertainment Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Lavasa Corporation Limited	49,940	99.88
2.	Vithal P. Kulkarni*	10	0.02
3.	Praveen Sood*	10	0.02
4.	Rajgopal Nogja*	10	0.02
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02
6.	Vinayak Jadhav*	10	0.02
7.	Shripad Waman Gaitonde*	10	0.02
Total		50,000	100.00

* As nominees of Lavasa Corporation Limited.

29. Verzon Hospitality Limited**Corporate Information:**

Verzon Hospitality Limited was incorporated under the Companies Act, 1956 on January 8, 2010, in Mumbai. Verzon Hospitality Limited is involved in the business of establishing and/or running hotels, motels, resorts, clubs and restaurants.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised capital	200,000
Issued, subscribed and paid-up capital	54,054

Shareholding Pattern:

The shareholding pattern of Verzon Hospitality Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Lavasa Corporation Limited	53,994	99.88
2.	Vithal P. Kulkarni*	10	0.02
3.	Praveen Sood*	10	0.02
4.	Rajgopal Nogja*	10	0.02
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02
6.	Vinayak Jadhav*	10	0.02
7.	Shripad Waman Gaitonde*	10	0.02
Total		54,054	100.00

* As nominees of Lavasa Corporation Limited.

30. Warasgaon Assets Maintenance Limited**Corporate Information:**

Warasgaon Assets Maintenance Limited was incorporated under the Companies Act, 1956 on June 24, 2011, in Mumbai. Warasgaon Assets Maintenance Limited is involved in the business of buying, purchasing, selling, managing, operating, maintaining, developing, erecting, installing all types of movable and immovable assets, machinery, public realm properties such as parks, roadways, viewing galleries, promenades, foot paths, pedestrian bridges, dams, etc.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised capital	200,000
Issued, subscribed and paid-up capital	150,000

Shareholding Pattern:

The shareholding pattern of Warasgaon Assets Maintenance Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Lavasa Corporation Limited	149,940	100.00
2.	Vithal P. Kulkarni*	10	0.00
3.	Praveen Sood*	10	0.00
4.	Rajgopal Nogja*	10	0.00
5.	Sureshkumar Prabhakar Pendharkar*	10	0.00
6.	Vinayak Jadhav*	10	0.00
7.	Pritpal Singh*	10	0.00
Total		150,000	100.00

* As nominees of Lavasa Corporation Limited.

31. Warasgaon Infrastructure Providers Limited**Corporate Information:**

Warasgaon Infrastructure Providers Limited was incorporated under the Companies Act, 1956 on April 5, 2010, in Mumbai. Warasgaon Infrastructure Providers Limited is involved in the business of constructing, re-constructing, repairing, pulling down, altering, improving, decorating, furnishing and maintaining flats, dwelling houses, shops, offices, clubs, buildings and works.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised capital	200,000

	No. of equity shares of ₹ 10 each
Issued, subscribed and paid-up capital	50,000

Shareholding Pattern:

The shareholding pattern of Warasgaon Infrastructure Providers Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Lavasa Corporation Limited	49,940	99.88
2.	Vithal P. Kulkarni*	10	0.02
3.	Praveen Sood*	10	0.02
4.	Rajgopal Nogja*	10	0.02
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02
6.	Vinayak Jadhav*	10	0.02
7.	Shripad Waman Gaitonde*	10	0.02
Total		50,000	100.00

* As nominees of Lavasa Corporation Limited.

32. Warasgaon Power Supply Limited

Corporate Information:

Warasgaon Power Supply Limited was incorporated under the Companies Act, 1956 on March 12, 2010, in Mumbai. Warasgaon Power Supply Limited is an electric power, light and supply and company involved in the business of constructing, laying down, establishing, fixing, power stations, cables, wires, lines, accumulators and lamps.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised capital	200,000
Issued, subscribed and paid-up capital	100,000

Shareholding Pattern:

The shareholding pattern of Warasgaon Power Supply Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Lavasa Corporation Limited	99,940	99.94
2.	Vithal P. Kulkarni*	10	0.01
3.	Praveen Sood*	10	0.01
4.	Rajgopal Nogja*	10	0.01
5.	Sureshkumar Prabhakar Pendharkar*	10	0.01
6.	Vinayak Jadhav*	10	0.01
7.	Shripad Waman Gaitonde*	10	0.01
Total		100,000	100.00

* As nominees of Lavasa Corporation Limited.

33. Warasgaon Tourism Limited

Corporate Information:

Warasgaon Tourism Limited was incorporated under the Companies Act, 1956 on February 25, 2010, in Mumbai. Warasgaon Tourism Limited is involved in the business of creation, development, constructing, running, operating, establishing, improving, organizing, maintaining and managing, tourism parks, tourist homes and guest houses.

Capital Structure:

	No. of shares of ₹ 10 each
Authorised capital	200,000 equity shares 120,000 convertible preference shares
Issued, subscribed and paid-up capital	50,000 equity shares 98,368 convertible preference shares

Shareholding Pattern:

The shareholding pattern of Warasgaon Tourism Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)	No. of convertible preference shares of ₹ 10 each	Percentage of total convertible preference holding (%)
1.	Lavasa Corporation Limited	49,940	99.88	98,368	100.00
2.	Vithal P. Kulkarni*	10	0.02	0	0.00
3.	Praveen Sood*	10	0.02	0	0.00
4.	Rajgopal Nogja*	10	0.02	0	0.00
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02	0	0.00
6.	Vinayak Jadhav*	10	0.02	0	0.00
7.	Shripad Waman Gaitonde*	10	0.02	0	0.00
Total		50,000	100.00	98,368	100.00

* As nominees of Lavasa Corporation Limited.

34. Warasgaon Valley Hotels Limited**Corporate Information:**

Warasgaon Valley Hotels Limited was incorporated under the Companies Act, 1956 on November 16, 2010, in Mumbai. Warasgaon Valley Hotels Limited is involved in the business of establishing and/or running hotels, motels and resorts.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised capital	200,000
Issued, subscribed and paid-up capital	50,000

Shareholding Pattern:

The shareholding pattern of Warasgaon Valley Hotels Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Lavasa Corporation Limited	49,940	99.88
2.	Vithal P. Kulkarni*	10	0.02
3.	Praveen Sood*	10	0.02
4.	Rajgopal Nogja*	10	0.02
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02
6.	Vinayak Jadhav*	10	0.02
7.	Prit Pal Singh*	10	0.02
Total		50,000	100.00

* As nominees of Lavasa Corporation Limited.

35. Whistling Thrush Facilities Services Limited

Corporate Information:

Whistling Thrush Facilities Services Limited was incorporated under the Companies Act, 1956 on January 27, 2010, in Mumbai. Whistling Thrush Facilities Services Limited is involved in the business of providing facilities management services such as house keeping, landscaping, interior plants and external facade cleaning.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised capital	200,000
Issued, subscribed and paid-up capital	54,000

Shareholding Pattern:

The shareholding pattern of Whistling Thrush Facilities Services Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Lavasa Corporation Limited	27,480	50.88
2.	Vithal P. Kulkarni*	10	0.02
3.	Praveen Sood*	10	0.02
4.	Rajgopal Nogja*	10	0.02
5.	Sureshkumar Prabhakar Pendharkar*	10	0.02
6.	Vinayak Jadhav*	10	0.02
7.	Shripad Waman Gaitonde*	10	0.02
8.	Integron Property Management Services Private Limited	26460	49.00
Total		54,000	100.00

* As nominees of Lavasa Corporation Limited.

Details of the Associates

Our Company has the following Associates:

1. Andromeda Hotels Limited;
2. Bona Sera Hotels Limited;
3. Ecomotel Hotel Limited;
4. Knowledge Vistas Limited; and
5. Warasgaon Lake View Hotels Limited.

Details of the Associates

1. Andromeda Hotels Limited

Corporate Information:

Andromeda Hotels Limited was incorporated under the Companies Act, 1956 on January 22, 2010, in Mumbai. Andromeda Hotels Limited is involved in the business of establishing and/or running hotels, motels, resorts, clubs, restaurants and cafes. Andromeda Hotels Limited has ceased to be a Subsidiary of our Company with effect from March 31, 2014 and is currently an Associate of our Company.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised capital	200,000
Issued capital	121,000
Subscribed and paid-up capital	115,900

Shareholding Pattern:

The shareholding pattern of Andromeda Hotels Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Lavasa Corporation Limited	48,340	41.76
2.	Vithal P. Kulkarni*	10	0.00
3.	Praveen Sood*	10	0.00
4.	Rajgopal Nogja*	10	0.00
5.	Sureshkumar Prabhakar Pendharkar*	10	0.00
6.	Vinayak Jadhav*	10	0.00
7.	Shripad Waman Gaitonde*	10	0.00
8.	Rachvan Singh	21,300	18.38
9.	Hardeep Singh	24,200	20.88
10.	Kanwaljit Singh	22,000	18.98
Total		115,900	100.00

* As nominees of Lavasa Corporation Limited.

2. Bona Sera Hotels Limited**Corporate Information:**

Bona Sera was incorporated under the Companies Act, 1956 on July 31, 2008, in Mumbai. Bona Sera is involved in the business of establishing and/or running hotels, motels, resorts, clubs, restaurants, commissary and cafes.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised capital	2,050,000
Issued, subscribed and paid-up capital	471,396

Shareholding Pattern:

The shareholding pattern of Bona Sera is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Lavasa Corporation Limited	122,443	26.00
2.	Vithal P. Kulkarni*	20	0.00
3.	Praveen Sood*	20	0.00
4.	Rajgopal Nogja*	20	0.00
5.	Sureshkumar Prabhakar Pendharkar*	20	0.00
6.	Vinayak Jadhav*	20	0.0
7.	Shripad Waman Gaitonde*	20	0.0
8.	Shawman Software Private Limited	348,833	74.00
Total		471,396	100.00

* As nominees of Lavasa Corporation Limited.

3. Ecomotel Hotel Limited**Corporate Information:**

Ecomotel Hotel Limited was incorporated under the Companies Act, 1956 on August 18, 2008, in Mumbai. Ecomotel Hotel Limited is involved in the business of establishing and running hotels.

Capital Structure:

	No. of equity shares of ₹ 10 each

	No. of equity shares of ₹ 10 each
Authorised capital	1,05,00,000
Issued capital	1,01,71,820
Subscribed and paid-up capital	90,51,820

Shareholding Pattern:

The shareholding pattern of Ecomotel Hotel Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Lavasa Corporation Limited	2,644,613	29.22
2.	Vithal P. Kulkarni*	10	0.00
3.	Arun Karambelkar*	10	0.00
4.	Rajgopal Nogja*	10	0.00
5.	Sureshkumar Prabhakar Pendharkar*	10	0.00
6.	Vinayak Jadhav*	10	0.00
7.	Shripad Waman Gaitonde*	10	0.00
8.	Celebration Resorts and Hotels India Private Limited	6,407,147	70.78
Total		9,051,820	100.00

* As nominees of Lavasa Corporation Limited.

4. Knowledge Vistas Limited

Corporate Information:

Knowledge Vistas Limited was incorporated as GDST-Oxford International School Limited, on February 24, 2009, in Mumbai. The name of the company was changed to Knowledge Vistas Limited with effect from September 30, 2009. Knowledge Vistas Limited is involved in the business of spreading and/or promoting education and learning including establishing and/or acquiring and maintaining or supporting schools, colleges, vidyapiths, bal mandirs, study centres, technical institutions and colleges, engineering colleges, medical colleges, research centers, universities and other institutions or fund for imparting education and training of students.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised capital	500,000
Issued, subscribed and paid-up capital	445,415

Shareholding Pattern:

The shareholding pattern of Knowledge Vistas Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Lavasa Corporation Limited	218,233	49.00
2.	Vinayak Jadhav*	10	0.00
3.	Shripad Gaitonde*	10	0.00
4.	Educomp Infrastructure and School Management Limited	227,159	51.00
5.	Shantanu Prakash [#]	1	0.00
6.	Sharad Agarwal [#]	1	0.00
7.	Ravi Pillai [#]	1	0.00
Total		445,415	100.00

* As nominees of Lavasa Corporation Limited.

[#] As nominees of Educomp Infrastructure and School Management Limited.

5. Warasgaon Lake View Hotels Limited

Corporate Information:

Warasgaon Lake View Hotels Limited was incorporated as Lavasa Star Hotel Limited on September 1, 2007, in Mumbai. The name of the company as changed to Warasgaon Lake View Hotels Limited with effect from February 19, 2010. Warasgaon Lake View Hotels Limited is involved in the business of establishing and running hotels.

Capital Structure:

	No. of equity shares of ₹ 10 each
Authorised capital	600,000
Issued capital	448,972
Subscribed and paid-up capital	422,016

Shareholding Pattern:

The shareholding pattern of Warasgaon Lake Views Hotels Limited is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Lavasa Corporation Limited	120,897	28.67
2.	Vithal P. Kulkarni*	10	0.00
3.	Praveen Sood*	10	0.00
4.	Rajgopal Nogja*	10	0.00
5.	Sureshkumar Prabhakar Pendharkar*	10	0.00
6.	Vinayak Jadhav*	10	0.00
7.	Shripad Waman Gaitonde*	10	0.00
8.	IMK Hotels Private Limited	125,610	29.76
9.	SSAR Hotels Private Limited	125,610	29.76
10.	Anfield Investment Limited	49,839	11.81
Total		422,016	100.00

* As nominees of Lavasa Corporation Limited.

None of our Subsidiaries are listed on any stock exchange in India or abroad. None of our Subsidiaries have become sick companies under the meaning of SICA and are not under winding up. Other than as disclosed in the section "Promoters and Promoter Group", our Promoters have not disassociated themselves from any companies during the preceding three years.

List of profit making Subsidiaries and Associates in descending order of percentage contribution to revenue is provided below:

Sr. No.	Name of Subsidiary/Associate	Percentage holding by our Company as at March 31, 2014 (%)	Percentage contribution to revenue (%)	Profit after tax for the period ended March 31, 2014 (₹ in million)
1.	Whistling Thrush Facilities Services Limited	51.00	9.33	2.69
2.	Starlit Resort Limited	100.00	2.13	0.63
3.	Verzon Hospitality Limited	100.00	0.37	0.27

List of loss incurring Subsidiaries and Associates in descending order of percentage contribution to revenue:

Sr. No.	Name of Subsidiary / Associate	Percentage holding of the Company as at March 31, 2014 (%)	Percentage contribution to revenue (%)	Loss after tax for period ended March 31, 2014 (₹ in million)
Subsidiaries				
1.	Lavasa Hotel Limited	100.00	6.58	(13.12)
2.	Dasve Convention Center Limited	100.00	4.19	(185.18)
3.	Sahyadri City Management Limited	100.00	3.37	(177.43)
4.	My City Technology Limited	63.00	2.23	(6.45)
5.	Dasve Hospitality Institutes Limited	100.00	1.82	(120.50)
6.	Full Spectrum Adventure Limited	90.91	1.43	(21.49)
7.	Lakeshore Watersports Company Limited	100.00	1.04	(16.49)
8.	Lakeview Clubs Limited	100.00	1.03	(103.50)
9.	Reasonable Housing Limited	100.00	0.83	(31.41)
10.	Apollo Lavasa Health Corporation Limited	62.50	0.49	(53.70)
11.	Warasgaon Tourism Limited	100.00	0.38	(385.41)
12.	Green Hills Residences Limited	60.00	0.26	(297.24)
13.	Dasve Retail Limited	100.00	0.23	(63.38)
14.	Lavasa Bamboocrafts Limited	100.00	0.22	(23.04)
15.	Spotless Laundry Services Limited	76.02	0.20	(56.63)
16.	Dasve Business Hotel Limited	100.00	0.01	(14.04)
17.	Warasgaon Assets Maintenance Limited	100.00	0.00	(57.41)
18.	Warasgaon Power Supply Limited	100.00	0.00	(34.87)
19.	Hill City Service Apartments Limited	100.00	0.00	(14.56)
20.	Nature Lovers Retail Limited	100.00	0.00	(2.49)
21.	Future City Multiservices SEZ Limited	100.00	0.00	(2.43)
22.	Kart Racers Limited	100.00	0.00	(0.68)
23.	Warasgaon Infrastructure Providers Limited	100.00	0.00	(0.06)
24.	Valley View Entertainment Limited	100.00	0.00	(0.06)
25.	Rhapsody Commercial Space Limited	100.00	0.00	(0.06)
26.	Our Home Service Apartments Limited	100.00	0.00	(0.06)
27.	Sirrah Palace Hotels Limited	100.00	0.00	(0.05)
28.	Warasgaon Valley Hotels Limited	100.00	0.00	(0.04)
29.	Osprey Hospitality Limited	100.00	0.00	(0.04)
30.	Mugaon Luxury Hotels Limited	100.00	0.00	(0.04)
31.	Hill View Parking Services Limited	100.00	0.00	(0.04)
32.	Rosebay Hotels Limited	100.00	0.00	(0.03)
Associates				
1.	Ecomotel Hotel Limited	29.22	0.00	(32.96)
2.	Knowledge Vistas Limited	49.00	0.00	(8.36)
3.	Bona Sera Hotels Limited	26.00	0.00	(7.28)
4.	Andromeda Hotels Limited	41.76	0.00	(6.08)
5.	Warasgaon Lake View Hotels Limited	28.67	0.00	(1.26)

The corporate information in relation to these Subsidiaries and Associates are disclosed above.

There are no accumulated profits or losses of the Subsidiaries not accounted for by our Company.

Interest of the Subsidiaries in our Company

None of our Subsidiaries hold any Equity Shares in our Company. For details of the transactions between our Company and the Subsidiaries, see the section “Related Party Transactions” on page 308.

None of our Subsidiaries have any business interest in our Company except as stated in the section “Our Business”. For details of the transactions between our Company and the Subsidiaries, see the section “Related Party Transactions” on page 308.

Material Transactions

Other than as disclosed in the section “Related Party Transactions” on page 308, there are no sales or purchase between any of the Subsidiaries and our Company where such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of our Company.

Common Pursuits

There are no common pursuits between any of our Subsidiary companies and our Company.

MANAGEMENT

As per the Articles of Association, our Company is required to have not less than three Directors and not more than 12 Directors. We currently have 10 Directors.

The following table sets forth details regarding our Board as of the date of filing of the Draft Red Herring Prospectus:

Name, Father's Name, Designation, Address, Occupation, Nationality Term and DIN	Age (in years)	Other Directorships/Partnerships
Ajit Gulabchand Father's name: Late Gulabchand Hirachand Designation: Chairman, Non-Executive Director Address: Hincan House, 247Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083 Occupation: Business Nationality: Indian Term: Appointed on February 24, 2003. Liable to retire by rotation. DIN: 00010827	66	<i>Other directorships</i> 1. Bajaj Electricals Limited 2. Champali Garden Private Limited 3. Charosa Wineries Limited 4. Construction Skill Development Council of India 5. Gulabchand Foundation 6. HCC 7. HCC Construction Limited 8. HCC Infrastructure Company Limited 9. HCC Mauritius Enterprises Limited 10. HCC Mauritius Investment Limited 11. Highbar Technologies Limited 12. Hincan Finance 13. Hincan Holdings Limited 14. HREL 15. Steiner AG, Switzerland 16. Sarama Petcare Private Limited 17. Shalaka Investment Private Limited 18. Steiner India Limited 19. The Indian Hume Pipe Company Limited 20. Western Securities Limited
Gautam Thapar Father's name: B. M. Thapar Designation: Non-Executive Director Address: E-16 Pushpanjali Farms, Brijwasan, New Delhi 110 061 Occupation: Industrialist Nationality: Indian Term: Appointed on February 27, 2007. Liable to retire by rotation. DIN: 00012289	53	<i>Other directorships</i> 1. Asahi India Glass Limited 2. Avantha Ergo Life Insurance Company Limited 3. Avantha Foundation 4. Avantha Holdings Limited 5. Ballarpur Industries Limited 6. Ballarpur International Graphic Paper Holdings B.V. 7. Bilt Tree Tech Limited 8. Crompton Greaves Limited 9. Global Green Company Limited 10. Indian Public Schools Society 11. JG Containers (Malaysia) Sdn. Bhd. 12. Salient Business Solutions Limited 13. Sohna Stud Farm Private Limited
Anuradha Jitendra Desai Father's name: Dr. B. Vasudev Rao Designation: Non-Executive Director Address: Venkatesh Farms, S. No.95/1,	52	<i>Other directorships</i> 1. Venkateshwara Hatcheries Private Limited 2. Venky's (India) Limited 3. Venco Research and Breeding Farm Private Limited 4. Venkateshwara Research and Breeding Farm

Name, Father's Name, Designation, Address, Occupation, Nationality Term and DIN	Age (in years)	Other Directorships/Partnerships
N.D.A Road, Mauje village Warje, Taluka Haveli, Pune 411 029 Occupation: Business Nationality: Indian Term: Appointed on February 24, 2003. Liable to retire by rotation. DIN: 00012212		Private Limited 5. Bala Industries and Entertainment Private Limited 6. Centre for International Trade in Agriculture and Agro based Industries 7. Agrocortex India Limited 8. Srivenk Investments and Finance Private Limited 9. B.V. Bio-Corp Private Limited 10. Uttara Masala Products Private Limited 11. Eastern Hatcheries Private Limited 12. Uttara Foods and Feeds Private Limited 13. All India Poultry Development and Services Private Limited 14. Poultry Development Promotion Council 15. Uttara Hatcheries and Agri-Farms Private Limited 16. Uttara Poultry and Agri-Farms Private Limited 17. Uttara Biosciences Private Limited 18. Uttara Impex Private Limited 19. Uttara Bakers Private Limited 20. Srivenk Biological Laboratories Private Limited 21. Bharat Egg Producers Association 22. National Agriculture and Food Analysis and Research Institute 23. Padmavati Marbles Private Limited 24. Venky's (Middle East) FZCO 25. Uttara Foods and Feeds (Bangladesh) Limited 26. Wayward Acres Inc. 27. Venky's South Africa Pty Ltd 28. Venky's Vietnam Co. Limited 29. Venky's USA Inc 30. Venky's London Limited 31. Blue Ridge Avain Services, Inc 32. Venky's XPRS UK Limited 33. Uttara Impex Private LLC 34. All India Broiler Farmers' Marketing Co-operative Society Limited <i>Partnerships</i> 1. Venkateshwara Foods and Feeds 2. Poultry Corporation of India
Vithal Maniar Father's name: Badrinarayan Ramdayal Maniar Designation: Non-Executive Director Address: 227, Nana Peth, Pune 411 002	74	<i>Other directorships</i> 1. Green Apple Developers Private Limited 2. Jaya Hind Investments Private Limited 3. Miracle Agro Products Private Limited 4. RVS Hospitality & Development Private Limited <i>Partnerships</i>

Name, Father's Name, Designation, Address, Occupation, Nationality Term and DIN	Age (in years)	Other Directorships/Partnerships
Occupation: Business Nationality: Indian Term: Appointed on October 22, 2007. Liable to retire by rotation. DIN: 00023045		1. Tool Crib 2. City Development Corporation
His Highness Gaj Singh Father's name: H. L. H. Maharaja Hanwant Singhji Designation: Independent Director Address: Umaid Bhawan Palace, Jodhpur 342 006, Rajasthan Occupation: Hotelier Nationality: Indian Term: For a period of five years with effect from June 30, 2014. DIN: 00061278	66	<i>Other directorships</i> 1. Engineers Impex Private Limited 2. Fortune Park Hotels Limited 3. Jodhan Investments and Finance Corporation Private Limited 4. Jodhan Real Estate Development Company Private Limited 5. Jodhana Alternative Energy Solutions India Private Limited 6. Jodhana Developers Private Limited 7. Jodhana Heritage Resorts Private Limited 8. Jodhana Medical & Research Centre Limited 9. Maharaja Heritage Resorts Limited 10. Mallani Hotels, Motels & Restaurants Private Limited 11. Marudhar Cultivators Private Limited 12. Marudhar Hotels Private Limited 13. Marudhar Investment Private Limited 14. Marudhar Theatre Private Limited 15. Marudhar Tours & Travels Private Limited 16. Mayur Travels Rajasthan Private Limited 17. Mehrangarh Enterprises 18. Mehrangarh Publishers Private Limited 19. Palace Hotels (India) Private Limited 20. Rajasthan Creative Alliance Network 21. Royal Marwar Hospitality Private Limited 22. Shankar Packagings Limited 23. Stadium Hotels Private Limited 24. Umaid Heritage Estate Management Private Limited 25. Umaid Investment Co. Private Limited <i>Partnerships</i> 1. Balsamand Horticulture & Animal Husbandry Enterprise 2. Estate Owners Associates
Shalaka Gulabchand Dhawan Father's name: Ajit Gulabchand Designation: Non-Executive Director Address: Hincon House, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083	36	<i>Other directorships</i> 1. Champali Garden Private Limited 2. Charosa Wineries Limited 3. Gulabchand Foundation 4. HCC Mauritius Investment Limited 5. Highbar Technologies Limited 6. Hincon Finance 7. Hincon Holdings Limited

Name, Father's Name, Designation, Address, Occupation, Nationality Term and DIN	Age (in years)	Other Directorships/Partnerships
Occupation: Company executive Nationality: Indian Term: Appointed on April 28, 2005. Liable to retire by rotation. DIN: 00011094		8. HREL 9. Sarama Petcare Private Limited
Sharad M. Kulkarni Father's name: Madhav Govind Kulkarni Designation: Independent Director Address: 161A, 16th Floor, Twin Towers, Veer Savarkar Marg, Prabhadevi, Mumbai 400 025 Occupation: Consultant and corporate advisor Nationality: Indian Term: For a period of five years with effect from June 30, 2014. DIN: 00003640	75	<i>Other directorships</i> 1. Bayer CropScience Limited 2. Camlin Fine Sciences Limited 3. HCC 4. HREL 5. JM Financial Trustee Company Private Limited 6. KEC International Limited 7. Navin Fluorine International Limited 8. Raychem RPG Private Limited 9. Styrolution ABS (India) Limited 10. Styrolution India Private Limited
Ram P. Gandhi Father's name: Pravinchandra Gandhi Designation: Independent Director Address: Amalfi, 6th Floor, 15 L. D. Ruparel Marg, Malabar Hill, Mumbai 400 006 Occupation: Business Nationality: Indian Term: For a period of three years with effect from June 11, 2014. DIN: 00050625	62	<i>Other directorships</i> 1. Beacons Private Limited 2. HCC 3. HCC Construction Limited 4. Hincon Finance 5. Hincon Holdings Limited 6. Pravin Chandra Private Limited 7. The States' People Private Limited 8. Western Securities Limited 9. Young Buzz India Limited 10. Indian Merchant Chamber 11. Janmabhoomi News Papers Education Foundation <i>Partnerships</i> 1. Kahan Traders 2. Pravinchandra & Sons
Subhash Dandekar Father's name: Digambar Dandekar Designation: Independent Director Address: 81 Kshitij, 99 Hill Road, Bandra (West), Mumbai 400 050	75	<i>Other directorships</i> 1. Cafco Consultants Limited 2. Camart Industries Limited 3. HREL 4. Chitpavan Foundation

Name, Father's Name, Designation, Address, Occupation, Nationality Term and DIN	Age (in years)	Other Directorships/Partnerships
Occupation: Industrialist Nationality: Indian Term: For a period of five years with effect from June 30, 2014. DIN: 00167875		
Anil Singhvi Father's name: Chandanmal Singhvi Designation: Independent Director Address: 131A, Twin Tower, Veer Savarkar Marg, Prabhadevi, Mumbai 400 025 Occupation: Consultant Nationality: Indian Term: For a period of five years with effect from June 30, 2014. DIN: 00239589	54	Other directorships - Capital First Limited - Greatship (India) Limited - HCC - HCC Infrastructure Company Limited - Ican Investments Advisors Private Limited - Institutional Investor Advisory Services India Limited - Steiner AG - Subex Limited Partnerships - Anagha Advisors LLP

Relationship between our Directors

Except for Shalaka Gulabchand Dhawan, who is the daughter of Ajit Gulabchand, none of our other Directors are related to each other.

Brief Biographies

Ajit Gulabchand is the Chairman and a Non-Executive Director of our Company. He holds a bachelor's degree in Commerce from the University of Mumbai. He has been associated with our Company for over 10 years. He has over 30 years experience and is the chairman and managing director of HCC and the chairman of Steiner AG. He is a member of Governor's Steering Board of Infrastructure and Urban Development Community at the World Economic Forum, Geneva. He is a member of the UK India Business Council Advisory Council. He has also been the president of the International Federation of Asian and Western Pacific Contractors' Associations. He is the chairman of the Governing Council of the Construction Skills Development Council of India and president of the Construction Federation of India. He is a member of the advisory board of the United Nations Disaster Risk Reduction – Private Sector Advisory Group. He has also been awarded the Infrastructure Leader of the Year from CNBC TV18.

Gautam Thapar is a Non-Executive Director of our Company. He is the group chairman of the Avantha Group. He is also the chairman of the board of governors, Doon School and president, Thapar University. He has approximately 21 years of experience and sits on the boards of various companies in India and abroad. He has been associated with our Company for seven years. He has been appointed as a board member of the National Security Advisory Board.

Anuradha Jitendra Desai is a Non-Executive Director of our Company. She is the chairperson of Venkateshwara Hatcheries Private Limited and VH group of companies. She has been associated with our Company for over 10 years. She has been awarded the Best Women Entrepreneur Gold Award from the Institute of Marketing & Management, the Best Woman Entrepreneur Award from U.B. Group and the Udyog Rattan Award by the Institute of Economic Studies. Anuradha Jitendra Desai has also served as president of the World Poultry Science Association.

Vithal Maniar is a Non-Executive Director of our Company. He holds a bachelor's degree in commerce and a bachelor's degree in law from the Pune University. He has been associated with our Company for approximately five years. Vithal Maniar has over 30 years of experience and serves on the board of various companies.

His Highness Gaj Singh is an Independent Director of our Company. He is the managing director of Jodhan Investments and Finance Corporation Private Limited. He has been associated with our Company since July 2010. He has approximately 40 years of experience in the hospitality industry. In 2006 he was awarded the Hadrian award by the World Monuments Fund.

Shalaka Gulabchand Dhawan is a Non-Executive Director of our Company. She holds a bachelor's degree from Boston University, U.S.A. majoring in international relations. She has approximately 13 years of experience. She is currently the Vice President –Business Development at HCC.

Sharad M. Kulkarni is an Independent Director of our Company. He holds a bachelor's degree in engineering from the University of Pune and is also a fellow member of the Institution of Engineers (India). He has been associated with our Company for the last four years. He has approximately 45 years of experience. He was on the advisory Board of the Indian Education Society's Management College & Research Centre. He has also been awarded the National Citizen's Award by the Vice President of India. He has been also a member of the Asia Pacific Advisory Board of JohnsonDiversey INC, USA.

Ram P. Gandhi is an Independent Director of our Company. He obtained a bachelor's degree in commerce from Mumbai University. He has been associated with our Company since July 2010. He has been associated with the Indian Merchants' Chamber ("IMC") and has served as a president. He was also a member on the Advisory Board of the Bank of Tokyo – Mitsubishi UFJ, Limited. He was also a trustee (board member) of the Mumbai Port Trust. He is also a member of the managing committee of Associated Chambers of Commerce and Industry of India. He is a member of Executive Committee of International Chamber of commerce – ICC India. He is a member on the board of the General Council of ICC World Chambers Federation.

Subhash Dandekar is an Independent Director of our Company. He obtained a bachelor's degree in science from Mumbai University. He holds a Diploma of Membership in Chemical Technology (Research Methods) from The Royal College of Science and Technology, Glasgow. He has been associated with our Company for the past two years. He is the Chairman Emeritus of Kokuyo Camlin Limited. He was appointed as a senior corporate advisor by Camlin Fine Sciences Limited and president of the Shushrusha Citizen's Co-operative Hospital Limited, Mumbai. He has served as president at the Maharashtra Economic Development Council. He has been awarded the Vaibhav Udyog Ratna Award by Prasar Bharati. The Life Time Achievement Award (Enterprise Development) from the Wisitex Foundation, and the Life Time Achievement Award, 2010-11 from the Thane Manufacturers' Association. He has been on the advisory board of Babasaheb Gawade Institute of Management Studies.

Anil Singhvi is an Independent Director of the Company. A chartered accountant by profession, he has over 30 years of experience in the corporate sector, out of which he spent 22 years with Ambuja Cements Limited. He has been associated with our Company for the past 2 years. He founded Institutional Investor Advisory Services India Limited, a proxy advisory company for institutional investors. He acts as an advisor to corporate organisations and private equity firms in India. He is also associated with the Foundation for Liberal and Management Education. Further, he is also on the Indian Advisory Board of Habitat for Humanity.

As of date of this Draft Red Herring Prospectus, Sharad M. Kulkarni, Ram P. Gandhi and Anil Singhvi serve as independent directors on the Board of our Company as well as our promoter, HCC.

Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.

Except as provided below, none of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company:

Particulars	Details
Name of the Director	Ajit Gulabchand
Name of the company	The Indian Hume Pipe Co. Limited
Name of the stock exchange(s) on which the company	Pune Stock Exchange Limited

Particulars	Details
was listed	
Date of delisting on stock exchanges	January 16, 2004
Whether the delisting was compulsory or voluntary delisting	Voluntary
Reasons for delisting	Due to no transactions on the Pune Stock Exchange Limited, the company had sought delisting of its shares from the same
Whether the company has been relisted	No
Date of relisting, in the event the company is relisting	Not Applicable
Name of the stock exchange(s) on which the company was relisted	Not Applicable
Term of directorship (along with relevant dates) in the company	Ajit Gulabchand is a director of the company with effect from February 4, 1993

Terms of Appointment of the Chairman

Ajit Gulabchand

Ajit Gulabchand was appointed the Chairman of our Company on May 7, 2003. Pursuant to Board and shareholders' resolutions dated February 24, 2003 and December 5, 2003 respectively, Ajit Gulabchand was appointed a Non-Executive Director of our Company and is liable to retire by rotation. Ajit Gulabchand does not receive any remuneration from our Company.

Payment or benefit to Directors of our Company

Apart from sitting fees, our Company does not pay any other remuneration to our Directors.

1. Remuneration to Executive Directors:

Our Company did not have any Executive Directors in Fiscal Year 2014.

2. Remuneration to Non-Executive Directors:

The details of the sitting fees paid to the Non-Executive Directors of our Company in Fiscal Year 2014 are set forth in the table below:

Sr. No.	Name of the Director	Sitting Fees (In ₹)
1.	Ajit Gulabchand	Nil*
2.	Gautam Thapar	Nil
3.	Anuradha Jitendra Desai	Nil
4.	Vithal Maniar	80,000
5.	His Highness Gaj Singh	30,000
6.	Shalaka Gulabchand Dhawan	40,000
7.	Sharad Kulkarni	80,000
8.	Ram P. Gandhi	10,000
9.	Subhash Dandekar	80,000
10.	Anil Singhvi	80,000

* Sitting fees is not paid to Ajit Gulabchand for attending meetings of our Company as he is an executive director of HCC.

Except as stated in this section, no amount or benefit has been paid within the two preceding years or is intended to be paid or given to any of our Company's officers including our Directors and key management personnel. Except as disclosed in the section "Financial Statements", none of the beneficiaries of loans, and advances and sundry debtors are related to the Directors of our Company. Further, except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors and our key management personnel, are entitled to any benefits upon termination of employment.

No remuneration has been paid, or is payable, to the Directors of our Company by our Subsidiaries or Associates.

Arrangement or understanding with major shareholders, customers, suppliers or others

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors was appointed on the Board.

Shareholding of Directors in our Company

The shareholding of our Directors as of the date of filing this Draft Red Herring Prospectus is set forth below:

Name of Director	Number of Equity Shares held
Ajit Gulabchand	18
Vithal Maniar	6,660
Gautam Thapar	11,812,913

Our Articles of Association do not require our Directors to hold any qualification shares.

Shareholding of Directors in Subsidiaries and Associate Companies

Our Directors do not hold any shares in our Subsidiaries and Associates.

Appointment of relatives of Directors to any office or place of profit

Relatives of Directors do not currently hold any office or place of profit in our Company.

Interest of Directors

The Independent Directors may be interested to the extent of sitting fees payable to them for attending meetings of the Board of Directors or a committee thereof. All Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or Allotted to them or to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to the Issue. All of our Directors may also be deemed to be interested to the extent of any dividends payable to them and other distributions in respect of the Equity Shares and preference shares, if any.

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors. Our Company has not entered into any service contracts with our Directors which provide for benefits upon termination of employment of our Directors.

Our Directors have no interest in the promotion of our Company other than in the ordinary course of business. Further, our Directors have no interest in any property acquired or proposed to be acquired by our Company within the two years from the date of this Draft Red Herring Prospectus. Our Company has, in the past, leased villas (including sale of built up area) in Lavasa on a long term basis to certain of our Directors. None of our Directors have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery. Our Company has entered into an agreement with Hicon Finance on September 17, 2013, pursuant to which Hicon Finance has transferred its rights and interest over 6.6 acres of land to our Company. Ajit Gulabchand, Shalaka Gulabchand Dhawan and Ram P. Gandhi, are common directors on board of Hicon Finance and our Company.

Except as stated in "Related Party Transactions" on page 308 and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

No loans have been availed by our Directors or the key management personnel from our Company.

Changes in the Board in the last three years

Name	Date of Appointment/ Change/ Cessation	Reason

Name	Date of Appointment/ Change/ Cessation	Reason
Ajay Shirke	November 3, 2011	Resignation
Sam Bhadha	June 11, 2012	Resignation
Subhash Dandekar	June 11, 2012	Appointed as Independent Director
Anil Singhvi	October 22, 2012	Appointment as additional Director
Anil Singhvi	June 17, 2013	Confirmed as Independent Director
His Highness Gaj Singh	June 30, 2014	Appointed as Independent Director under the Companies Act, 2013
Sharad M. Kulkarni	June 30, 2014	Appointed as Independent Director under the Companies Act, 2013
Ram P. Gandhi	June 11, 2014	Appointed as Independent Director under the Companies Act, 2013
Subhash Dandekar	June 30, 2014	Appointed as Independent Director under the Companies Act, 2013
Anil Singhvi	June 30, 2014	Appointed as Independent Director under the Companies Act, 2013

Borrowing Powers of Board

Our Company has, pursuant to an AGM held on June 11, 2014 resolved that in accordance with the provisions of the Companies Act, our Board is authorised to borrow such sum or sums of money, from any bank(s), financial institution(s) and / or any other institution(s), firm(s), bodies corporate, government(s) and / or any other person(s) in India or abroad, either in rupee currency and / or foreign currency, including but not limited to debentures, bonds and / or any other foreign debt securities etc., in any manner, from time to time, with or without security and upon such terms and conditions as the Board may deem fit and expedient for the purposes of the businesses of our Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of our Company and its free reserves, provided however, that the amounts so borrowed by the Board (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) and outstanding at any time shall not exceed the sum of ₹ 100,000 million.

Corporate Governance

The provisions of the Equity Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the Listing Agreement 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.

Our Board has been constituted in compliance with the Companies Act and Equity Listing Agreement with Stock Exchanges. The Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board detailed reports on its performance periodically.

Currently, our Board has 10 Directors and our Chairman is Ajit Gulabchand. In compliance with the requirements of Clause 49 of the Equity Listing Agreement, our Chairman is a non-Executive Director and we have five Non-Executive Directors and five Independent Directors, on our Board. Further, in compliance with the Equity Listing Agreement, we have a woman director on our Board.

Committees of the Board

In addition to the committees of the Board detailed below, our Board of Directors may, from time to time, constitute committees for various functions.

Audit Committee

The members of the Audit Committee are:

1. Sharad Kulkarni, *Chairman*;
2. Vithal Maniar;
3. Anil Singhvi; and
4. Subhash Dandekar.

The Audit Committee was constituted by a meeting of our Board held on December 9, 2003 and was reconstituted on July 16, 2010. Audit committee meetings were held four times during the preceding financial year. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement and its terms of reference include the following:

1. Overseeing the Company's financial reporting process and 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 replacement, remuneration and terms of appointment of the statutory auditor and the fixation of audit fee;
3. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
4. Approval of payments to the statutory auditors for any other services rendered by statutory auditors;
5. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - i) Matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - iii) Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv) Significant adjustments made in the financial statements arising out of audit findings;
 - v) Compliance with listing and other legal requirements relating to financial statements;
 - vi) Disclosure of any related party transactions;
 - vii) Qualifications in the draft audit report.
6. Reviewing and examination, with the management, the quarterly, half-yearly and annual financial statements and the auditors' report thereon before submission to the Board for approval;
7. Scrutiny of inter-corporate loans and investments;
8. Valuation of undertakings or assets of the company, wherever it is necessary;
9. Evaluation of internal financial controls and risk management systems;
10. Approval or any subsequent modification of transactions of the Company with related parties;
11. 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 utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
12. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
13. 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;

14. Discussion with internal auditors any significant findings and follow up thereon;
15. 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;
16. 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;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;
18. Approval of appointment of the chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging the function) after assessing the qualifications, experience and background, etc. of the candidate;
19. Reviewing the functioning of the whistle blower mechanism, in case the same is existing; and
20. Carrying out any other functions as is mentioned in the terms of reference of the Audit Committee.

The powers of the Audit Committee shall include the following:

1. To investigate activity within its terms of reference;
2. To seek information from any employees;
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and result of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the chief internal auditor.

The Audit Committee is required to meet at least four times in a year under Clause 49 of the Listing Agreement.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Subhash Dandekar, *Chairman*;
2. Ajit Gulabchand; and
3. His Highness Gaj Singh.

The Nomination and Remuneration Committee was constituted by our Board on April 28, 2014. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013. The terms of reference of the Nomination and Remuneration Committee include the following:

1. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
2. Formulating the criteria for determining qualifications, positive attributes and independence of a director;

3. Formulating and recommending to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
4. Formulation of criteria for evaluation of Independent Directors and the Board; and
5. Devising a policy on Board diversity.

Stakeholders Relationship Committee

The members of the Stakeholders Relationship Committee are:

1. Ajit Gulabchand, *Chairman*;
2. Vithal Maniar; and
3. Shalaka Gulabchand Dhawan.

The Stakeholders Relationship Committee was constituted by our Board on June 28, 2014. This committee is responsible for the redressal of shareholder grievances.

The terms of reference of the Stakeholders Relationship Committee of our Company include the following: noting transfer / transmission of shares, review of dematerialized / rematerialized shares and other related matters, monitors expeditious redressal of investor grievance matters received from the stock exchanges, SEBI, registrar of companies, monitoring redressal of queries / complaints received from members relating to transfers, non-receipt of annual report, non receipt of dividend, redressal of grievances of shareholders, debenture holders and other security holders.

ESOP Compensation Committee

The members of this committee are:

1. Ajit Gulabchand, *Chairman*;
2. Ram P. Gandhi; and
3. Vithal Maniar.

This committee was constituted by our Board at its meeting held on October 22, 2007 and was re-constituted on July 16, 2010. The terms of reference of this committee include the following:

- a) The quantum of options to be granted under the Scheme per employee and in aggregate.
- b) The conditions under which option vested in employees may lapse in case of termination of employment for misconduct.
- c) The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period.
- d) The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee.
- e) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period.
- f) The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regards, the following be taken into consideration by the compensation committee:
 - i) The number and the price of ESOS shall be adjusted in a manner such that total value of the ESOS remains the same after the corporate action.
 - ii) Global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered.
 - iii) The vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holders.

- g) The grant, vest and exercise of option in case of employees who are on long leave;
- h) Fringe benefit tax on issue of options or the shares upon exercise of the options.

Corporate Social Responsibility Committee:

The members of the Corporate Social Responsibility Committee are:

- 1. His Highness Gaj Singh (Chairman),
- 2. Mr. Ajit Gulabchand
- 3. Ms. Shalaka Gulabchand Dhawan

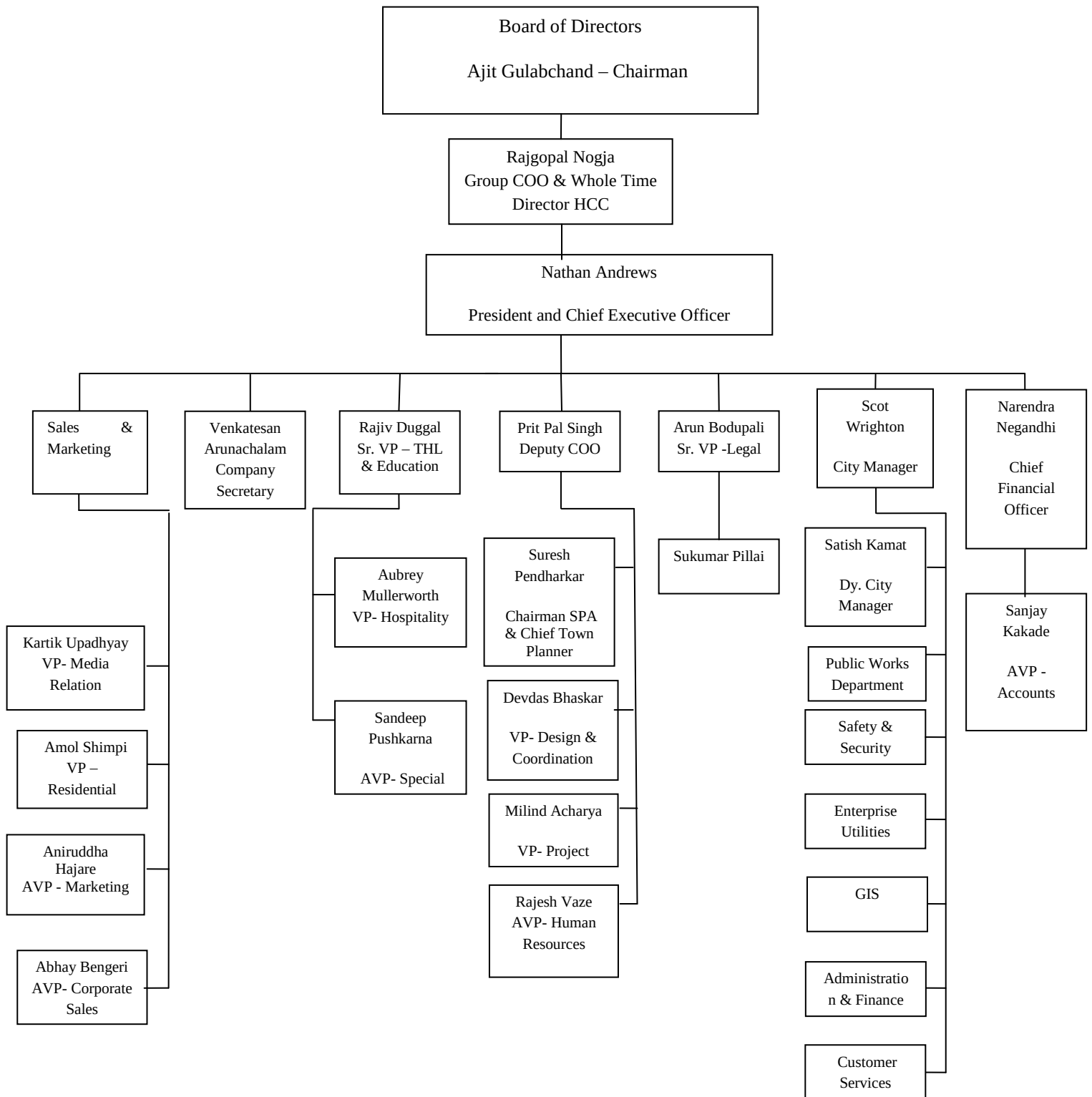
The Corporate Social Responsibility Committee was constituted by our Board on April 28, 2014. The scope and functions of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013. The terms and reference of the Corporate Social Responsibility Committee include the following:

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- b) Recommend the amount of expenditure to be incurred on activities referred in the CSR Policy.
- c) Monitor the CSR Policy of the Company and its implementation from time to time.

Employee Stock Options Scheme

For details of our Company's employee stock option schemes, see "Capital Structure" on page 101.

Management Organisation Chart



Key Management Personnel

The details of our key management personnel, as of the date of this Draft Red Herring Prospectus, are as follows.

Nathan Andrews, aged 55, is President and Chief Executive Officer of our Company. He holds a bachelor's degree in arts (special) from the University of Bombay and has completed his diploma in hotel management from the Oberoi School of Hotel Management. He has also attended sessions for creative selling, motivation and leadership at the Center for Professional Development, School of Hotel Administration, Cornell University. He has experience in hospitality industry. He joined our Company on April 28, 2014. Prior to joining our Company, Nathan Andrews has worked as the chief marketing officer - with the Kohinoor CTNL Infrastructure Company Private Limited. During Fiscal Year 2014, he was not paid any compensation. His term of office expires on January 27, 2017.

Sureshkumar Prabhakar Pendharkar, aged 68, is the chief planner of our Company. He holds a bachelor's degree in architecture from the Nagpur University and a master's degree in civil engineering - town planning from University of Poona. He is also an associate member of the Institute of Town Planners, India, and has approximately 41 years of experience in town planning. Sureshkumar Prabhakar Pendharkar has worked with the Mumbai Metropolitan Region Development Authority for 25 years, and retired as the chief, planning division and chief of town and country planning division. He has been associated with our Company since July 1, 2005. During Fiscal Year 2014, he was paid a gross compensation of ₹ 10 million. His term of office expires on March 31, 2015.

Scot Wrighton, aged 56, is the city manager of our Company. He holds a bachelor's degree in arts from Sterling College, Kansas, USA and a master's degree in public administration from the University of Kansas. He has over 20 years of experience in city management and has been a municipal officer of different states such as of Illinois, Kansas and Missouri. He joined the Company on April 27, 2009. Prior to joining our Company, Scot Wrighton, has worked as a managerial development associate with the University of Georgia assisting local governments in the United States and internationally. During Fiscal Year 2014, he was paid a gross remuneration of ₹ 13.57 million. His term of office expires on April 26, 2016.

Arun Bodupali, aged 47, is the senior vice president – group legal of our Company. He holds a bachelor's degree in science from University of Bombay and a bachelor's degree in law from Government Law College, Mumbai. He has experience in dealing legal functions. He joined our Company on March 10, 2006. During Fiscal Year 2014, he was paid a gross compensation of ₹ 10.72 million. His term of office expires on June 30, 2024.

Venkatesan Arunachalam, aged 46, is the Company Secretary of our Company. He holds a bachelor's degree in commerce from the Mumbai University and a bachelor's degree in general law from the Mumbai University. He is an associate company secretary and has done intermediate from Institute of Cost and Works Accountants of India. He has experience in secretarial and legal functions. He joined our Company on May 7, 2007. Prior to joining our Company, Venkatesan Arunachalam, worked as the head company secretary and legal with Shrinagar Cinemas Limited. During Fiscal Year 2014, he was paid a gross compensation of ₹ 4.92 million. His term of office expires on May 4, 2026.

Pritpal Singh, aged 40, is the Deputy Chief Operating Officer of our Company. He holds a bachelor's degree in Technology from Maharshi Dayanand University, Rohtak, a diploma in civil engineering from Haryana Polytechnic Nilokheri, Karnal, a master's degree in business administration from Sikkim Manipal University and a doctorate in management studies from the Indian School of Business Management and Administration. He has experience in operations and Corporate affairs. He joined our Company on May 7, 2007. Prior to joining our Company, Pritpal Singh, worked as senior manager, with Urban Infrastructure Constructions Private Limited. During Fiscal Year 2014, he was paid a gross compensation of ₹ 6.72 million. His term of office expires on July 06, 2031.

Rajiv Duggal, aged 48, is the senior vice president – Tourism, Hospitality and Leisure of our Company. He holds a diploma in Hotel Management from the National Council for Hotel Management and Catering Technology, New Delhi. He has experience in Tourism. He joined our Company on February 11, 2013. Prior to joining our Company, Rajiv Duggal, worked as managing director, with Kuoni Travels (India) Private Limited. During Fiscal Year 2014, he was paid a gross compensation of ₹ 9.86 million. His term of office expires on December 2, 2023.

Narendra Negandhi, aged 59, is the Chief Finance Officer of our Company. He holds a degree in Chartered

Accountancy and a bachelor's degree in science from Bombay University. He has over 29 years of experience dealing in finance and accounts. He joined our Company on April 28, 2014. Prior to joining our Company, Narendra Negandhi, worked as Senior Vice President – Finance & Accounts with HCC Real Estate Limited. During Fiscal Year 2014, he was not paid any compensation. His term of office expires on October 31, 2014.

None of our key management personnel are related to each other.

All our key management personnel are the permanent employees of our Company.

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our key management personnel were selected as members of our senior management.

Shareholding of key management personnel

None of our key management personnel hold any Equity Shares in our Company.

Bonus or profit sharing plan of the key management personnel

Our Company has a performance linked pay for the key management personnel based on certain performance parameters.

Interests of key management personnel

The key management personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and the employee stock options held, if any. The key management personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any.

The following are the details of the employee stock options granted by the following key management personnel:

Name of the Key Management Personnel	Number of Options granted
Arun Bodupali	224,126
Sureshkumar P. Pendharkar	224,126

Our Company has, in the past, leased villas (including sale of built up area) in Lavasa on a long term basis to certain of our key management personnel.

Changes in our key management personnel

The changes in our key management personnel in the last three years are as follows:

Name	Date of change	Reason for change
Nathan Andrews	November 30, 2011	Resignation
Rajiv Duggal	February 11, 2013	Appointment
Rajgopal Nogja	April 30, 2013	Resignation
Ambuj Jain	January 2, 2014	Transferred to HCC
Nathan Andrews	April 28, 2014	Appointment
Anuradha Paraskar	April 11, 2014	Resignation
Narendra Negandhi	April 28, 2014	Appointment
Vinayak Jadhav	May 1, 2014	Transferred to HCC

Payment or Benefit to officers of our Company

Except for special bonus of ₹ 1 million paid to Pritpal Singh in April 2013 and ₹ 1.5 million paid to Arun Bodupali for the financial year 2011-2012, no non-salary related amount or benefit (except ESOPs granted, if any) has been paid or given within two years, or intended to be paid or given, to any employee of our Company (including our Directors and key management personnel).

PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are:

1. Hindustan Construction Company Limited; and
2. HCC Real Estate Limited.

The aggregate shareholding of HCC and HREL in our Company is 68.70%. For details of shareholding of our Promoters and other shareholders in our Company, please see “Capital Structure” on page 101.

1. Hindustan Construction Company Limited

Corporate Information

HCC was incorporated on January 27, 1926 as a public limited company. The registered office of HCC is located at Hincan House, 11th floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083. The equity shares of HCC are listed on the BSE Limited and the National Stock Exchange of India Limited. In addition, non convertible debentures of HCC are also listed on the BSE Limited. Global depository shares of HCC are listed on the Luxembourg Stock Exchange and the same are also admitted for trading on London Stock Exchange.

The principal business of HCC spans across the following five broad segments:

- Engineering and construction;
- Infrastructure developer;
- Integrated township and urban development;
- Real estate; and
- Total services contractor.

Board of Directors

The board of directors of HCC comprises of:

1. Ajit Gulabchand
2. Rajas R. Doshi
3. Ram P. Gandhi
4. Sharad M. Kulkarni
5. D. M. Popat
6. Anil Singhvi
7. Rajgopal Nogja

Shareholding Pattern

The shareholding pattern of HCC as on May 2, 2014 is provided below:

Category code	Category of shareholder	Number of shareholders	Total number of shares	Total number of shares held in dematerialised 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 of a % of total number of shares
(A)	Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/ Hindu Undivided Family	4	2,127,294	2,127,294	0.33	0.33	0	0.00
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	4	278,887,786	278,887,786	43.19	43.18	200,703,600	71.97
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (A)(1)	8	28,1015,080	281,015,080	43.52	43.51	200,703,600	71.42
(2)	Foreign							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	8	281,015,080	281,015,080	43.52	43.51	200,703,600	71.42
(B)	Public shareholding							
(1)	Institutions							
(a)	Mutual Funds/ UTI	5	12,815,056	12,806,056	1.98	1.98	0	0.00
(b)	Financial Institutions/ Banks	8	1,546,829	1,544,329	0.24	0.24	0	0.00
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-
(e)	Insurance	4	8,382,144	8,382,144	1.30	1.30	0	0.00

Category code	Category of shareholder	Number of shareholders	Total number of shares	Total number of shares held in dematerialised 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 of a % of total number of shares
	Companies							
(f)	Foreign Institutional Investors	40	82,001,367	81,935,367	12.70	12.70	0	0.00
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (B)(1)	57	104,745,396	104,667,896	16.22	16.22	0	0.00
(2)	Non-institutions							
(a)	Bodies Corporate	2581	60,900,578	60,813,578	9.43	9.43	0	0.00
(b)	Individuals							
(i)	Individual shareholders holding nominal share capital up to ₹ 1 lakh.	209,022	177,555,122	169,278,331	27.50	27.49	0	0.00
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	75	21,465,710	21,465,710	3.33	3.33	0	0.00
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-
(d)	Any Other (specify)	6	23,500	23,500	0.00	0.00	0	0.00
	Trusts	6	23,500	23,500	0.00	0.00	0	0.00
	Directors & their Relatives & Friends	-	-	-	-	-	-	-
	Sub-Total (B)(2)	211,684	259,944,910	251,581,119	40.26	40.25	0	0.00
	Total Public Shareholding (B)= (B)(1)+(B)(2)	211,741	364,690,306	356,249,015	56.48	56.47	0	0.00
	TOTAL (A)+(B)	211,749	645,705,386	637,264,095	100.00	99.98	20,07,03,600	31.08
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0.00	0	0.00
(1)	Promoter and Promoter Group	0	0	0	0.00	0.00	0	0.00
(2)	Public	1	120,720	120,720	0.00	0.02	0	0.00
	Sub Total	1	120,720	120,720	0.00	0.02	0	0.00
	TOTAL (A)+(B)+(C)	211,750	645,826,106	637,384,815	0.00	100.00	200,703,600	31.08

Financial Performance

The operating results of HCC for the last three Fiscal Years, on an unconsolidated basis, are as follows:

(₹ in million, except share data)

S. No.	Particulars	For the year ended		
		March 31, 2014	March 31, 2013	March 31, 2012
1.	Equity capital	606.70	606.70	606.70
2.	Reserves (excluding revaluation reserves) and surplus	11,867.30	11,021.10	12,341.20
3.	Income including other income	42,561.10	39,666.30	41,110.60
4.	Profit after tax	806.40	(1,376.40)	(2,222.50)
5.	Earnings per share (face value ₹ 1)	1.33	(2.27)	(3.66)
6.	Earnings per share (diluted) (face value ₹ 1)	1.33	(2.27)	(3.62)
7.	Net asset value per share	20.83	19.17	21.34

There has been no change in the control or the management of HCC in the three years preceding the filing of this Draft Red Herring Prospectus.

Our Company confirms that the permanent account number, bank account number, company registration number and the address of the registrar of companies where HCC is registered shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus with them.

Interests of HCC and Common Pursuits

HCC is interested to the extent that it has promoted our Company and to the extent of its shareholding and the dividend payable, if any and other distributions in respect of the shares held by it. For details on the shareholding of HCC in our Company, please see “Capital Structure” on page 101.

Certain directors and employees of HCC are also Directors of our Company or our Subsidiaries.

Except as stated in the section “Related Party Transactions” on page 308 and this Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which HCC is directly or indirectly interested and no payments have been made to HCC in respect of the contracts, agreements or arrangements which are proposed to be made with HCC including the properties purchased or proposed to be purchased by our Company.

Except as disclosed in this Draft Red Herring Prospectus, HCC has no interest in acquisition of land, construction of buildings and supply of machinery undertaken by our Company.

Except for HREL, HRL (Thane) Real Estate Limited, HRL Township Developers Limited, Nashik Township Developers Limited, Maan Township Developers Limited, HCC Realty Limited, Powai Real Estate Developers Limited and Panchkutir Developers Limited, which are engaged in the same line of business as our Company, HCC does not have any interest in any venture that is involved in any activities similar to those conducted by our Company. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise. Our Company has entered into a consultancy agreement dated September 9, 2010 with HCC and HREL. Pursuant to the same, HCC and HREL have conferred the right to develop new cities on our Company and its affiliates and in the event our Company does not propose to develop such city, HCC and HREL shall appoint our Company as a consultant for the company which shall undertake the development. The fees and scope of services will be decided between the parties on a case to case basis.

Except as stated in “Financial Statements”, HCC is not related to any of the sundry debtors of our Company.

Payment or benefits to HCC

Except as stated in “Related Party Transactions” on page 308, there has been no payment or benefits to HCC during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to HCC as on the date of this Draft Red Herring Prospectus.

Companies with which HCC has disassociated in the last three years

Except as provided below, HCC has not disassociated with any companies during the three years preceding the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the company	Reasons for disassociation
1.	HCC Singapore Enterprises Pte Ltd	Dissolution of the entity
2.	Klemanor Investments Limited	Dissolution of the entity
3.	Hincon Technoconsult Limited	Amalgamated with Highbar Technologies Limited, wholly owned subsidiary of HCC

2. HCC Real Estate Limited

Corporate Information

HREL was incorporated on June 15, 2005 as a public limited company as Hincan Realty Limited. The name of the company was changed to HCC Real Estate Limited and a fresh certificate of incorporation was issued on August 8, 2006. The registered office of HREL is located at Hincan House, 11th floor, 247Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083.

The principal business of HREL is construction and development of buildings, houses, halls, flats, office premises, shops, residential / commercial complexes, shopping malls, entertainment parks or any landed property.

Board of Directors

The board of directors of HREL comprises of:

- Ajit Gulabchand
- Shalaka Gulabchand Dhawan
- Sharad M. Kulkarni
- Subhash Dandekar
- Arjun Dhawan

Shareholding Pattern

The shareholding pattern of HREL is provided below:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	HCC	66,193,179	99.99
2.	Ajit Gulabchand*	1	0
3.	Arun Karambelkar*	1	0
4.	Shalaka Gulabchand Dhawan*	1	0
5.	V. P. Kulkarni*	1	0
6.	Rajgopal Nogja*	1	0
7.	Praveen Sood*	1	0
	Total	66,193,185	100.00

* As nominees of HCC.

Financial Performance

The operating results of HREL for the last three Fiscal Years, on an unconsolidated basis, are as follows:

(₹ in million, except share data)

S. No.	Particulars	For the year ended		
		March 31, 2014	March 31, 2013	March 31, 2012
1.	Equity capital	661.93	661.93	661.93
2.	Reserves (excluding revaluation reserves) and surplus	3,724.91	3,733.11	3,722.30
3.	Income including other income	256.36	232.56	229.03
4.	Profit after tax	(8.20)	10.81	20.68
5.	Earnings per share (face value ₹ 10)	(0.12)	0.16	0.31
6.	Earnings per share (diluted) (face value ₹ 10)	(0.12)	0.16	0.31
7.	Net asset value per share	66.27	66.40	66.23

There has been no change in the control or the management of HREL in the three years preceding the filing of this Draft Red Herring Prospectus.

Our Company confirms that the permanent account number, bank account number, company registration number and the address of the registrar of companies where HREL is registered shall be submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus.

Interests of HREL and Common Pursuits

HREL is interested to the extent that it has promoted our Company and to the extent of its shareholding and the dividend payable, if any and other distributions in respect of the shares held by it. For details on the shareholding of HREL in our Company, see “Capital Structure” on page 101.

Certain directors of HREL are also Directors of our Company or our Subsidiaries.

Except as stated in the section “Related Party Transactions” and this Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which HREL is directly or indirectly interested and no payments have been made to HREL in respect of the contracts, agreements or arrangements which are proposed to be made with HREL including the properties purchased or proposed to be purchased by our Company.

HREL has no interest in acquisition of land, construction of buildings and supply of machinery undertaken by our Company.

HREL is engaged in the same line of business as our Company. Except for HRL (Thane) Real Estate Limited, HRL Township Developers Limited, Nashik Township Developers Limited, Maan Township Developers Limited, HCC Realty Limited, Powai Real Estate Developers Limited and Panchkutir Developers Limited, which are engaged in the same line of business as our Company, HREL does not have any interest in any venture that is involved in any activities similar to those conducted by our Company. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise. Our Company has entered into a consultancy agreement dated September 9, 2010 with HCC and HREL. Pursuant to the same, HCC and HREL have conferred the right to develop new cities on our Company and its affiliates and in the event our Company does not propose to develop such city, HCC and HREL shall appoint our Company as a consultant for the company which shall undertake the development. The fees and scope of services will be decided between the parties on a case to case basis.

Except as disclosed in “Financial Statements”, HREL is not related to any of the sundry debtors of our Company.

Payment or benefits to HREL

Except as stated in “Related Party Transactions” on page 308, there has been no payment of benefits to HREL during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to HREL as on the date of this Draft Red Herring Prospectus.

Companies with which HREL has disassociated in the last three years

Except as provided below, HREL has not disassociated with any company during the three years preceding the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the company	Reasons for disassociation
1.	Vikhroli Corporate Park Private Limited	The shareholding of HREL in Vikhroli Corporate Park Private Limited was transferred to HCC for a consideration of ₹ 8,000,000

Confirmations

Our Promoters have not been declared as wilful defaulters by the RBI or any other government authority. Further, there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters and Promoter Group entities have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by an ministry, department of the government or statutory authority during the last five years preceding the date of this Draft Red Herring Prospectus against our Promoters, except as disclosed under the section “Outstanding Litigation and Material Developments” on page 456.

Except as disclosed in this Draft Red Herring Prospectus, our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

Promoters of our Promoters

1. Promoters of HCC

The promoters of HCC are:

- (a) Hincon Holdings Limited;
- (b) Hincon Finance;
- (c) Shalaka Investment Private Limited;
- (d) Ajit Gulabchand; and
- (e) Shalaka Gulabchand Dhawan.

(a) Hincon Holdings Limited

Corporate Information

Hincon Holdings Limited was incorporated on September 24, 1996 as a private limited company as Hincon Holdings Private Limited. The company was converted to a public limited company and the name of the company was changed to Hincon Holdings Limited with effect from July 23, 1999. The registered office of Hincon Holdings Limited is located at Hincon House, 11th floor, 247 Park Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083.

Hincon Holdings Limited is registered with the RBI as a non-banking finance company. The principal business of Hincan Holdings Limited is to carry on business as an investment company and other related activities.

Board of Directors

The board of directors of Hincan Holdings Limited comprises of:

1. Ajit Gulabchand;
2. Shalaka Gulabchand Dhawan; and
3. Ram P. Gandhi.

Shareholding pattern

The shareholding pattern of Hincan Holdings Limited is provided below:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Ajit Gulabchand	651,327	70.29
2.	Gulabchand Memorial Trust	86,096	9.29
3.	Ajit Gulabchand HUF	61,331	6.62
4.	Gulabchand Hirachand HUF	52,713	5.69
5.	Meera Gulabchand	22,478	2.43
6.	Shalaka Gulabchand Dhawan	11,364	1.23
7.	Shalaka Investment Private Limited	1,100	0.12
8.	K. G. Tendulkar	11	0
9.	Public	40,190	4.33
	Total	9,266,10	100.00

(b) Hincan Finance Limited

Corporate Information

Hincan Finance was incorporated on May 20, 1992 as a private limited company under the name of Hindustan Finvest Private Limited. The company was converted to a public limited company and the name of the company was changed to Hindustan Finvest Limited with effect from August 1, 1995. The name of the company was changed to its present name pursuant to a fresh certificate of incorporation issued upon change of name dated September 5, 2006. The registered office of Hincan Finance is located at Hincan House, 11th floor, 247Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083.

Hincan Finance is registered with the RBI as a non-banking finance company. Hincan Finance is engaged in investing, acquiring, holding and exchanging shares, stocks, debentures, debenture stocks, bonds, obligations and securities and carrying on the activities of a finance company.

Board of Directors

The board of directors of Hincan Finance comprises of:

1. Ajit Gulabchand;
2. Shalaka Gulabchand Dhawan;
3. Ram P. Gandhi; and
4. Praveen Sood.

Shareholding pattern

The shareholding pattern of Hincan Finance is provided below:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Ajit Gulabchand	174,896	21.86
2.	Shalaka Gulabchand Dhawan	20,001	2.50

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 10 each	Percentage of total equity holding (%)
3.	HCC	120,000	15.00
4.	Hincon Holdings Limited	390,000	48.75
5.	Shalaka Investment Private Limited	95,000	11.88
6.	K G Tendulkar	101	0.01
7.	Praveen Sood	1	0.00
8.	V P Kulkarni	1	0.00
	Total	800,000	100.00

(c) Shalaka Investment Private Limited

Corporate Information

Shalaka Investment Private Limited was incorporated on April 5, 1979 as a private limited company. The registered office of Shalaka Investment Private Limited is located at Hincon House, 11th floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083.

The principal business of Shalaka Investment Private Limited is to act as an investment company and related activities.

Board of Directors

The board of directors of Shalaka Investment Private Limited comprises of:

1. Ajit Gulabchand; and
2. Meera Gulabchand.

Shareholding pattern

The shareholding pattern of Shalaka Investment Private Limited is provided below:

Sr. No.	Name of the shareholder	No. of equity shares of ₹ 100 each	Percentage of total equity holding (%)
1.	Ajit Gulabchand	6,500	92.86
2.	Meera Gulabchand	251	3.59
3.	Shalaka Gulabchand Dhawan	243	3.47
4.	Sripad R. Halbe	5	0.07
5.	J. K. Tendulkar	1	0.01
	Total	7,000	100.00

(d) Ajit Gulabchand

	Ajit Gulabchand, aged 66 years, is the Chairman of our Company. He is a resident Indian national. For further details, see “Management” on page 263. His driving license number is MH 01 20070006015. His voter identification number is ISD 1563477. Address: Hincon House, 247Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083

(e) **Shalaka Gulabchand Dhawan**

	Shalaka Gulabchand Dhawan, aged 36 years, is a resident Indian national. For further details, see “Management” on page 263. Her driving license number is MH-01-20100097807. Her voter identification number is ISD 1563485. Address: Hincon House, 247Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083

2. **Promoters of HREL**

The promoter of HREL is HCC. For details, see “Promoters and Promoter Group - Our Promoters – Hindustan Construction Company Limited” on page 279.

OUR PROMOTER GROUP

In addition to our Promoters named above, the following corporate entities form a part of our Promoter Group:

Companies

1. Badarpur Faridabad Tollway Limited;
2. Baharampore-Farakka Highways Limited;
3. Charosa Wineries Limited;
4. Dhule Palesner Operations & Maintenance Limited;
5. Dhule Palesner Tollway Limited;
6. Eurohotel SA;
7. Farakka-Raiganj Highways Limited;
8. HCC Aviation Limited;
9. HCC Concessions Limited;
10. HCC Construction Limited;
11. HCC Infrastructure Company Limited;
12. HCC Mauritius Enterprises Limited;
13. HCC Mauritius Investments Limited;
14. HCC Operations & Maintenance Limited;
15. HCC Power Limited;
16. HCC Realty Limited;
17. Highbar Technologies FZ-LLC;
18. Highbar Technologies Limited;
19. Hincon Finance;
20. Hincon Holdings Limited;
21. HRL (Thane) Real Estate Limited;
22. HRL Township Developers Limited;
23. Maan Township Developers Limited;
24. Narmada Bridge Tollway Limited;
25. Nashik Township Developers Limited;
26. Nirmal BOT Limited;
27. Panchkutir Developers Limited;
28. Powai Real Estate Developers Limited;
29. Pune-Paud Toll Road Company Limited;
30. Raiganj-Dalkhola Highways Limited;
31. SNC Valleiry Route de Bloux;
32. Steiner (Deutschland) GmbH;
33. Steiner AG;
34. Steiner India Limited;
35. Steiner Leman SAS;
36. Steiner Promotions et Participations SA;

- 37. Vikhroli Corporate Park Private Limited;
- 38. VM + ST AG; and
- 39. Western Securities Limited.

GROUP COMPANIES

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus.

Our Group Companies are as follows:

The Group Companies are as follows:

Companies

1. Badarpur Faridabad Tollway Limited;
2. Baharampore-Farakka Highways Limited;
3. Charosa Wineries Limited;
4. Dhule Palesner Operations & Maintenance Limited;
5. Dhule Palesner Tollway Limited;
6. Eurohotel SA.
7. Farakka-Raiganj Highways Limited;
8. HCC Aviation Limited;
9. HCC Concessions Limited;
10. HCC Construction Limited;
11. HCC Infrastructure Company Limited;
12. HCC Mauritius Enterprises Limited;
13. HCC Mauritius Investment Limited;
14. HCC Operations & Maintenance Limited;
15. HCC Power Limited;
16. HCC Realty Limited;
17. Highbar Technologies FZ-LLC;
18. Highbar Technologies Limited;
19. Hincon Finance;
20. HRL (Thane) Real Estate Limited;
21. HRL Township Developers Limited;
22. Maan Township Developers Limited;
23. Narmada Bridge Tollway Limited;
24. Nashik Township Developers Limited;
25. Nirmal BOT Limited;
26. Panchkutir Developers Limited;
27. Powai Real Estate Developers Limited;
28. Pune-Paud Toll Road Company Limited;
29. Raiganj-Dalkhola Highways Limited;
30. SNC Valleiry Route de Bloux;
31. Steiner (Deutschland) GmbH;
32. Steiner AG, Switzerland;
33. Steiner India Limited;
34. Steiner Leman SAS;
35. Steiner Promotions et Participations SA;
36. VM + ST AG; and
37. Western Securities Limited

A. Details of the five largest Group Companies (based on turnover)

The top five Group Companies on the basis of total turnover are as follows:

1. Steiner AG, Switzerland

Corporate Information

Steiner AG was incorporated on March 18, 1980 under the Swiss Code of Obligations in Switzerland. Steiner AG is carrying on business of real estate development and as a total and general contractor.

Interest of our Promoters

HCC Mauritius Enterprises Limited and HCC Mauritius Investments Limited, wholly owned subsidiaries of HCC, together hold 40,000 shares of CHF 1,000 each, aggregating to 100% of the issued and paid up share capital of Steiner AG. HCC Mauritius Enterprises Limited holds 66% whereas HCC Mauritius Investments Limited holds 34% of the issued and paid up share capital of Steiner AG, respectively.

Financial Performance

The consolidated operating results of Steiner AG, Switzerland for the last three Fiscal Years are as follows:

(CHF in million, except share data)

Sr. No.	Particulars	For the year ended		
		March 31, 2014	March 31, 2013	March 31, 2012
1.	Equity capital	40.00	40.00	40.00
2.	Reserves (excluding revaluation reserves) and surplus	9.84	1.78	(6.50)
3.	Income including other income	797.64	763.67	729.00
4.	Profit after tax	8.15	8.27	2.88
5.	Earnings per share (face value CHF 1,000)	203.75	206.75	72.00
6.	Earnings per share (diluted) (face value CHF 1,000)	203.75	206.75	72.00
7.	Net asset value per share	1,246.00	1,044.50	837.50

2. Dhule Palesner Tollway Limited

Corporate Information

Dhule Palesner Tollway Limited was incorporated on March 25, 2009, under the Companies Act, 1956 in Mumbai. Dhule Palesner Tollway Limited is currently involved in the business of toll collection activities, designing, operating, engineering, maintaining, operating of Madhya Pradesh/Maharashtra border Dhule section of national highway-3 from km 168.50 to km 265 in Maharashtra under NHDP Phase III on a design, build, finance, operate and transfer basis and constructing toll plazas and all other works of conveniences of public or private utility for the purpose of smooth traffic on the roads.

Interest of our Promoters

HCC holds 100% of the equity share capital in HCC Infrastructure Company Limited which in turn holds 85.45% of the equity share capital in HCC Concessions Limited. HCC holds 16,380,000 equity shares representing 26% of the equity share capital in Dhule Palesner Tollway Limited and HCC Concessions Limited holds 6,930,000 equity shares representing 11% of the equity share capital of Dhule Palesner Tollway Limited.

Financial Performance

The operating results of Dhule Palesner Tollway Limited for the last three Fiscal Years are as follows:

(₹ in million, except share data)

S. No.	Particulars	For the year ended		
		March 31, 2014	March 31, 2013	March 31, 2012
1.	Equity capital	630.00	630.00	451.50
2.	Reserves (excluding revaluation reserves) and surplus	(2,996.70)	(1,670.72)	(148.16)
3.	Income including other income	1,120.40	782.15	119.88
4.	Profit after tax	(1,326.04)	(1,522.56)	(148.16)
5.	Earnings per share (face value ₹ 10)	(21.05)	(29.85)	(4.77)
6.	Earnings per share (diluted) (face value ₹ 10)	(21.05)	(29.85)	(4.77)

S. No.	Particulars	For the year ended		
		March 31, 2014	March 31, 2013	March 31, 2012
7.	Net asset value per share	(37.57)	(16.52)	6.72

3. Nirmal BOT Limited

Corporate Information

Nirmal BOT Limited was incorporated on September 19, 2006, in Mumbai. Nirmal BOT Limited is engaged in designing, developing, establishing, constructing, commissioning, operating, maintaining, improving, repairing, administering and managing a four lane carriageway on Armur-Kadtal section on national highway-7 in Andhra Pradesh on build-operate-transfer (annuity) basis or otherwise, by widening and rehabilitation of the existing two lane stretch and to construct toll plazas and all other works or conveniences of public or private utility for the purpose of smooth traffic on the road(s).

Interest of our Promoters

HCC holds 100% equity share capital in HCC Infrastructure Company Limited which in turn holds 85.45% of the equity share capital in HCC Concessions Limited. HCC Concessions Limited holds 31,500,000 equity shares representing 100% equity share capital in Nirmal BOT Limited.

Financial Performance

The operating results of Nirmal BOT Limited for the last three Fiscal Years are as follows:

(₹ in million, except share data)

S. No.	Particulars	For the year ended		
		March 31, 2014	March 31, 2013	March 31, 2012
1.	Equity capital	315.00	315.00	315.00
2.	Reserves (excluding revaluation reserves) and surplus	(187.90)	(183.75)	(68.64)
3.	Income including other income	518.03	526.13	517.14
4.	Profit after tax	(4.14)	(115.11)	6.57
5.	Earnings per share (face value ₹ 10)	(0.13)	(3.65)	0.21
6.	Earnings per share (diluted) (face value ₹ 10)	(0.13)	(3.65)	0.21
7.	Net asset value per share	4.04	4.17	7.82

4. Steiner India Limited

Corporate Information

Steiner India Limited was incorporated on August 17, 2011 under the Companies Act, 1956 in Mumbai. Steiner India Limited is carrying on business as a total service contractor and/or general contractor in construction projects which basically envisages providing engineering, design, planning, procurement and construction work on a turnkey basis.

Interest of the Promoter

Steiner AG, a wholly owned subsidiary of HCC holds 7,163,913 equity shares (including shares held by nominees of Steiner AG), aggregating to 100% of the issued and paid up equity share capital of Steiner India Limited.

Financial Performance

The operating results of Steiner India Limited for the last three Fiscal Years are as follows:

(₹ in million, except share data)

Sr. No.	Particulars	For the year ended		
		March 31, 2014	March 31, 2013	March 31, 2012
1.	Equity capital	71.64	49.90	49.90
2.	Reserves (excluding revaluation reserves) and surplus	(62.38)	(91.21)	(14.92)
3.	Income including other income	456.66	2.21	0.20
4.	Profit after tax	(49.43)	(76.29)	(14.92)
5.	Earnings per share (face value ₹ 10)	(8.79)	(15.29)	(13.91)
6.	Earnings per share (diluted) (face value ₹ 10)	(8.79)	(15.29)	(13.91)
7.	Net asset value per share	1.29	(8.28)	(7.01)

5. Badarpur Faridabad Tollway Limited

Corporate Information

Badarpur Faridabad Tollway Limited was incorporated on July 17, 2008 under the Companies Act, 1956 in Mumbai. Badarpur Faridabad Tollway Limited is involved in the business of undertaking, designing, developing, establishing, constructing, erecting, executing, carrying out, commissioning, operating, maintaining, improving, repairing, administering and managing a highway project namely, construction of elevated six lane highway at Badarpur from km 16.100 to km 20.500 on national highway no. 2 (Delhi-Agra section) on build-operate-transfer basis and to construct toll plazas and all other works of conveniences of public or private utility for the purpose of smooth traffic on the road(s).

Interest of the Promoter

HCC holds 100% of the equity share capital in HCC Infrastructure Company Limited which in turn holds 85.45% of the equity share capital in HCC Concessions Limited. HCC Concessions Limited holds 8,60,00,000 equity shares representing 100% of the equity share capital in Badarpur Faridabad Tollway Limited.

Financial Performance

The operating results of Badarpur Faridabad Tollway Limited, for the last three Fiscal Years are as follows:

(₹ in million, except share data)

S. No.	Particulars	For the year ended		
		March 31, 2014	March 31, 2013	March 31, 2012
1.	Equity capital	860.00	860.00	860.00
2.	Reserves (excluding revaluation reserves) and surplus	(1,931.12)	(1,310.16)	(643.10)
3.	Income including other income	416.25	345.64	343.27
4.	Profit after tax	(620.97)	(667.05)	(455.41)
5.	Earnings per share (face value ₹ 10)	(7.22)	(7.76)	(5.30)
6.	Earnings per share (diluted) (face value ₹ 10)	(7.22)	(7.76)	(5.30)
7.	Net asset value per share	(12.45)	(5.23)	2.52

B. Group Companies with negative net worth**1. Badarpur Faridabad Tollway Limited**

For details, see “Group Companies – A. Details of the five largest Group Companies (based on turnover) – Badarpur Faridabad Tollway Limited” on page 293.

2. Charosa Wineries Limited**Corporate Information**

Charosa Wineries Limited was incorporated on December 11, 2007 under the Companies Act, 1956 in Mumbai. Charosa Wineries Limited is involved in the business of manufacturing and trading of wines, liquors, cultivation of cane, grapes and other fruits for distillery purpose.

Interest of the Promoter

HREL holds 7,000,000 equity shares, aggregating to 100% of the issued and paid up equity share capital of Charosa Wineries Limited.

Financial Performance

The operating results of Charosa Wineries Limited for the last three Fiscal Years are as follows:

(₹ in million, except share data)

S. No.	Particulars	For the year ended		
		March 31, 2014	March 31, 2013	March 31, 2012
1.	Equity Capital	70.00	70.00	70.00
2.	Reserves (excluding revaluation reserves) and surplus	(384.67)	(263.92)	(175.94)
3.	Income including other income	14.34	0.11	3.60
4.	Profit after tax	(120.75)	(87.98)	(106.14)
5.	Earnings per share (face value ₹ 10)	(17.25)	(12.57)	(15.16)
6.	Earnings per share (diluted) (face value ₹ 10)	(17.25)	(12.57)	(15.16)
7.	Net asset value per share	(44.95)	(27.70)	(15.13)

3. Dhule Palesner Tollway Limited

For details, see “Group Companies – A. Details of the five largest Group Companies (based on turnover) – Dhule Palesner Tollway Limited” on page 291.

4. Eurohotel SA**Corporate Information**

Eurohotel SA was incorporated on March 11, 2009 under the Swiss Code of Obligations in Switzerland. Eurohotel SA is carrying on business of real estate development.

Interest of the Promoter

Steiner AG, wholly owned subsidiary of HCC holds 95 shares of CHF 1,000 each, aggregating to 95% of the issued and paid up share capital of Eurohotel SA.

Financial Performance

The operating results of Eurohotel SA for the last three Fiscal Years are as follows:

(CHF in million, except share data)

Sr. No.	Particulars	For the year ended		
		March 31, 2014	March 31, 2013	March 31, 2012

Sr. No.	Particulars	For the year ended		
		March 31, 2014	March 31, 2013	March 31, 2012
1.	Equity capital	0.10	0.10	0.10
2.	Reserves (excluding revaluation reserves) and surplus	(1.09)	(1.05)	(1.04)
3.	Income including other income	0.00	0.00	0.00
4.	Profit after tax	(0.04)	(0.01)	(0.01)
5.	Earnings per share (face value CHF1,000)	(442.70)	(56.94)	(122.48)
6.	Earnings per share (diluted) (face value CHF 1,000)	(442.70)	(56.94)	(122.48)
7.	Net asset value per share	(9,910.72)	(9,468.02)	(9,411.08)

5. HCC Aviation Limited

Corporate Information

HCC Aviation Limited was incorporated on May 19, 2008, in Mumbai. HCC Aviation Limited is engaged in the business of consultancy services in aviation security and other aviation related activities and provides security, schedule, maintains and operates commercial and non-commercial aircrafts and helicopters.

Interest of the Promoter

HREL holds 50,000 equity shares of ₹ 10 each, aggregating to 100% of the issued and paid-up equity share capital of HCC Aviation Limited.

Financial Performance

The operating results of HCC Aviation Limited for the last three Fiscal Years are as follows:

(₹ in million, except share data)

S. No.	Particulars	For the year ended		
		March 31, 2014	March 31, 2013	March 31, 2012
1.	Equity Capital	0.50	0.50	0.50
2.	Reserves (excluding revaluation reserves) and surplus	(124.45)	(123.87)	(122.15)
3.	Income including other income	-	0.24	90.00
4.	Profit after tax	(0.58)	(1.72)	(36.58)
5.	Earnings per share (face value ₹ 10)	(11.62)	(34.38)	(731.60)
6.	Earnings per share (diluted) (face value ₹ 10)	(11.62)	(34.38)	(731.60)
7.	Net asset value per share	(2479.04)	(2467.42)	(2433.04)

6. HCC Construction Limited

Corporate Information

HCC Construction Limited was incorporated on March 5, 2009 under the Companies Act, 1956 in Mumbai. HCC Construction Limited is involved in the business of constructing, executing, carrying out, improving, developing, administering, managing or controlling in India and in any part of the world, works and conveniences of all kinds, which include railways, tramways, docks, harbours, piers, wharves, canals, reservoirs, embankments, irrigations, reclamation, improvement, sewage, drainage, sanitary, water gas, electric light, telephonic, telegraphic and power supply works and hotels, warehouses, markets and buildings private or public and all other works or conveniences.

Interest of the Promoter

HCC holds 50,000 equity shares, aggregating to 100% of the issued and paid up equity share capital of HCC Construction Limited.

Financial Performance

The operating results of HCC Construction Limited for the last three Fiscal Years are as follows:

(₹ in million, except share data)

Sr. No.	Particulars	For the year ended		
		March 31, 2014	March 31, 2013	March 31, 2012
1.	Equity capital	0.50	0.50	0.50
2.	Reserves (excluding revaluation reserves) and surplus	(0.58)	(0.54)	(0.51)
3.	Income including other income	0.00	0.00	0.00
4.	Profit after tax	(0.04)	(0.03)	(0.02)
5.	Earnings per share (face value ₹ 10)	(0.77)	(0.53)	(0.37)
6.	Earnings per share (diluted) (face value ₹ 10)	(0.77)	(0.53)	(0.37)
7.	Net asset value per share	(1.59)	(0.82)	(0.29)

7. HCC Infrastructure Company Limited

Corporate Information

HCC Infrastructure Company Limited was incorporated on December 13, 2010 under the Companies Act, 1956 in Mumbai. It is a wholly owned subsidiary of HCC Limited focused in the creation and management of assets in the areas of transportation, power, water and social infrastructure.

Interest of the Promoter

HCC holds 250,000 equity shares representing 100% of the equity share capital in HCC Infrastructure Company Limited.

Financial Performance

The operating results of HCC Infrastructure Company Limited for the last three Fiscal Years are as follows:

(₹ in million, except share data)

S. No.	Particulars	For the year ended		
		March 31, 2014	March 31, 2013	March 31, 2012
1.	Equity capital	2.50	2.50	2.50
2.	Reserves (excluding revaluation reserves) and surplus	(3,278.63)	(2,028.28)	(753.20)
3.	Income including other income	87.20	70.96	122.17
4.	Profit after tax	(1,250.35)	(1,275.09)	(732.72)
5.	Earnings per share (face value ₹ 10)	(5,001.00)	(5,100.00)	(2,931.00)
6.	Earnings per share (diluted) (face value ₹ 10)	(5,001.00)	(5,100.00)	(2,931.00)
7.	Net asset value per share	(13,104.53)	(8,103.14)	(3,002.79)

8. HCC Operations & Maintenance Limited

Corporate Information

HCC Operations & Maintenance Limited was incorporated on November 7, 2012 under the Companies Act, 1956 in Mumbai. HCC Operations & Maintenance Limited is in the business of operations and maintenance of infrastructure projects/ assets and is presently undertaking the operation and maintenance of road infrastructure projects under an operation and maintenance contract.

Interest of the Promoter

HCC, through its wholly owned subsidiary HCC Infrastructure Company Limited, holds 50,000 equity shares representing 100% of the equity share capital in HCC Operations & Maintenance Limited.

Financial Performance

The operating results of HCC Operations & Maintenance Limited for the last three Fiscal Years are as follows:

(₹ in million, except share data)

S. No.	Particulars	For the year ended		
		March 31, 2014	March 31, 2013	March 31, 2012
1.	Equity capital	0.50	0.50	-
2.	Reserves (excluding revaluation reserves) and surplus	(4.67)	(0.05)	-
3.	Income including other income	99.39	-	-
4.	Profit after tax	(4.62)	(0.05)	-
5.	Earnings per share (face value ₹ 10)	(92.48)	(1.00)	-
6.	Earnings per share (diluted) (face value ₹ 10)	(92.48)	(1.00)	-
7.	Net asset value per share	(81.60)	10.00	-

9. Highbar Technologies FZ-LLC

Corporate Information

Highbar Technologies FZ-LLC was incorporated on September 20, 2010 under the Dubai Technology & Media Free Zone Private Companies Regulations 2003 issued under Law No. 1 of 2000 of Emirate of Dubai. Highbar Technologies FZ-LLC is engaged in the business of developing, designing, buying, selling, importing, exporting, marketing, dealing in, distributing, licensing, integrating, interfacing, customizing, implementing, maintaining & support services, products, tools, accessories used in the field of information technology.

Interest of the Promoter

HCC holds 100% of issued and paid-up capital of Highbar Technologies Limited. Highbar Technologies Limited holds 50 equity shares of AED 1,000 each aggregating to 100% of the issued and paid up equity share capital of Highbar Technologies FZ-LLC.

Financial Performance

The operating results of Highbar Technologies FZ-LLC for the last three Fiscal Years are as follows:

(AED in million, except share data)

Sr. No.	Particulars	For the year ended		
		March 31, 2014	March 31, 2013	March 31, 2012
1.	Equity capital	0.05	0.05	0.05
2.	Reserves (excluding revaluation reserves) and surplus	(0.98)	(0.94)	(0.79)
3.	Income including other income	4.98	2.12	0.26
4.	Profit after tax	(0.04)	(0.15)	(0.58)
5.	Earnings per share (face value AED 1,000)	(736.34)	(3,075.79)	(11,644.18)
6.	Earnings per share (diluted) (face value AED 1,000)	(736.34)	(3,075.79)	(11,644.18)
7.	Net asset value per share	(18,616.20)	(17,879.86)	(14,804.06)

10. HRL (Thane) Real Estate Limited

Corporate Information

HRL (Thane) Real Estate Limited was incorporated on August 3, 2006 under the Companies Act, 1956 in Mumbai. HRL (Thane) Real Estate Limited is involved in the business of construction and development of buildings / townships.

Interest of the Promoter

HREL holds 100,000 equity shares, aggregating to 100% of the issued and paid up equity share capital of HRL (Thane) Real Estate Limited.

Financial Performance

The operating results of HRL (Thane) Real Estate Limited for the last three Fiscal Years are as follows:

(₹ in million, except share data)

Sr. No.	Particulars	For the year ended		
		March 31, 2014	March 31, 2013	March 31, 2012
1.	Equity Capital	1.00	1.00	1.00
2.	Reserves (excluding revaluation reserves) and surplus	(2.27)	(1.73)	(1.40)
3.	Income including other income	-	-	-
4.	Profit after tax	(0.54)	(0.34)	(0.12)
5.	Earnings per share (face value ₹ 10)	(5.37)	(3.40)	(1.21)
6.	Earnings per share (diluted) (face value ₹ 10)	(5.37)	(3.40)	(1.21)
7.	Net asset value per share	(12.71)	(7.35)	(3.95)

11. HRL Township Developers Limited**Corporate Information**

HRL Township Developers Limited was incorporated on August 2, 2006 under the Companies Act, 1956 in Mumbai. HRL Township Developers Limited is involved in the business of construction and development of buildings / townships.

Interest of the Promoter

HREL holds 100,000 equity shares, aggregating to 100% of the issued and paid up equity share capital of HRL Township Developers Limited.

Financial Performance

The operating results of HRL Township Developers Limited for the last three Fiscal Years are as follows:

(₹ in million, except share data)

Sr. No.	Particulars	For the year ended		
		March 31, 2014	March 31, 2013	March 31, 2012
1.	Equity capital	1.00	1.00	1.00
2.	Reserves (excluding revaluation reserves) and surplus	(4.79)	(4.76)	(4.71)
3.	Income including other income	-	-	0.03
4.	Profit after tax	(0.03)	(0.05)	(0.04)
5.	Earnings per share (face value ₹ 10)	(0.31)	(0.48)	(0.38)
6.	Earnings per share (diluted) (face value ₹ 10)	(0.31)	(0.48)	(0.38)
7.	Net asset value per share	(37.94)	(37.63)	(37.15)

12. Maan Township Developers Limited**Corporate Information**

Maan Township Developers Limited was incorporated on February 2, 2007 under the Companies Act, 1956 in Mumbai. Maan Township Developers Limited is involved in the business of construction and development of townships and other buildings farm houses and development of land.

Interest of the Promoter

HREL holds 100,000 equity shares, aggregating to 100% of the issued and paid up equity share capital of Maan Township Developers Limited.

Financial Performance

The operating results of Maan Township Developers Limited for the last three Fiscal Years are as follows:

(₹ in million, except share data)

S. No.	Particulars	For the year ended		
		March 31, 2014	March 31, 2013	March 31, 2012
1.	Equity capital	1.00	1.00	1.00
2.	Reserves (excluding revaluation reserves) and surplus	(2.24)	(2.19)	(2.14)
3.	Income including other income	-	-	-
4.	Profit after tax	(0.05)	(0.05)	(0.16)
5.	Earnings per share (face value ₹ 10)	(0.50)	(0.51)	(1.61)
6.	Earnings per share (diluted) (face value ₹ 10)	(0.50)	(0.51)	(1.61)
7.	Net asset value per share	(12.40)	(11.90)	(11.39)

13. Narmada Bridge Tollway Limited**Corporate Information**

Narmada Bridge Tollway Limited was incorporated on June 18, 2012 under the Companies Act, 1956 in Mumbai. Narmada Bridge Tollway Limited has undertaken the construction/ repairs works for the Narmada bridge in the state of Gujarat as per the agreements with National Highways Authority of India.

Interest of the Promoter

HCC is holding 100% of the equity share capital in HCC Infrastructure Company Limited which in turn holds 85.45% of the equity share capital in HCC Concessions Limited. HCC Concessions Limited holds 50,000 equity shares representing 100% of the equity share capital in Narmada Bridge Tollway Limited.

Financial Performance

The operating results of Narmada Bridge Tollway Limited for the last two Fiscal Years are as follows:

(₹ in million, except share data)

S. No.	Particulars	For the year ended	
		March 31, 2014	March 31, 2013
1.	Equity capital	0.50	0.5
2.	Reserves (excluding revaluation reserves) and surplus	(298.72)	-
3.	Income including other income	-	-
4.	Profit after tax	(298.72)	-
5.	Earnings per share (face value ₹ 10)	(5,974.34)	-
6.	Earnings per share (diluted) (face value ₹ 10)	(5,974.34)	-
7.	Net asset value per share	(5,964.34)	10.00

14. Nashik Township Developers Limited**Corporate Information**

Nashik Township Developers Limited was incorporated on January 31, 2007 under the Companies Act, 1956 in Mumbai. Nashik Township Developers Limited is involved in the business of construction and

development of townships and other buildings farms and agricultural lands.

Interest of the Promoter

HREL holds 100,000 equity shares, aggregating to 100% of the issued and paid up equity share capital of Nashik Township Developers Limited.

Financial Performance

The operating results of Nashik Township Developers Limited for the last three Fiscal Years are as follows:

(₹ in million, except share data)

S. No.	Particulars	For the year ended		
		March 31, 2014	March 31, 2013	March 31, 2012
1.	Equity capital	1.00	1.00	1.00
2.	Reserves (excluding revaluation reserves) and surplus	(18.15)	(17.70)	(2.45)
3.	Income including other income	99.14	0.07	-
4.	Profit after tax	(0.45)	(15.24)	(0.17)
5.	Earnings per share (face value ₹ 10)	(4.51)	(152.42)	(1.74)
6.	Earnings per share (diluted) (face value ₹ 10)	(4.51)	(152.42)	(1.74)
7.	Net asset value per share	(171.46)	(166.96)	(14.54)

15. Pune-Paud Toll Road Company Limited

Corporate Information

Pune-Paud Toll Road Company Limited was incorporated on March 17, 2005 under the Companies Act, 1956 in Mumbai. Pune-Paud Toll Road Company Limited is involved in the business of developing, maintaining, operating, administering, managing or controlling, as required a toll bridge on build-own-transfer basis and to construct a toll plaza and all other works or conveniences or public or private utility.

Interest of the Promoter

HREL holds 6,049,500 equity shares, aggregating up to 99.99% of the issued and paid up equity share capital of Pune-Paud Toll Road Company Limited.

Financial Performance

The operating results of Pune-Paud Toll Road Company Limited for the last three Fiscal Years are as follows:

(₹ in million, except share data)

S. No.	Particulars	For the year ended		
		March 31, 2014	March 31, 2013	March 31, 2012
1.	Equity capital	60.50	60.50	60.50
2.	Reserves (excluding revaluation reserves) and surplus	(453.95)	(412.08)	(364.04)
3.	Income including other income	16.83	20.24	19.36
4.	Profit after tax	(41.88)	(48.04)	(66.50)
5.	Earnings per share (face value ₹ 10)	(6.92)	(7.94)	(10.99)
6.	Earnings per share (diluted) (face value ₹ 10)	(6.92)	(7.94)	(10.99)
7.	Net asset value per share	(65.03)	(58.11)	(50.17)

C. Details of other Group Companies

1. Baharampore-Farakka Highways Limited

Corporate Information

Baharampore-Farakka Highways Limited was incorporated on March 11, 2010 under the Companies Act, 1956 in Mumbai. Baharampore-Farakka Highways Limited is involved in the business of four-laning of Baharampore – Farakka section of NH-34 from km 191.416 to Km 294.684 in West Bengal on design, build, finance, operate and transfer toll basis under National Highways Development Project NHDP –III under a concession agreement with National Highways Authority of India.

Interest of the Promoter

HCC holds 100% equity share capital in HCC Infrastructure Company Limited which holds 85.45% equity share capital in HCC Concessions Limited. HCC holds 11,700,000 equity shares representing 26% equity share capital in Baharampore-Farakka Highways Limited and HCC Concessions Limited holds 33,300,000 equity shares representing 74% equity share capital in Baharampore-Farakka Highways Limited.

2. Dhule Palesnar Operations & Maintenance Limited

Corporate Information

Dhule Palesnar Operations & Maintenance Limited was incorporated on May 18, 2011 under the Companies Act, 1956 in Mumbai in order to undertake the operations and maintenance activities on Dhule stretch in Maharashtra with experienced operation and maintenance contractor as a joint venture partner. The company is in the process of discussing and negotiating the commercial terms with Dhule Palesnar Tollway Limited and experienced operation and maintenance contractors.

Interest of the Promoter

HCC, through its wholly owned subsidiary HCC Infrastructure Company Limited, holds 500,000 equity shares representing 100% of the equity share capital of Dhule Palesnar Operations & Maintenance Limited.

3. Farakka-Raiganj Highways Limited

Corporate Information

Farakka-Raiganj Highways Limited was incorporated on March 11, 2010 under the Companies Act, 1956 in Mumbai. Farakka-Raiganj Highways Limited is involved in the business of four-laning of Farakka-Raiganj section of NH-34 from km 295 to km 398 in West Bengal on design, build, finance, operate and transfer toll basis under NHDP –III under a concession agreement with National Highways Authority of India.

Interest of the Promoter

HCC is holding 100% equity share capital in HCC Infrastructure Company Limited which holds 85.45% equity share capital of HCC Concessions Limited. HCC holds 13,000,000 equity shares representing 26% equity share capital in Farakka-Raiganj Highways Limited and HCC Concessions Limited holds 37,000,000 equity shares representing 74% equity share capital in Farakka-Raiganj Highways Limited.

4. HCC Concessions Limited

Corporate Information

HCC Concessions Limited (formerly HCC Infrastructure Limited) was incorporated on February 14, 2008 under the Companies Act, 1956 in Mumbai. HCC Concessions Limited act as builders, contractors, promoters, operation and maintenance operators, developers of all type of infrastructure facilities which includes infrastructure projects on build-own-operate, build-own-transfer, build-own-operate-maintain, build-own-operate-transfer, design-build finance-operate, build-operate-lease-transfer or any other model basis in the infrastructure development sector.

Interest of the Promoter

HCC holds 100% of the equity share capital in HCC Infrastructure Company Limited which in turn holds 2,667,515 equity shares representing 85.45% of the equity share capital in HCC Concessions Limited.

5. HCC Mauritius Enterprises Limited

Corporate Information

HCC Mauritius Enterprises Limited was incorporated on January 17, 2008 under the Companies Act, 2001 (republic of Mauritius), in Mauritius. HCC Mauritius Enterprises Limited is involved in the promotion and marketing of services offered by HCC in the field of hotels, resorts, eco-tourism, real estate design and construction of Infrastructure projects as may be suitable through itself or by establishing downstream subsidiaries / branches in other foreign countries.

Interest of the Promoter

HCC holds 5,005,000 equity shares of USD 1 each, aggregating to 100% of the issued and paid up equity share capital of USD 5,005,000.

6. HCC Mauritius Investment Limited

Corporate Information

HCC Mauritius Investments Limited was incorporated on October 4, 2013 under the Companies Act, 2001 (Republic of Mauritius), in Mauritius. HCC Mauritius Investment Limited is engaged in the business promoting and marketing of the services and products offered by the HCC group (India) in the hospitality sector, through itself or its subsidiaries.

Interest of the Promoter

HCC holds 1,000,000 equity shares, aggregating to 100% of the issued and paid up equity share capital of USD 1,000,000.

7. HCC Power Limited

Corporate Information

HCC Power Limited was incorporated on June 3, 2011 under the Companies Act, 1956 in Mumbai. HCC Power Limited is exploring various opportunities in the power sector to identify suitable power projects for investment.

Interest of the Promoter

HCC, through its wholly owned subsidiary, HCC Infrastructure Company Limited, holds 500,000 equity shares representing 100% of the equity share capital in HCC Power Limited.

8. HCC Realty Limited

Corporate Information

HCC Realty Limited was incorporated on February 18, 2010 under the Companies Act, 1956 in Mumbai. HCC Realty Limited is involved in the business of construction and development of buildings and acquisition of land for development purpose.

Interest of the Promoter

HREL holds 50,000 equity shares, aggregating to 100% of the issued and paid up equity share capital of HCC Realty Limited.

9. Highbar Technologies Limited

Corporate Information

Highbar Technologies Limited was incorporated on November 25, 2009 under the Companies Act, 1956 in Mumbai. Highbar Technologies Limited is involved in the business of developing, designing, maintaining and supporting services, products, tools, accessories used in the field of information technology.

Interest of the Promoter

HCC holds 6,250,000 equity shares, aggregating to 100% of the issued and paid up equity share capital of Highbar Technologies Limited.

10. Hincon Finance Limited

Corporate Information

Hincon Finance was incorporated on May 20, 1992 as a private limited company under the Companies Act, 1956 under the name of Hindustan Finvest Private Limited. The company was converted to a public limited company and the name of the company was changed to Hindustan Finvest Limited with effect from August 1, 1995. The name of the company was changed to its present name pursuant to a fresh certificate of incorporation issued upon change of name dated September 5, 2006. Hincon Finance is registered with the RBI as a non-banking finance company and is engaged in investing, acquiring, holding and exchanging shares, stocks, debentures, debenture stocks, bonds, obligations and securities and carries on the activities of a finance company and other related activities.

Interest of the Promoter

HCC holds 120,000 equity shares of ₹ 10 each, aggregating to 15% of the issued and paid-up equity share capital of Hincon Finance.

11. Panchkutir Developers Limited

Corporate Information

Panchkutir Developers Limited was incorporated on October 5, 2006 under the Companies Act, 1956 in Mumbai. Panchkutir Developers Limited is involved in the business of construction and development of buildings, houses, halls, flats, office premises, shops and residential /commercial complexes.

Interest of the Promoter

HCC holds 1,400,000 equity shares, aggregating to 100% of the issued and paid up equity share capital of Panchkutir Developers Limited.

12. Powai Real Estate Developers Limited

Corporate Information

Powai Real Estate Developers Limited was incorporated on January 21, 2009 under the Companies Act, 1956 in Mumbai. Powai Real Estate Developers Limited is involved in the business of construction and development of buildings and acquisition of land for development purpose.

Interest of the Promoter

HREL holds 50,000 equity shares, aggregating to 100% of the issued and paid up equity share capital of Powai Real Estate Developers Limited.

13. Raiganj-Dalkhola Highways Limited

Corporate Information

Raiganj-Dalkhola Highways Limited was incorporated on March 11, 2010 under the Companies Act, 1956 in Mumbai. Raiganj-Dalkhola Highways Limited is involved in the business of four-laning of Raiganj –Dalkhola section of NH-34 from km 398 to km 452.750 (excluding Dalkhola Bypass) in West Bengal on design, build, finance, operate and transfer toll basis under National Highways Development Project –III under a concession agreement with National Highways Authority of India.

Interest of the Promoter

HCC holds 100% equity share capital of HCC Infrastructure Company Limited which holds 85.45% of the equity share capital of HCC Concessions Limited. HCC holds 3,000,000 equity shares representing 10% equity share capital in Raiganj-Dalkhola Highways Limited and HCC Concessions Limited holds 27,000,000 equity shares representing 90% equity share capital in Raiganj-Dalkhola Highways Limited.

14. SNC Valleiry Route de Bloux

Corporate Information

SNC Valleiry Route de Bloux was incorporated on April 3, 2009 under the French Company Law in France. SNC Valleiry Route de Bloux is carrying on business of real estate development.

Interest of the Promoter

HCC holds 100% share capital of Steiner AG which holds 100% of the issued and paid up share capital of Steiner Léman SAS. Steiner Leman SAS holds 1,000 shares of EUR 1.00 each representing 100% of the issued and paid up capital of SNC Valleiry Route de Bloux.

15. Steiner (Deutschland) GmbH

Corporate Information

Steiner (Deutschland) GmbH was incorporated on December 24, 1987 under the German Company Law (HGB) in Germany. Steiner (Deutschland) GmbH is carrying on the business of real estate development.

Interest of the Promoter

Steiner AG, wholly owned subsidiary of HCC holds capital of EUR 10,227,000 representing 100% capital of Steiner (Deutschland) GmbH.

16. Steiner Leman SAS

Corporate Information

Steiner Léman SAS was incorporated on April 2, 2009 under the French Company Law in France. Steiner Léman SAS is carrying on business of real estate development.

Interest of the Promoter

Steiner AG, wholly owned subsidiary of HCC holds 750,000 shares of EUR 1.00 each aggregating to 100% of the issued and paid up share capital of Steiner Léman SAS.

17. Steiner Promotions et Participations SA

Corporate Information

Steiner Promotions et Participations SA was incorporated on May 8, 1978 under the Swiss Code of Obligations in Switzerland. Steiner Promotions et Participations SA is carrying on business of real estate development.

Interest of the Promoter

Steiner AG, a wholly owned subsidiary of HCC holds 3,000 shares of CHF 1,000 each, aggregating to 100% of the issued and paid up share capital of Steiner Promotions et Participations AG.

18. VM +ST AG***Corporate Information***

VM+ST AG was incorporated on December 29, 1983 under the Swiss Code of Obligation in Switzerland. VM+ST AG is carrying on business of real estate development.

Interest of the Promoter

Steiner AG, wholly owned subsidiary of HCC holds 1,000 shares of CHF 1,000 each, aggregating to 100% of the issued and paid up share capital of VM+ST AG

19. Western Securities Limited***Corporate Information***

Western Securities Limited was incorporated on September 17, 1985 under the Companies Act, 1956 in Mumbai. Western Securities Limited is an investment company and involved in the business of buying, underwriting, investing in, acquiring, holding and dealing in shares stocks, debentures, debenture-stock, bonds, obligations and securities of any kind.

Interest of the Promoter

HCC holds 1,957,495 equity shares, aggregating to 97.87% of the issued and paid up equity share capital of Western Securities Limited.

Nature and Extent of Interest of Group Companies**(a) *In the promotion of our Company***

Except to the extent of shareholding of the Hicon Finance in our Company, none of the Group Companies have any interest in the promotion of our Company.

(b) *In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Red Herring Prospectus with SEBI*

Except as disclosed below and in this Draft Red Herring Prospectus, none of the Group Companies is interested in the properties acquired by our Company in the two years preceding the filing of the Draft Red Herring Prospectus, or proposed to be acquired:

Nature of the transaction, arrangement, agreement, documentation	Name of the group Company	Date of the transaction, arrangement, agreement, documentation	Consideration Paid By or Received By the Company (₹)
Agreement for for assignment of leasehold rights	Hicon Finance	September 17, 2013	109,000,000

(c) *In transactions for acquisition of land, construction of building and supply of machinery*

Except as stated below and disclosed in this Draft Red Herring Prospectus, none of the Group Companies is interested in any transactions for the acquisition of land, construction of building or supply of machinery:

Nature of the transaction, arrangement, agreement, documentation	Name of the group Company	Date of the transaction, arrangement, agreement, documentation	Consideration Paid By or Received By the Company (₹)
Agreement for for assignment of leasehold rights	Hincon Finance	September 17, 2013	109,000,000

Common Pursuits amongst the Group Companies with our Company

Except for HRL Township Developers Limited, HRL (Thane) Real Estate Limited, Nashik Township Developers Limited, Maan Township Developers Limited, Powai Real Estate Developers Limited, HCC Realty Limited and Panchkutir Developers Limited, there are no common pursuits amongst any of the Group Companies and our Company.

Related Business Transactions within the Group Companies and Significance on the Financial Performance of our Company

For details, see the section “Related Party Transactions” on page 308.

Sale/Purchase with Group Companies and Associate Companies

For details, see the section “Related Party Transactions” on page 308. Other than as discussed in the section “Related Party Transactions” on page 308, there are no sales/purchases between our Company and the Group Companies and Associate companies, wherein sales/purchase exceed in value aggregate of 10% of the total sales or purchases of our Company.

Business Interest of Group Companies and Associate Companies in our Company

We have entered into certain business contracts with our group companies and associate companies. For details, see the section “Related Party Transactions” on page 308.

Other than as stated above, none of the Group Companies and Associate companies have any business interest in our Company.

Defunct Group Companies

None of the Group Companies remain defunct and no application has been made to the registrar of companies for striking off the name of any of the Group Companies, during the five years preceding the date of filing this Draft Red Herring Prospectus with SEBI. None of the Group Companies fall under the definition of sick companies under SICA and none of them is under winding up.

Loss making Group Companies

The following table sets forth the details of our Group Companies which have incurred loss in the last Fiscal Year and profit/(loss) made by them in the last three Fiscal Years:

Name of entity	Profit/(loss) (Amount in ₹ Million)		
	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012
Badarpur Faridabad Tollway Limited	(620.97)	(667.05)	(455.41)
Charosa Wineries Limited	(120.75)	(87.98)	(106.14)
Dhule Palesner Tollway Limited	(1,326.04)	(1,552.56)	(148.16)
Euro Hotel SA (in CHF)	(0.04)	(0.01)	(0.01)
HCC Aviation Limited	(0.58)	(1.72)	(36.58)
HCC Concessions Limited	(47.36)	125.45	(62.66)
HCC Construction Limited	(0.04)	(0.03)	(0.02)
HCC Infrastructure Company Limited	(1,250.35)	(1,275.09)	(732.72)
HCC Mauritius Enterprises Limited (in USD)	(0.83)	(1.78)	(0.97)
HCC Operations & Maintenance Limited	(4.62)	(0.05)	-

Name of entity	Profit/(loss) (Amount in ₹ Million)		
	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012
HCC Power Limited	(0.48)	(1.18)	(2.90)
HCC Realty Limited	(0.02)	(0.05)	(0.03)
Highbar Technologies FZ-LLC (in AED)	(0.04)	(0.15)	(0.58)
Highbar Technologies Limited	(3.45)	(18.30)	(28.12)
HRL (Thane) Real Estate Limited	(0.54)	(0.34)	(0.12)
HRL Township Developers Limited	(0.03)	(0.05)	(0.04)
Maan Township Developers Limited	(0.05)	(0.05)	(0.16)
Narmada Bridge Tollway Limited	(298.72)	--	--
Nashik Township Developers Limited	(0.45)	(15.24)	(0.17)
Nirmal BOT Limited	(4.14)	(115.11)	6.57
Panchkutir Developers Limited	(0.16)	(0.05)	(0.96)
Powai Real Estate Developers Limited	(0.02)	(0.05)	(0.03)
Pune Paud Toll Road Company Limited	(41.88)	(48.04)	(66.50)
Steiner India Limited	(49.43)	(76.29)	(14.92)

Name of entity	Profit/(loss) (Amount in million)		
	Year ending December 31, 2013	Year ending December 31, 2012	Year ending December 31, 2011
SNC Valleiry Route de Bloux (in Euro)	(0.00)*	(0.00)	0.00
Steiner GmbH (in Euro)	(0.15)	(0.01)	(0.03)

* For the period January 1, 2013 to March 31, 2014

RELATED PARTY TRANSACTIONS

For details of the related party transactions, see the sections “Financial Statements – Annexure VI – Related party Transactions (Unconsolidated)” and “Financial Statements – Annexure XXV – Related party Transactions (Consolidated)” on pages 339 and 388, respectively.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position of the Company. Our Company has no formal dividend policy.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the financing agreements our Company may enter into to finance the fund requirements for our business activities.

Our Company has not paid any dividend on its Equity Shares during the last five Fiscal Years.

The dividends declared by our Company on preference shares during the last five Fiscal Years have been presented below:

Particulars	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010
Cumulative Redeemable Preference Shares					
Face value per preference share (₹)	10	10	10	10	10
Dividend paid (In ₹)	-	-	-	16,350,000	16,372,986
Rate of dividend	-	-	-	6%	6%
Compulsory Convertible Preference Shares					
Face value per preference share (₹)	10	10	10	10	10
Dividend paid (In ₹)	-	-	-	2,500	2,500
Rate of dividend	-	-	-	0.001%	0.001%

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Independent Auditors' report as required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014

To,
The Board of Directors
Lavasa Corporation Limited
Hincon House, 11th Floor, 247Park,
Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai - 400083

Dear Sirs,

1. We have examined the restated financial information of Lavasa Corporation Limited ("the Company") annexed to this report for the purposes of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer ("IPO"). Such financial information, which has been approved by the Board of Directors of the Company, has been prepared in accordance with the requirements of:
 - a) Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 ('the Act') read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules ('the Rules'), 2014 and
 - b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("the Regulations") issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of Section 30 of the Securities and Exchange Board of India Act, 1992.
2. We have examined such restated financial information taking into consideration:
 - a) the terms of reference received from the Company vide their letter dated May 12, 2014, requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with its proposed IPO; and
 - b) the Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India.
3. The Company proposes to make an IPO for the fresh issue of equity shares of Rs. 10 each at such premium, arrived at by the 100% book building process (referred to as "the Issue"), as may be decided by the Board of Directors.
4. The restated financial information of the Company has been compiled by the management from:
 - a) the audited unconsolidated balance sheets of the Company as at March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 and the related audited unconsolidated statement of profit and loss and cash flow statements for the year ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 which have been audited by us; and
 - b) the audited consolidated balance sheets of the Company and its subsidiaries (collectively hereinafter referred to as the "Group") as at March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 and the related audited consolidated statement of profit and loss and cash flow statements for the year ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 which have been audited by us; and
 - c) other financial and other records of the Company, to the extent considered necessary, for the presentation of the restated financial statements under the requirements of the revised schedule VI, of the Companies Act, 1956, in relation to the years ended March 31, 2011 and March 31,

2010.

We did not audit the financial statements of certain associates for the year ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010, whose financial statements reflect the Group's share of loss of Rs. 5.43 million, Rs. 5.81 million, Rs. 24.08 million Rs. 6.28 million and Rs. 2.52 million respectively for the year ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management of the Group and accordingly reliance has been placed on the financial statements of the associates audited by them for the said year.

5. In accordance with the requirements of sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the terms of our engagement agreed with you, we report that:

- a) We have examined the restated unconsolidated summary statement of assets and liabilities of the Company as at March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 and the related restated unconsolidated summary statement of profits and losses and cash flows for the year ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 as set out in Annexure I to III (collectively the "Restated Unconsolidated Summary Statements"); and
- b) We have also examined the restated consolidated summary statement of assets and liabilities of the Group as at March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 and the related restated consolidated summary statement of profits and losses and cash flows for the year ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 and as set out in Annexure XX to XXII (collectively the "Restated Consolidated Summary Statements").

The Restated Unconsolidated Summary Statements and the Restated Consolidated Summary Statements are hereinafter collectively referred to as "Restated Summary Statements".

6. Based on our examination, we further report that:

- a) the restated financial information have been arrived at after making such adjustments as, in our opinion, are appropriate and more fully described in the notes appearing in Annexure IVB and XXIIIC to this report;
- b) The impact arising on account of change in the method of valuation of Land-FSI (Floor Space Index) by inclusion of borrowing costs, depreciation and overheads on social infrastructure and amenities, in determination of the costs of inventory of Floor Space Index adopted by the Company as at and for the year ending March 31, 2014, is applied with retrospective effect in the restated summary statements;
- c) Adjustments for the material amounts in the respective financial years to which they relate have been adjusted in the attached Restated Summary Statements;
- d) there are no extraordinary items which need to be disclosed separately in the attached Restated Summary Statements;
- e) Qualifications in the auditors' reports to the consolidated financial statements which are not adjusted to the restated consolidated summary statements are stated below:
 - i. *For the year ended March 31, 2014, in respect of the matters relating to Order of the Ministry of Environment and Forests according environment clearance (EC) which are subject to compliance of terms and conditions vide Order dated November 09, 2011, the liability if any, in respect of conditions set therein, is unascertainable. Refer note 2.36 to the consolidated financial statements. (Refer note no. 9(a) of Annexure XXIII F)*

Note 2.36 to the consolidated financial statements mentioned above reads as follows:

'Ministry of Environment & Forests (MoEF), Government of India, vide its order dated

9th November, 2011 accorded Environment Clearance (EC) to 1st Phase. Accordingly construction has resumed at project site.’

- ii. *For the year ended March 31, 2013, in respect of the matters relating to Order of the Ministry of Environment and Forests according environment clearance (EC) which are subject to compliance of terms and conditions vide Order dated November 09, 2011, the liability if any, in respect of conditions set therein, is unascertainable. Refer note 2.35 to the consolidated financial statements.(Refer note no. 9(b) of Annexure XXIII F)*

Note 2.35 to the consolidated financial statements mentioned above reads as follows:

‘Ministry of Environment & Forests (MoEF), Government of India, vide its order dated 9th November, 2011 accorded Environment Clearance (EC) to 1st Phase. Accordingly construction has resumed at project site.’

- iii. *For the year ended March 31, 2012, liability, if any, in respect of matters arising from the Order of the Ministry of Environment and Forests, detailed in Note 2.36 to the consolidated financial statements, is unascertainable. (Refer note no. 9(c) of Annexure XXIII F)*

Note 2.36 to the consolidated financial statements mentioned above reads as follows:

‘Ministry of Environment & Forests (MoEF), Government of India, vide its order dated 9th November, 2011 accorded environment clearance (EC) to 1st Phase comprising of 2000 ha of Lavasa project subject to compliance of terms & conditions specified therein. Action plan has been prepared and submitted to the ministry with regard to earmarking of funds towards Corporate Social Responsibility. The Company has prayed for setting aside certain conditions stated in the Environmental Clearance in an appeal filed under the relevant Act. Accordingly construction has resumed at project site.’

- iv. *For the year ended March 31, 2011, in respect of the matters relating to Notices / Orders of the Ministry of Environment and Forests, detailed in Note ‘19’ of schedule ‘P’ to the consolidated financial statements, the liability in respect of the foregoing, if any, is unascertainable. (Refer note no. 9(d) of Annexure XXIII F)*

Note 19 to the consolidated financial statements mentioned above reads as follows:

‘The Ministry of Environment and Forests, Government of India (MoEF), has issued show cause notice dated 25th November 2010 to the Company alleging violations of the provisions of environment (Protection) Act, 1986 and directing the Company to maintain status quo for construction/development. The Company has filed Writ Petition in Bombay High Court being No. 9448 of 2010 for quashing the said show cause notice and status quo, which Petition has been admitted by the Hon’ble Bombay High Court. By order dated 17.1.2011, the MoEF has observed that the Company is in violation of Environment Impact Assessment Notifications, however MoEF is prepared to consider the project on merits subject to terms and conditions including imposition of penalty and creation of environment restoration fund. The order of status quo is continued.”

“Against the order dated 17.1.2011 the Company has filed Writ Petition being No. 811 of 2011 in Bombay High Court. Both the Writ Petitions are pending. The Company has filed without prejudice application with MoEF for grant of environment clearance (EC) for its 1st Phase (2000 ha) and the same is under consideration of MOEF. MOEF order is awaited.

The liability in respect of the foregoing litigations, if any, is unascertainable, and hence no provisions have been made in the books of accounts.’

- f) Qualifications in the auditors’ reports to the unconsolidated financial statements which are not adjusted to the restated unconsolidated summary statements are stated below:

- i. *For the year ended March 31, 2014, in respect of the matters relating to Order of the Ministry of Environment and Forests according environment clearance (EC) which are subject to compliance of terms and conditions vide Order dated November 09, 2011, the liability if any, in respect of conditions set therein, is unascertainable. Refer note 2.39 to the unconsolidated financial statements. (Refer note no. 13(a) of Annexure IV E)*

‘Note 2.39 to the unconsolidated financial statements mentioned above reads as follows:

Ministry of Environment & Forests (MoEF), Government of India, vide its order dated 9th November, 2011 accorded Environment Clearance (EC) to 1st Phase. Accordingly construction has resumed at project site.’

- ii. *For the year ended March 31, 2013, in respect of the matters relating to Order of the Ministry of Environment and Forests according environment clearance (EC) which are subject to compliance of terms and conditions vide Order dated November 09, 2011, the liability if any, in respect of conditions set therein, is unascertainable. Refer note 2.39 to the unconsolidated financial statements. (Refer note no. 13(b) of Annexure IV E)*

Note 2.39 to the unconsolidated financial statements mentioned above reads as follows:

‘Ministry of Environment & Forests (MoEF), Government of India, vide its order dated 9th November, 2011 accorded Environment Clearance (EC) to 1st Phase. Accordingly construction has resumed at project site.’

- iii. *For the year ended March 31, 2012, liability, if any, in respect of matters arising from the Order of the Ministry of Environment and Forests, detailed in Note 2.39 to the unconsolidated financial statements, is unascertainable. (Refer note no. 13(c) of Annexure IV E)*

Note 2.39 to the unconsolidated financial statements mentioned above reads as follows:

‘Ministry of Environment & Forests (MoEF), Government of India, vide its order dated 9th November, 2011 accorded environment clearance (EC) to 1st Phase comprising of 2000 ha of Lavasa project subject to compliance of terms & conditions specified therein. Action plan has been prepared and submitted to the ministry with regard to earmarking of funds towards Corporate Social Responsibility. The Company has prayed for setting aside certain conditions stated in the Environmental Clearance in an appeal filed under the relevant Act. Accordingly construction has resumed at project site.’

- iv. *For the year ended March 31, 2011, in respect of the matters relating to Notices / Orders of the Ministry of Environment and Forests, detailed in Note ‘24’ of schedule ‘P’ to the unconsolidated financial statements, the liability in respect of the foregoing, if any, is unascertainable. (Refer note no. 13(d) of Annexure IV E)*

Note 24 to the unconsolidated financial statements mentioned above reads as follows:

‘The Ministry of Environment and Forests, Government of India (MoEF), has issued show cause notice dated 25th November 2010 to the Company alleging violations of the provisions of environment (Protection) Act, 1986 and directing the Company to maintain status quo for construction/development. The Company has filed Writ Petition in Bombay High Court being No. 9448 of 2010 for quashing the said show cause notice and status quo, which Petition has been admitted by the Hon’ble Bombay High Court. By order dated 17.1.2011, the MoEF has observed that the Company is in violation of Environment Impact Assessment Notifications, however MoEF is prepared to consider the project on merits subject to terms and conditions including imposition of penalty and creation of environment restoration fund. The order of status quo is continued.’

“Against the order dated 17.1.2011 the Company has filed Writ Petition being No. 811 of 2011 in Bombay High Court. Both the Writ Petitions are pending. The Company has filed without prejudice application with MoEF for grant of environment clearance (EC) for its 1st Phase (2000 ha) and the same is under consideration of MOEF. MOEF order is awaited.

The liability in respect of the foregoing litigations, if any, is unascertainable, and hence no provisions have been made in the books of accounts.’

- g) Emphasis of matters included in the Independent Auditors’ report to the consolidated financial statements which has been adjusted to the restated consolidated summary statements are stated below:

- i. For the year ended March 31, 2014, we draw attention to note 2.37 to the consolidated financial statements regarding change in the method of valuation of Land-FSI (Floor Space Index) by inclusion of borrowing costs, depreciation and overheads on social infrastructure and amenities, in determination of the costs of inventory of Floor Space Index resulting in a decrease of Rs. 890.74 million in the loss before tax for the year and increase in Reserves and Surplus by Rs. 601.74 million, net of tax Rs. 289.00 million . Refer also significant accounting policies – note 1 (e) and note 1 (h). Our opinion is not qualified in respect of this matter;

Note 2.37 to the consolidated financial statements mentioned above reads as follows:

‘During the year, the Company has identified its fixed assets, investments and loans pertaining to social infrastructure and amenities used at various level in the development of the planned city, Lavasa. These are servicing the entire Inventory of Land of the ongoing Hill Station Project and resulting into the development of Inventory of Floor Space Index (FSI) and bringing the same to saleable condition. Based on this categorization, rationalisations in the cost allocation methodology have been made during the current financial year. This change is adopted on the principle of matching such costs with revenue arising from Sale of FSI, and development of the Hill Station which require a substantial period of time to bring the FSI inventory into saleable condition. The Company is of the view that this will result in more appropriate presentation of cost incurred towards development of inventory of FSI into saleable inventory. The resulting impact on statement of Profit & Loss account, Inventory of Floor Space Index and Capital Work-in Progress is given in table below.

(Rs. in million)				
Sl. No.	Particulars	Reduction in Loss before tax for the year	Increase in value of Inventory of FSI	Decrease in value of Capital Work-in Progress
1	Borrowing Cost	(308.02)	1372.49	(1064.47)
2	Production Overheads	(334.43)	334.43	-
3	Depreciation	(248.28)	248.28	-
	Total	(890.74)	1955.20	(1064.47)

- ii. For the year ended March 31, 2013, we draw attention to note 2.36 to the consolidated financial statements, costs incurred on production overheads during the year, have been treated as cost of inventory of Floor Space Index (FSI) for the reasons detailed in the said note, with consequential impact on loss for the year of Rs. 932.35 million. Our opinion is not qualified in respect of this matter;

Note 2.36 to the consolidated financial statements mentioned above reads as follows:

‘Consequent to the status quo for the Construction / Development and its withdrawal, the Board has taken a view that production overheads amounting to Rs. 932.35 million incurred during the period 1st April, 2012 to 31st March, 2013 were essential in ensuring continuity of the Project itself during this period of suspension and further until 31st March, 2013. In order to show a true and fair view of the state of affairs of

the Company, and considering substance prevailing over form as these costs pertain to the Project as a whole, the Company has therefore allocated the said production overheads to the balance Inventory of Floor Space Index.’

- iii. For the year ended March 31, 2013, we draw attention to note 2.38 to the consolidated financial statements regarding capitalization of borrowing costs on Inventory of Floor Space Index with a decrease of Rs. 1181.33 million in the loss for the year. Our opinion is not qualified in respect of this matter;

Note 2.38 to the consolidated financial statements mentioned above reads as follows:

‘During the year, the borrowing cost allocation pertaining to Project Work in Progress - Floor Space Index (FSI) has been capitalized to Inventory of FSI. Management is of the view that this will result in more appropriate presentation of cost incurred towards development of Floor Space Index resulting into saleable inventory thereof. The effect has been given retrospectively from the financial year 2009-10. Accordingly borrowing costs Rs. 661.45 million and Rs. 519.88 million for the financial years 2009-10 to 2011-12 and 2012-13 respectively, aggregating Rs. 1181.33 million has been added to the costs of FSI inventory. Had the Company continued with the earlier basis, the losses for the year would have been higher by Rs. 1181.33 million with corresponding reduction in the value of FSI inventory.’

- iv. For the year ended March 31, 2012, without qualifying our opinion, we draw attention to note 2.37 to the consolidated financial statements, costs incurred on production overheads during the period of suspension, have been treated as cost of inventory of Floor Space Index for the reasons detailed in therein, with consequential impact on the loss for the year of Rs. 921.23 million;

Note 2.37 to the consolidated financial statements mentioned above reads as follows:

‘Consequent to the status quo for the Construction / Development and its withdrawal as detailed in Note 2.36 above, the Board has taken a view that production overheads amounting to Rs. 921.23 million incurred during the period April 01, 2011 to March 31, 2012 were essential in ensuring continuity of the Project itself during this period of suspension and further until March 31, 2012. In order to show a true and fair view of the state of affairs of the Company, and considering substance prevailing over form as these costs pertain to the Project as a whole, the Company has therefore allocated the said production overheads to the balance Inventory of Floor Space Index.’

- h) Emphasis of matters included in the Independent Auditors’ report to the unconsolidated financial statements which has been adjusted to the restated unconsolidated summary statements are stated below:

- i. For the year ended March 31, 2014, note 2.40 to the financial statements regarding change in the method of valuation of Land-FSI (Floor Space Index) by inclusion of borrowing costs, depreciation and overheads on social infrastructure and amenities, in determination of the costs of inventory of Floor Space Index resulting in a decrease of Rs. 890.74 million in the loss before tax for the year and increase in Reserves and Surplus by Rs. 601.74 million, net of tax Rs. 289.00 million. Refer also significant accounting policies – note 1 (e) and note 1 (h). Our opinion is not qualified in respect of this matter;

Note 2.40 to the unconsolidated financial statements mentioned above reads as follows:

‘During the year, the Company has identified its fixed assets, investments and loans pertaining to social infrastructure and amenities used at various level in the development of the planned city, Lavasa. These are servicing the entire Inventory of Land of the ongoing Hill Station Project and resulting into the development of Inventory of Floor Space Index (FSI) and bringing the same to saleable condition. Based on this categorization, rationalisations in the cost allocation methodology have been made during the current financial year. This change is adopted on the principle of

matching such costs with revenue arising from Sale of FSI, and development of the Hill Station which require a substantial period of time to bring the FSI inventory into saleable condition. The Company is of the view that this will result in more appropriate presentation of cost incurred towards development of inventory of FSI into saleable inventory. The resulting impact on statement of Profit & Loss account, Inventory of Floor Space Index and Capital Work-in Progress is given in table below.

(Rs. in million)

Sl. No.	Particulars	Reduction in Loss before tax for the year	Increase in value of Inventory of FSI	Decrease in value of Capital Work-in Progress
1	Borrowing Cost	(308.02)	1372.49	(1064.47)
2	Production Overheads	(334.43)	334.43	-
3	Depreciation	(248.28)	248.28	-
	Total	(890.74)	1955.20	(1064.47)

- ii. For the year ended March 31, 2013, note 2.40 to the financial statements, costs incurred on production overheads during the year, have been treated as cost of inventory of Floor Space Index (FSI) for the reasons detailed in the said note, with consequential impact on loss for the year of Rs. 932.35 million. Our opinion is not qualified in respect of this matter;

Note 2.40 to the unconsolidated financial statements mentioned above reads as follows:

‘Consequent to the status quo for the Construction / Development and its withdrawal, the Board has taken a view that production overheads amounting to Rs. 932.35 million incurred during the period 1st April, 2012 to 31st March, 2013 were essential in ensuring continuity of the Project itself during this period of suspension and further until 31st March, 2013. In order to show a true and fair view of the state of affairs of the Company, and considering substance prevailing over form as these costs pertain to the Project as a whole, the Company has therefore allocated the said production overheads to the balance Inventory of Floor Space Index.’

- iii. For the year ended March 31, 2013, note 2.42 to the financial statements regarding capitalization of borrowing costs on Inventory of Floor Space Index with a decrease of Rs. 1181.33 million in the loss for the year. Our opinion is not qualified in respect of this matter;

Note 2.42 to the unconsolidated financial statements mentioned above reads as follows:

‘During the year, the borrowing cost allocation pertaining to Project Work in Progress - Floor Space Index (FSI) has been capitalized to Inventory of FSI. Management is of the view that this will result in more appropriate presentation of cost incurred towards development of Floor Space Index resulting into saleable inventory thereof. The effect has been given retrospectively from the financial year 2009-10. Accordingly borrowing costs Rs. 661.45 million and Rs. 519.88 million for the financial years 2009-10 to 2011-12 and 2012-13 respectively, aggregating Rs. 1181.33 million has been added to the costs of FSI inventory. Had the Company continued with the earlier basis, the losses for the year would have been higher by Rs. 1181.33 million with corresponding reduction in the value of FSI inventory.’

- iv. For the year ended March 31, 2012, without qualifying our opinion, we draw attention to note 2.40 to the financial statements, costs incurred on production overheads during the period of suspension, have been treated as cost of inventory of Floor Space Index for the reasons detailed in therein, with consequential impact on the loss for the year of Rs. 921.23 million;

Note 2.40 to the unconsolidated financial statements mentioned above reads as follows:

‘Consequent to the status quo for the Construction / Development and its withdrawal as

detailed in note 2.39 above, the Board has taken a view that production overheads amounting to Rs. 921.23 million incurred during the period April 01, 2011 to March 31, 2012 were essential in ensuring continuity of the Project itself during this period of suspension and further until March 31, 2012. In order to show a true and fair view of the state of affairs of the Company, and considering substance prevailing over form as these costs pertain to the Project as a whole, the Company has therefore allocated the said production overheads to the balance Inventory of Floor Space Index.’

i) Emphasis of matters included in the Independent Auditors’ report to the unconsolidated financial statements which do not require adjustments to the restated unconsolidated summary statements are stated below:

- i. For the year ended March 31, 2014, we draw attention to note 2.42 to the financial statements regarding the diminution in the value of the Company’s investments of Rs. 1607.90 million in its subsidiaries / associates which the Company believes is temporary in nature. Also the loans and advances and receivables of Rs. 2955.58 million in respect of these subsidiaries / associates are considered as fully recoverable.

Note 2.42 to the unconsolidated financial statements mentioned above reads as follows:

The Company has invested in various subsidiaries namely Dasve Convention Center Limited, Lakeview Clubs Limited, Lavasa Hotel Limited, Full Spectrum Adventure Limited, Warasgaon Tourism Limited, Dasve Hospitality Institutes Limited, Green Hills Residences Limited, Kart Racers Limited and Sahyadri City Management Limited, by way of investments in equity / preference shares Rs. 1550.10 million, net receivables Rs. 2453.55 million and advances Rs. 388.29 million due to the suspension of project activities of the Company by MoEF order, business of these subsidiaries were also affected, and net worth of those subsidiaries were negative as on 31st March, 2014. Considering the long term business outlook, future growth plans, & commencement of project construction/business activities post MoEF clearance, in the said subsidiaries, the management is of the opinion that losses in these subsidiary companies are temporary in nature and going concern nature of the business is not adversely affected. In view of the above, no diminution in the value of investment is required and the receivables and advances given are fully recoverable.

- ii. For the year ended March 31, 2013, we draw attention to note 2.41 to the financial statements regarding the diminution in the value of the Company’s investments of Rs. 163.50 million in its subsidiaries which the Company believes is temporary in nature. Also the loans and advances and receivables of Rs. 4781.80 million in respect of these subsidiaries are considered as fully recoverable.

Note 2.41 to the unconsolidated financial statements mentioned above reads as follows:

‘The Company has invested in various subsidiaries namely Dasve Business Hotel Limited, Dasve Convention Center Limited, Dasve Hospitality Institutes Limited, Dasve Retail Limited, Lakeshore Watersports Company Limited, Lakeview Clubs Limited, Lavasa Hotel Limited, Full Spectrum Adventure Limited, Lavasa Bamboocraft Limited, Reasonable Housing Limited, Future City Multiservices SEZ Limited, Andromeda Hotels Limited, Warasgaon Tourism Limited, Kart Racers Limited, Sahyadri City Management Limited, Hill City Service Apartments Limited and Nature Lovers Retail Limited, by way of equity contribution Rs. 163.50 million, net receivables Rs. 2738.16 million and advances Rs. 2043.64 million due to the suspension of project activities of the Company by MoEF order, business of these subsidiaries were also affected, and net worth of those subsidiaries became negative as on 31st March, 2013. Considering the long term business outlook, future growth plans, & commencement of project construction/business activities post MoEF clearance, in the said subsidiaries, the management is of the opinion that losses in these subsidiary companies are temporary in nature and going concern nature of the business is not adversely affected. In view of the above, no diminution in the value of investment is required and the advances given are fully recoverable.’

7. We have not audited any financial statements of the Company or consolidated financial statements of the Group as of any date or for any period subsequent to March 31, 2014. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company or the Group as of any date or for any period subsequent to March 31, 2014.
8. We have also examined the restated unconsolidated financial information of the Company listed below, as at March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 which, as approved by the Board of Directors of the Company and annexed to this report, is proposed to be included in the offer document:-
 - a) Contingent Liabilities, as appearing in Annexure V
 - b) Related Party Transactions, as appearing in Annexure VI
 - c) Details of Fixed Assets, as appearing in Annexure VII
 - d) Details of Loans and Advances, as appearing in Annexure VIII
 - e) Details of Trade Receivables, as appearing in Annexure IX
 - f) Details of Investments, as appearing in Annexure X
 - g) Details of Accounting Ratios, as appearing in Annexure XI
 - h) Details of Short Term Borrowings, as appearing in Annexure XII
 - i) Details of Long Term Borrowings, as appearing in Annexure XIII
 - j) Details of Other Income, as appearing in Annexure XIV
 - k) Details of Land and Construction Expenses, as appearing in Annexure XV
 - l) Details of Employee Benefit Expenses, as appearing in Annexure XVI
 - m) Capitalization Statement, as appearing in Annexure XVII
 - n) Tax Shelter Statement, as appearing in Annexure XVIII
 - o) Details of Rates of Dividend, as appearing in Annexure XIX
9. We have also examined the restated consolidated financial information of the Group listed below, as at March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010, which as approved by the Board of Directors of the Company and annexed to this report, is proposed to be included in the offer document:-
 - a) Contingent Liabilities, as appearing in Annexure XXIV
 - b) Related Party Transactions, as appearing in Annexure XXV
 - c) Details of Fixed Assets, as appearing in Annexure XXVI
 - d) Details of Loans and advances, as appearing in Annexure XXVII
 - e) Details of Trade Receivables, as appearing in Annexure XXVIII
 - f) Details of Investments, as appearing in Annexure XXIX
 - g) Details of Accounting Ratios, as appearing in Annexure XXX
 - h) Details of Short Term Borrowings, as appearing in Annexure XXXI
 - i) Details of Long Term Borrowings, as appearing in Annexure XXXII
 - j) Details of Other Income, as appearing in Annexure XXXIII

- k) Details of Land and Construction Expenses, as appearing in Annexure XXXIV
 - l) Details of Employee Benefit Expenses, as appearing in Annexure XXXV
 - m) Capitalization Statement, as appearing in Annexure XXXVI
10. We report that the consolidated financial information of the Group as at March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 have been prepared by the Group in accordance with the requirements of AS 21 “Consolidated Financial Statements” and AS 23 “Accounting for investment in Associates in the Consolidated Financial Statements” [notified Pursuant to the Companies (Accounting Standard) Rules, 2006 (as amended)].
11. This report should not in any way be construed as a reissuance or redating of any of the previous audit reports issued by us nor should this be construed as a new opinion on any of the financial statements referred to herein.
12. In our opinion, the financial information of the Group as attached to this report, read with the significant accounting policies and notes to accounts and other notes contained in the aforesaid Annexures, has been prepared in accordance with sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Regulations issued by SEBI. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.
13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
14. This report is intended solely for your information and for inclusion in offer document prepared in connection with the proposed IPO of the Company, and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For K. S. Aiyar & Co.
Chartered Accountants
ICAI Firm Registration No: 100186W

Place: Mumbai
Date: June 28, 2014

Sachin A. Negandhi
Partner
Membership No.: 112888

LAVASA CORPORATION LIMITED

ANNEXURE -I

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Million)					
Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
EQUITY AND LIABILITIES					
Shareholders' funds					
Share Capital	8,331.94	8,331.94	8,331.94	5,381.94	994.95
Reserves & Surplus	904.04	1,015.24	1,841.63	1,715.61	4,504.82
Share Warrant	82.25	81.25	81.25	81.25	81.25
Net Worth	9,318.24	9,428.43	10,254.82	7,178.80	5,581.01
Non-current liabilities					
Long-term borrowings	16,108.11	16,948.63	17,211.34	19,464.80	15,936.40
Deferred tax liabilities (Net)	871.05	919.13	1,315.34	1,629.25	880.01
Other Long term liabilities	10,197.69	5,016.64	18.05	0.66	-
Long-term provisions	24.96	46.54	40.85	46.21	1.92
	27,201.81	22,930.94	18,585.59	21,140.92	16,818.34
Current liabilities					
Short-term borrowings	997.16	547.60	1,240.00	1,090.00	1,000.00
Trade payables	2,846.06	2,155.98	1,810.02	1,782.93	2,627.01
Other current liabilities	11,514.97	8,318.53	4,973.10	2,547.04	1,847.61
Short-term provisions	12.18	21.94	19.65	22.89	48.98
	15,370.37	11,044.05	8,042.77	5,442.85	5,523.60
TOTAL	51,890.41	43,403.42	36,883.18	33,762.57	27,922.95
ASSETS					
Non-current assets					
Fixed Assets					
(i)Tangible assets	5,062.40	4,131.14	4,142.07	4,383.53	2,779.57
(ii)Intangible assets	6.46	8.71	10.76	12.92	15.34
(iii)Capital work-in-progress	8,929.14	8,643.68	7,844.08	6,664.59	7,189.94
Non-current investments	4,607.75	1,573.25	1,269.81	1,281.89	1,083.37
Long-term loans and advances	3,547.68	1,338.78	95.60	90.30	9.82
	22,153.43	15,695.56	13,362.31	12,433.24	11,078.04
Current assets					
Current Investment	-	-	-	-	2,712.57
Inventories	18,947.18	15,926.33	13,165.93	10,840.04	8,325.14
Trade receivables	6,573.77	5,594.27	5,089.34	4,828.07	2,137.44
Cash and Bank Balances	399.69	627.15	179.51	725.16	609.29
Short-term loans and advances	3,816.34	5,560.12	5,086.09	4,892.82	3,060.48
Other current assets	-	-	-	43.26	-
	29,736.98	27,707.87	23,520.87	21,329.34	16,844.91
TOTAL	51,890.41	43,403.42	36,883.18	33,762.57	27,922.95

The above statement should be read with Annexure IV –“Notes to the Restated Unconsolidated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows”.

LAVASA CORPORATION LIMITED

ANNEXURE -II

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES

(Rs. in Million)					
Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Year ended March 31, 2010
INCOME					
Revenue from operations	1,714.72	957.29	281.72	5,250.59	4,736.60
Other operating income	80.84	13.16	5.51	86.21	49.85
Other income	599.48	572.04	472.66	438.30	165.24
TOTAL INCOME	2,395.03	1,542.48	759.88	5,775.09	4,951.69
EXPENDITURE					
Land and Construction Expenses	1,785.72	1,124.62	268.38	1,692.35	3,577.39
(Increase)/Decrease in Inventory	(3,348.15)	(2,869.65)	(2,509.27)	(2,333.75)	(3,043.79)
Employee benefit expenses	280.63	554.36	588.92	557.59	413.48
Finance cost	3,115.65	2,793.70	2,542.04	2,326.56	1,065.84
Depreciation and Amortization	263.88	277.00	296.28	265.08	160.11
Office and Site Expenses	456.59	885.05	661.42	901.23	509.81
TOTAL EXPENSES	2,554.32	2,765.08	1,847.77	3,409.06	2,682.86
Profit/(Loss) before Tax	(159.29)	(1,222.60)	(1,087.89)	2,366.04	2,268.83
Tax expense:					
(1) Current tax					
Income Tax	-	-	-	429.81	422.21
MAT Credit Entitlement	-	-	-	(429.81)	(422.21)
(2) Deferred tax	(48.09)	(396.21)	(313.91)	749.24	750.29
Profit /(Loss) for the year	(111.20)	(826.39)	(773.98)	1,616.80	1,518.54

The above statement should be read with Annexure IV –“Notes to the Restated Unconsolidated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows”.

LAVASA CORPORATION LIMITED

ANNEXURE -III

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

(Rs. in Million)

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Year ended March 31, 2010
Cash Flows From Operating Activities					
Net Profit Before Taxation	(159.29)	(1,222.60)	(1,087.89)	2,366.04	2,268.83
Adjustments For :					
Depreciation and amortization	263.88	277.00	296.28	265.08	160.11
(Profit)/ Loss On Sale/Disposal Of Fixed Assets	-	(40.60)	-	4.32	(0.16)
(Profit) / Loss on Investments	(34.09)	-	6.74	(7.17)	-
Sale of Inventory (land) for consideration other than cash	-	-	-	-	(588.30)
Miscellaneous Expenses –Written off	-	-	43.29	-	-
Interest/Dividend Income	(424.98)	(439.17)	(406.97)	(358.04)	(123.42)
Interest Expenses	3,808.23	3,682.29	3,370.59	2,834.79	1,938.45
Operating Profit Before Working Capital Changes	3,453.75	2,256.92	2,222.04	5,105.01	3,655.52
(Increase)/ Decrease In Trade Receivable	(979.51)	(504.93)	(261.27)	(2,690.63)	(1,320.08)
(Increase)/ Decrease In Inventory	(3,020.85)	(2,760.40)	(2,325.90)	(2,514.90)	(3,043.78)
(Increase)/ Decrease In Loans and Advances	(437.55)	(1,672.26)	(126.29)	(1,628.65)	(1,553.02)
(Increase) / Decrease in Other Bank Balances	(83.82)	(42.73)	456.93	(191.14)	(176.18)
Increase/ (Decrease) In Liabilities and Provisions	6,245.52	5,803.61	250.61	(618.63)	1,741.15
Cash Generated from Operations	5,177.53	3,080.21	216.13	(2,538.94)	(696.39)
Direct taxes paid	(27.56)	(44.96)	(72.27)	(284.17)	(419.67)
Net cash flows from Operating Activities	5,149.97	3,035.25	143.86	(2,823.12)	(1,116.07)
Cash Flows From Investing Activities					
Interest/ Dividend Received	424.98	439.17	406.97	358.04	123.42
Purchase of Investments	(3,034.51)	(303.44)	(1.05)	(241.55)	(3,143.61)
(Increase)/ Decrease in Capital Work in Progress	(285.46)	(799.60)	(1,179.49)	525.34	(1,907.10)
Proceeds from sale of fixed assets	-	77.45	-	11.44	0.70
Proceeds from sale of Investments	34.09	-	6.40	2,762.77	778.30
Purchase of Fixed Assets	(1,192.89)	(300.87)	(52.66)	(1,882.37)	(607.02)
Net Cash flows from Investing Activities	(4,053.79)	(887.29)	(819.83)	1,533.68	(4,755.32)

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Year ended March 31, 2010
Cash Flow From Financing Activities					
Proceeds from issuance of Shares	-	-	3,850.00	-	-
Proceeds from issuance of Share warrant	1.00	-	-	-	-
Proceeds from/(Repayment of) long term borrowings	2,316.52	2,181.50	(527.40)	4,040.80	6,958.47
Proceeds from/(Repayment of) short term borrowings	449.56	(692.40)	150.00	90.00	1,000.00
Dividend Paid including dividend distribution tax	-	-	(19.01)	(19.10)	(111.53)
Interest paid	(4,174.56)	(3,232.16)	(2,866.30)	(2,854.28)	(1,778.83)
Miscellaneous expenditure (Not Written Off or Adjusted)	-	-	(0.03)	(43.26)	-
Net Cash flows from Financing Activities	(1,407.47)	(1,743.06)	587.26	1,214.17	6,068.11
Net Increase / (Decrease) in cash and cash equivalents	(311.29)	404.90	(88.71)	(75.28)	196.73
Cash And Cash Equivalents					
Cash And Cash Equivalents At Beginning of Period	509.56	104.65	193.36	268.64	71.91
Cash And Cash Equivalents At End of Period	198.27	509.56	104.65	193.36	268.64

- a) The above statement should be read with Annexure IV –“Notes to the Restated Unconsolidated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows”.
- b) The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard - 3 on Cash Flow Statements as notified by the Companies (Accounting Standard) Rules, 2006.
- c) Negative figures represent Cash Outflows.
- d) Proceeds from Long Term and Short Term Borrowings are shown net of repayments.

LAVASA CORPORATION LIMITED

ANNEXURE IV

NOTES TO THE RESTATED UNCONSOLIDATED SUMMARY OF ASSETS AND LIABILITIES, PROFITS AND LOSSES AND CASH FLOWS.

A STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY IN THE PREPARATION OF FINANCIAL STATEMENTS

a) Basis of Preparation of Financial Statements and use of estimates

The Company maintains its accounts on accrual basis following historical cost convention to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 and the Rules, read with General Circular 15/2013 dated September 13, 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. Management makes estimates and technical and other assumptions regarding the amounts of income and expenses, assets and liabilities, and disclosure of contingencies, in accordance with Generally Accepted Accounting Principles in India in the preparation of the financial statements. Difference between the actual results and estimates are recognized in the period in which determined.

b) Fixed Assets - Tangible and Intangible Assets

Fixed Assets are stated at cost of acquisition or construction including attributable overheads, interest and financial costs till such assets are ready for their intended use, less accumulated depreciation & impairment losses if any.

Costs relating to trademark and design have been treated as intangible assets which also comprise license fees, other implementation costs for software and application software acquired for in-house use.

Cost of purchase of land to the extent of one percent is accounted as fixed assets and remaining is accounted as stock in trade.

c) Depreciation and Amortization

Depreciation on fixed assets is provided:

- i) In respect of office buildings, furniture & fixtures, office equipments, vehicles & speed boats on written down value method at the rates specified in Schedule XIV of the Companies Act, 1956 on pro-rata basis.
- ii) In respect of intangible assets being computer software relating to Geographical Information System and Enterprise Resource System is amortized over the estimated useful life of ten years under straight line method on pro-rata basis.
- iii) In respect of trademark and design costs are amortized equally over a period of ten years.

d) Investments

Investments are classified as Long Term (Non-current) and current investments. Long Term investments are shown at cost or written down value (in case of diminution which is other than temporary diminution) and current investments are shown at cost or fair value, whichever is lower.

e) Inventories of Land and Floor Space Index (FSI)

- i) Cost of land accounted in Stock in trade is treated as (a) Cost of FSI - 95%, (b) Land, stock-in-trade – 5%, both being distinct items of inventory. Cost of Land and FSI are on a weighted average basis along with related purchase / acquisition price plus all direct and indirect expenditure incurred in connection with the purchase of land. Borrowing costs and Overhead expenditure on sectoral / nodal / city level infrastructure, in respect of FSI under development are treated as an element of cost in view of substantial period of time for development. Land and FSI are valued at lower of Cost or Net Realizable Value. Land or FSI utilized for own

construction is transferred to Fixed Assets at cost.

- ii) Project Work-in-Progress is valued at the contract rates in accordance with Accounting standards on construction contracts.
- iii) Where construction of any unit is undertaken for which there are no sales, such inventory is valued at lower of cost or net realizable value (NRV) and is not considered under Long-term Construction for accounting purposes.

f) **Foreign Currency Transactions**

Foreign currency transactions during the year are accounted at the prevailing rate on the date of transaction. All monetary items are translated at the exchange rate prevailing on the last day of the year. Gains or losses arising out of remittance/ translations at the year end are charged to the Statement of Profit and Loss for the year.

g) **Revenue Recognition**

i) **Sale of Land and FSI**

Revenues are recognized in the year in which the agreement to lease is executed. Income from land sales (including on a long term lease basis) is recognized on the transfer of all significant risks and rewards of ownership to the buyers and a reasonable expectation of collection of the sale consideration from the buyers exists. Exchange of parcels of land against other parcels of land is not treated as sale but is adjusted in the land account.

ii) **Project Construction Work**

The Company follows the percentage completion method, on the basis of physical measurement of work actually completed at the balance sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost to the completion of the contract and the profit so determined accounted for proportionate to the percentage of the actual work done. Foreseeable losses are accounted for as and when they are determined. Revenue from sales of constructed units other than under long term construction contracts are recognized on execution of transfer agreements.

iii) **Project Management Consultancy Fees**

Project Management Consultancy Fees is recognized on accrual basis, as per the agreements.

h) **Borrowing Costs**

Borrowing costs (less any income on the temporary investments of those borrowings) that are directly attributable to qualifying assets / project work-in-progress/FSI are charged over such qualifying assets/ project work in progress/FSI. Borrowing costs relating to Fixed Assets, Investments and loans to subsidiaries pertaining to social infrastructure and amenities is capitalised to FSI - Inventory. These are charged to the Statement of Profit and Loss in the ratio of FSI (area) sold to Total FSI (area). Other borrowing costs are charged to Statement of Profit and Loss.

i) **Employee Benefits**

i) **Defined Contribution Plans**

Company's contributions paid/payable during the year to Provident Fund, Officer's Superannuation Fund, and Labour Welfare Fund are recognized in the Statement of Profit and Loss.

ii) **Defined Benefit Plan & other long term benefits**

Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss as income or

expenses. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

j) **Taxes on Income**

The tax expense comprises of current tax & deferred tax charged or credited to the Statement of Profit and Loss for the year. Current tax is calculated in accordance with the tax laws applicable to the current financial year. The deferred tax charge or credit is recognised using the tax rates and tax laws that have been enacted by the balance sheet date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. At each balance sheet date, recognised and unrecognised deferred tax assets are reviewed.

k) **Impairment**

The Company makes assessment of any indicator that may lead to impairment of the Assets on an annual basis. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value, which is higher of net selling price or the value in use. Impairment loss, if any, is charged to Statement of Profit and Loss in the year in which it is identified as impaired.

l) **Contingencies / Provisions**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Financial Statement. Contingent assets are neither recognized nor disclosed in the Financial Statement.

m) **Leases**

Lease rentals in respect of assets acquired under operating lease are charged to Statement of Profit and Loss.

n) **Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for bonus shares issued during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) **Segmental Reporting:**

The Company is primarily engaged in the business of 'Comprehensive Urban Development and Management' which as per Accounting Standards 17 on "Segment reporting" is considered to be the only reportable primary business Segment. The Company is primarily operating in India which is considered to be as a single geographical segment.

p) **Miscellaneous Expenditure**

Miscellaneous expenditure includes expenses related to ensuing initial public offer (IPO) and shall be written off against share premium account as and when received.

B. MATERIAL ADJUSTMENTS

Summary of adjustments carried out to the audited financial statements of the Company for the respective years and their impact on the Profit / (Losses) of the Company are as given below:

(Rs. in Million)

Sl. No.	Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Year ended March 31, 2010
a)	Profit/ (Loss) after tax as per Audited Financial Statements (a)	(57.46)	(780.78)	(1,379.95)	1,118.53	1,401.86
b)	Material Adjustments {Refer Annexure IV D (1a)}					
	Increase in Cost of Land Sold	(19.51)	(26.29)	(23.81)	(41.52)	(57.06)
	Decrease in Cost of Goods Sold	-	-	-	361.80	-
	Increase/ (Decrease) in Inventory due to reallocation of Depreciation	(50.93)	207.44	229.02	(105.94)	(32.57)
	Increase in Inventory due to reallocation of Borrowing cost	154.67	1,943.70	1,600.99	1,202.71	656.21
	Decrease in Capital Work-in- Progress due to reallocation of Borrowing cost	(217.71)	(880.42)	(702.98)	(1,203.44)	(513.56)
	Increase in Inventory due to reallocation of Overhead expenditure	-	601.30	539.54	616.65	492.94
	Increase/ (Decrease) in Capital Work-in- Progress due to reallocation of Overhead expenditure	-	138.43	134.25	(144.57)	(387.00)
	Decrease in depreciation due to change in value of fixed assets	53.91	55.61	59.86	46.51	15.31
	Total (b)	(79.57)	2,039.77	1,836.87	732.20	174.28
c)	Material Adjustments {Refer Annexure IV D (1b)}					
	Decrease in Inventory due to reallocation of Borrowing cost	-	(1,181.33)	-	-	-
	Total (c)	-	(1,181.33)	-	-	-
d)	Material Adjustments {Refer Annexure IV D (1c)}					
	Decrease in Inventory due to reallocation of Overhead expenditure	-	(932.35)	(921.23)	-	-
	Total (d)	-	(932.35)	(921.23)	-	-
e)	Total Impact of Adjustments (e=b+c+d)	(79.57)	(73.92)	915.64	732.20	174.28

Sl. No.	Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Year ended March 31, 2010
f)	Tax impact of above adjustment (f)	25.83	28.31	(309.68)	(233.94)	(57.60)
g)	Profit/ (Loss) after tax as per Restated Financials (a+e+f)	(111.20)	(826.39)	(773.98)	1,616.80	1,518.54

C. UNCONSOLIDATED SURPLUS/ (DEFICIT) IN STATEMENT OF PROFIT AND LOSS AS ON 1st April, 2009 (Restated)

Particulars	(Rs. in Million)
Balance as per audited financial statements as on April 1, 2009	753.32
Material Adjustments {Refer Annexure IV D (1a)}	
Decrease in Inventory due to reallocation of Depreciation	(11.08)
Increase in Inventory due to reallocation of Borrowing cost	649.41
Decrease in Capital Work-in- Progress due to reallocation of Borrowing cost	(395.70)
Increase in Inventory due to reallocation of Overhead expenditure	340.79
Decrease in Capital Work-in- Progress due to reallocation of Overhead expenditure	(539.91)
Decrease in depreciation due to change in value of fixed assets	1.26
Total Impact of Adjustments	44.78
Tax impact of above adjustment	(13.99)
Balance as per restated financial statements as on April 1, 2009	784.10

D. NOTE ON ADJUSTMENTS CARRIED OUT

1 Material Adjustments

- a) During the year ended March 31, 2014, the Company identified its fixed assets, investments and loans pertaining to social infrastructure and amenities used at various levels in the development of the planned city, Lavasa. These service the entire Inventory of Land of the ongoing Hill Station Project and resulting into the development of Inventory of Floor Space Index (FSI) and bringing the same to saleable condition. Based on this categorization, rationalisations in the cost allocation methodology have been made during the year ended March 31, 2014 with effect from April 1, 2013 to include borrowing costs and overhead expenditure on sectoral / nodal / city level infrastructure, in respect of FSI under development to be treated as an element of cost in view of substantial period of time for development.

In accordance with the requirement of restatement, effect of the same has been given for five years viz FY 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14 including restatement of opening balances as on April 1, 2009.

- b) During the year ended March 31, 2013, borrowing cost allocation pertaining to Project Work in Progress - Floor Space Index (FSI) had been included in valuation of Inventory of FSI.

In accordance with the requirement of restatement, accounts have been restated as per policies adopted in financial year ended March 31, 2014 and corresponding effects have been given.

- c) During the year ended March 31, 2013 and March 31, 2012, consequent to the status quo for the Construction / Development and its withdrawal, the Board took a view that certain production overheads were essential in ensuring continuity of the Project itself during this period of suspension and further until 31st March, 2013 and same were allocated to the Inventory of Floor

Space Index.

In accordance with the requirement of restatement, accounts have been restated as per policies adopted in financial year ended March 31, 2014 and corresponding effects have been given.

2 Material Non- Adjusting Audit Qualifications

- a) For the year ended March 31, 2014 and March 31, 2013, statutory auditors have qualified our audited accounts as follows:

In respect of the matters relating to Order of the Ministry of Environment and Forests according environment clearance (EC) which are subject to compliance of terms and conditions vide Order dated November 09, 2011, the liability if any, in respect of conditions set therein is unascertainable.

No adjustment has been made in Restated Unconsolidated Financial Statements as effects of the above qualification are unascertainable.

- b) For the year ended March 31, 2012 and March 31, 2011, statutory auditors have qualified our audited accounts as follow;

Liability, if any, in respect of matters arising from the Order of the Ministry of Environment and Forests, is unascertainable.

No adjustment has been made in Restated Unconsolidated Financial Statements as effects of the above qualification are unascertainable.

3 Material Regroupings

Appropriate adjustments have been made in restated summary statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financials of the Company for the year ended March 31, 2014, prepared in accordance with revised Schedule VI of the Companies Act, 1956.

E. Other Notes to the Restated Unconsolidated Summary

1

(Rs. in Million)

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Cost of Land includes					
Land in respect of which Sale deed yet to be executed in the name of Company	127.11	127.11	127.15	127.15	129.37
Land in respect of which irrevocable Power of Attorney obtained in the name of Company	1.06	1.07	1.11	1.11	1.11
Land not covered by the Master Plan in respect of which sale deed is yet to be executed in the name of the Company	3.90	3.90	3.90	3.90	8.17

2 Technical surveys/estimates are involved in respect of physical verification procedures / determination of Project work-in-progress / related costs. These estimates made by the Company and certified to the auditors, have been relied upon by them, as these are of a technical nature.

3 **Preference Dividend**

(Rs. in Million)

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Provision for dividend for the year payable made towards 6% cumulative redeemable preference shares.	-	-	-	16.35	16.38
Provision for dividend for the year not made towards 6% cumulative redeemable preference shares, in absence of profits for the year.	22.35	22.35	22.35	-	-
Cumulative Provision for dividend payable not made towards 6% cumulative redeemable preference shares, in absence of profits.	67.05	44.70	22.35	-	-

4 **Employee Benefits**

a) **Defined Benefit Plans / Long Term Compensated Absences – As per Actuarial Valuation**

(Rs. in Million)

Particulars	Gratuity (Unfunded)				
	31st March 2014	31st March 2013	31st March 2012	31st March 2011	31st March 2010
Expenses recognized in the Statement of Profit & Loss					
Current Service Cost	3.31	6.15	6.03	6.54	5.20
Interest Cost	2.29	1.91	1.65	1.05	0.57
Expected return on plan assets	-	-	-	-	-
Net Actuarial (Gains) / Losses	(15.09)	1.41	(3.94)	0.77	1.16
Past Service Cost	-	-	-	-	-
Settlement Cost	-	-	-	-	-
Total Expense	(9.50)	9.47	3.74	8.35	6.93
Net Asset / (Liability) recognized in the Balance Sheet					
Present value of Defined Benefit	16.63	30.31	24.20	20.85	13.06

Particulars	Gratuity (Unfunded)				
	31st March 2014	31st March 2013	31st March 2012	31st March 2011	31st March 2010
Obligation					
Fair value of plan assets	-	-	-	-	-
Net Asset / (Liability)	16.63	30.31	24.20	(20.85)	(13.06)
Change in Obligation during the period					
Present value of Defined Benefit Obligation at beginning of the year.	30.31	24.20	20.85	13.06	7.59
Current Service Cost	3.31	6.15	6.03	6.54	5.20
Interest Cost	2.29	1.91	1.65	1.05	0.57
Actuarial (Gains) / Losses	(15.09)	1.41	(3.94)	0.77	1.16
Benefits Payments	(4.18)	(3.37)	(0.39)	(0.57)	(1.46)
Present value of Defined Benefit Obligation at the end of the Year	16.63	30.31	24.20	20.85	13.06
Actuarial Assumptions:					
Discounted Rate	9.20 % p.a.	8.10 % p.a	8.50 % p.a	8 % p.a.	8 % p.a.
Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate	LIC (1994-96) (ultimate)	LIC (1994-96) (ultimate)	LIC (1994-96) (ultimate)	LIC (1994-96) (ultimate)
Salary Increment rate	7.50%	7.50%	7.50%	7.50%	7.50%
The attrition rate varies from 2% to 8% for various age group					
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.					

(Rs. in Million)

Particulars	Leave Encashment & Sick Leave (Unfunded)				
	31st March 2014	31st March 2013	31st March 2012	31st March 2011	31st March 2010
Expenses recognized in the Statement of Profit & Loss					
Current Service Cost	4.70	8.50	9.83	4.92	5.35
Interest Cost	2.93	2.65	2.26	1.36	0.88
Expected return on plan assets	-	-	-	-	-
Net Actuarial (Gains) / Losses	(21.51)	0.94	(3.17)	4.47	(0.46)
Past Service Cost	-	-	-	-	-
Settlement Cost	-	-	-	-	-
Total Expense	(13.87)	12.09	8.92	10.75	5.77
Net Asset / (Liability) recognized in the Balance Sheet					
Present value of Defined Benefit Obligation	20.47	38.12	36.23	26.37	16.97
Fair value of plan assets	-	-	-	-	-
Net Asset / (Liability)	20.47	38.12	(36.23)	(26.37)	(16.97)
Change in Obligation during the period					
Present value of Defined Benefit Obligation at beginning of the year.	38.12	36.23	29.12	16.97	11.79
Current Service Cost	4.70	8.50	9.83	4.92	5.35
Interest Cost	2.93	2.65	2.26	1.36	0.88
Actuarial (Gains) / Losses	(21.51)	0.94	(3.17)	4.47	(0.46)
Benefits Payments	(3.77)	(10.20)	(1.81)	(1.36)	(0.59)

Particulars	Leave Encashment & Sick Leave (Unfunded)				
	31st March 2014	31st March 2013	31st March 2012	31st March 2011	31st March 2010
Present value of Defined Benefit Obligation at the end of the Year	20.47	38.12	36.23	26.37	16.97
Actuarial Assumptions:					
Discounted Rate	9.20 % p.a.	8.10 % p.a.	8.50 % p.a.	8 % p.a.	8% p.a.
Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate	LIC (1994-96) (ultimate)	LIC (1994-96) (ultimate)	LIC (1994-96) (ultimate)	LIC (1994-96) (ultimate)
Salary Increment rate	7.50%	7.50%	7.50%	7.50%	7.50%
The attrition rate varies from 2% to 8% for various age group					
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.					

b) **Defined Contribution Plans –**

Particulars	(Rs. in Million)				
	31st March 2014	31st March 2013	31st March 2012	31st March 2011	31st March 2010
Contribution/ Provision to and for Provident, Gratuity and other Funds	16.00	32.51	33.17	32.16	25.97

- 5 The Company is primarily engaged in the business of ‘Comprehensive Urban Development and Management’ which as per Accounting Standards 17 on “Segment reporting” is considered to be the only reportable primary business Segment. The Company is primarily operating in India which is considered to be as a single geographical segment. Hence no separate disclosure is required.
- 6 On 8th June, 2010, the Company has issued and allotted 37,79,56,728 equity shares of Rs. 10/- each, fully paid up in the ratio of 8 equity shares for every 1 equity share to the then existing shareholders. On 30th July 2010, the Company has further issued and allotted 6,07,43,044 equity shares of Rs. 10/- each, fully paid up in the ratio of 1 equity share for every 7 equity shares to the then existing shareholders. In accordance with Accounting Standard 20 “Earnings per Share”, the aforesaid shares have been adjusted for the event of bonus shares in computation of the earnings per share.
- 7 a) The Company has invested in various subsidiaries namely Dasve Convention Center Limited, Lakeview Clubs Limited, Lavasa Hotel Limited, Full Spectrum Adventure Limited, Warasgaon Tourism Limited, Dasve Hospitality Institutes Limited, Green Hills Residences Limited, Kart Racers Limited and Sahyadri City Management Limited, by way of investments in equity/preference shares Rs. 1,550.10 Million, net receivables Rs. 2,453.55 Million and advances Rs. 388.29 Million due to the suspension of project activities of the Company by MoEF order, business of these subsidiaries were also affected, and net worth of those subsidiaries were negative as on 31st March, 2014. Considering the long term business outlook, future growth plans, & commencement of project construction/business activities post MoEF clearance, in the said subsidiaries, the management is of the opinion that losses in these subsidiary companies are temporary in nature and going concern nature of the business is not adversely affected. In view of the above, no diminution in the value of investment is required and the receivables and advances given are fully recoverable.
- b) The Company has invested in various subsidiaries namely Dasve Business Hotel Limited, Dasve Convention Center Limited, Dasve Hospitality Institutes Limited, Dasve Retail Limited, Lakeshore Watersports Company Limited, Lakeview Clubs Limited, Lavasa Hotel Limited, Full Spectrum Adventure Limited, Lavasa Bamboocraft Limited, Reasonable Housing Limited,

Future City Multiservices SEZ Limited, Andromeda Hotels Limited, Warasgaon Tourism Limited, Kart Racers Limited, Sahyadri City Management Limited, Hill City Service Apartments Limited and Nature Lovers Retail Limited, by way of equity contribution Rs. 163.50 Million, net receivables Rs. 2738.16 Million and advances Rs. 2,043.64 Million due to the suspension of project activities of the Company by MoEF order, business of these subsidiaries were also affected, and net worth of those subsidiaries became negative as on 31st March, 2013. Considering the long term business outlook, future growth plans, & commencement of project construction/business activities post MoEF clearance, in the said subsidiaries, the management is of the opinion that losses in these subsidiary companies are temporary in nature and going concern nature of the business is not adversely affected. In view of the above, no diminution in the value of investment is required and the advances given are fully recoverable.

- c) Lavasa held 10% equity shares in Pune Paud Toll Road Company Limited (PPTRCL) as at year ended 31st March 2011. The accumulated loss of PPTRCL has exceeded its Equity as on 31st March, 2011 by Rs. 297.50 Million. The toll road operated by the PPTRCL is expected to generate many fold increase in the traffic plying on the road during balance part of the concession period due to large scale development taking place in the vicinity of Lavasa City and also planned ring road development extending the municipal limits of Pune City beyond present toll plaza location. In the opinion of the management these losses are of temporary in nature hence no diminution in value of investment is considered necessary. Management is expecting that the toll collection would accelerate during the balance tenure part of the concession period due to the economic development of the area and in particular due to the large scale township development namely, "LAVASA" and the planned ring road development extending the municipal limits of city of Pune beyond present toll plaza. The Company has also taken up the matter with appropriate authorities for the issue of local people's resistance to pay toll charges and frequent disturbance created including damage to the toll plaza resulting in significant impact on toll collection and requested them to arrive at remedial measures. The company has also started discussions with the appropriate authorities to restructure concessions terms to compensate for the lower revenue. Due the above facts, the diminution in value of investment is considered of temporary nature and no provisions considered necessary against loans and other dues.
- d) Lavasa holds 10% equity shares in Pune Paud Toll Road Company Limited (PPTRCL). The accumulated loss of PPTRCL has exceeded its Equity as on 31st March, 2010 by Rs. 155.90 Million. The toll road operated by the PPTRCL is expected to generate many fold increase in the traffic plying on the road during balance part of the concession period due to large scale development taking place in the vicinity of Lavasa City and also planned ring road development extending the municipal limits of Pune City beyond present toll plaza location. In the opinion of the management, these losses are of temporary in nature hence no diminution in value of investment is considered necessary.

EARNING PER SHARE

(Rs. in Million)

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Net Profit / (Loss) for the year	(111.20)	(826.39)	(773.98)	1,616.80	1,518.54
Less: Preference Dividend on 6% cumulative preference shares for the year	22.35	22.35	21.84	16.35	16.35
Less: Tax on Preference Dividend	3.80	3.80	3.54	2.65	2.72
Net Profit / (Loss) after preference dividend	(137.35)	(852.54)	(799.37)	1,597.79	1,499.47
Weighted Average number of Equity Shares (for Basic EPS)	795,944,363	795,944,363	529,386,986	485,944,363	485,944,363
Earning Per Share (Basic) (in	(0.17)	(1.07)	(1.51)	3.29	3.09

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Rs.)					
Weighted Average number of Equity Shares (for Diluted EPS)	795,944,363	795,944,363	529,386,986	487,162,269	519,515,611
Earning Per Share (Diluted) (in Rs.)	(0.17)	(1.07)	(1.51)	3.28	3.04

9

a. Options granted

- i) The Company granted 1,54,200 Stock Options on April 21, 2008 (each option carrying entitlement for one equity share of the face value of Rs. 10/- each) at an exercise price of Rs. 534.52 per equity share.
- ii) The ESOP Compensation committee at its meeting held on 20th October, 2009 granted 49,000 additional options to existing option holders at an exercise price of Rs. 534.52 per equity share for making an adjustment to the number of options on account of the increase in the equity share capital of the Company, post grant of the initial options.
- iii) The ESOP Compensation committee at its meeting held on 11th June, 2010 granted 15,16,560 additional options to existing option holders at an exercise price of Rs. 59.39 per equity share for making an adjustment to the number of options on account of the increase in the equity share capital of the Company, due to bonus issue of equity shares.
- iv) The ESOP Compensation committee at its meeting held on 11th June, 2010 also approved the adjustment / modification of exercise price mentioned in a(i) and a(ii) above to Rs. 59.39 per equity share due to bonus issue of equity shares.
- v) The ESOP Compensation Committee at its meeting held on 30th July, 2010 granted 2,43,736 additional options to existing option holders at an exercise price of Rs. 51.97 per equity share for making an adjustment to the number of options on account of the increase in the equity share capital of the Company, due to bonus issue of equity shares.
- vi) The ESOP Compensation committee at its meeting held on 30th July, 2010 also approved the adjustment / modification of exercise price mentioned in (i), (ii) and (iii) above to Rs. 51.97 per equity share due to bonus issue of equity shares.
- vii) The ESOP Compensation Committee at its meeting held on 23rd April, 2012 approved the change in entitlement in respect of the 17,25,740 Options granted to the eligible employees, from the existing ratio of 1 : 1 i.e One share for every Option exercised to 49 : 30 i.e 49 equity shares for every 30 Options exercised (fraction if any, arising in the resultant shares to be ignored). The said adjustment is made on account of the increase in the equity share Capital of the Company, due to various rights issues of equity shares made during the financial year 2011-12. The exercise price per option shall remain unchanged at Rs. 51.97 per option.

b. Settlement : Through Equity Shares.

c. Options granted till date: 19,63,496

d. Options lapsed/cancelled till date: 2,60,179

e. Options in force : 17,03,317

f. Options vested : 7,79,942 on 21/04/2011 out of which 98,619 Vested options have lapsed on account of Resignation / retirement. 5,17,724 on 21/04/2012 out of which 6,727 Vested options have lapsed on account of Resignation / retirement. 5,17,724 on 21/04/2013 out of which 6,727 Vested options have lapsed on account of Resignation / retirement.

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Outstanding at the beginning of the year	1,725,740	1,725,740	1,949,866	191,750	152,550
Granted during the year	NIL	NIL	NIL	1,760,296	49,000
Forfeited during the year	NIL	NIL	NIL	NIL	NIL
Exercised during the year	NIL	NIL	NIL	NIL	NIL
Expired / cancelled / lapsed during the year	22,423	NIL	224,126	2,180	9,800
Outstanding at the end of the year	1,703,317	1,725,740	1,725,740	1,949,866	191,750
Exercisable at the end of the year	1,703,317	1,208,016	690,292	NIL	NIL

- 10 The Income Tax assessments of the Company have been completed up to the accounting year ended 31st March 2011. Certain appeals preferred by the Company are pending before respective appellate authorities.

- 11 Deferred Tax liability for the year has been provided on the estimated tax computation for the year.

Major components of deferred tax assets and liabilities arising on account of timing differences are:

(Rs. in Million)

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Major components	Assets / (Liabilities)				
Depreciation	(399.54)	(318.68)	(242.95)	(158.78)	(83.83)
Claims and Allowances	(4,338.61)	(3,363.22)	(2,418.82)	(1,625.86)	(1,040.77)
Carry Forward Losses	3,585.31	2,718.03	1,332.30	146.79	235.15
Others	281.78	44.73	14.14	8.60	9.44
Total	(871.05)	(919.13)	(1,315.34)	(1,629.25)	(880.01)

- 12 **Operating Lease**

(Rs. in Million)

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Future Lease Rental payments					
(i) Not later than one year	12.58	35.87	32.68	19.83	66.07
(ii) Later than one year and not later than five years	1.87	11.95	41.30	36.90	91.93
(iii) Later than five years	3.44	3.71	3.99	4.26	4.26
Lease payment recognised during the year	19.63	35.76	32.71	29.88	40.55

General description of the leasing arrangement:

- i) Leased Assets : Office premises, Guest Houses, Vehicles
- ii) Future lease rental payments are determined on the basis of lease payable as per the agreement.
- 13 a) For the year ended March 31, 2014, Ministry of Environment & Forests (MoEF), Government of India, vide its order dated 9th November, 2011 accorded Environment Clearance (EC) to 1st Phase. Accordingly construction has resumed at project site.

- b) For the year ended March 31, 2013, Ministry of Environment & Forests (MoEF), Government of India, vide its order dated 9th November, 2011 accorded Environment Clearance (EC) to 1st Phase. Accordingly construction has resumed at project site.
- c) For the year ended March 31, 2012, Ministry of Environment & Forests (MoEF), Government of India, vide its order dated 9th November, 2011 accorded environment clearance (EC) to 1st Phase comprising of 2000 ha of Lavasa project subject to compliance of terms & conditions specified therein. Action plan has been prepared and submitted to the ministry with regard to earmarking of funds towards Corporate Social Responsibility. The Company has prayed for setting aside certain conditions stated in the Environmental Clearance in an appeal filed under the relevant Act. Accordingly construction has resumed at project site.
- d) For the year ended March 31, 2011, Ministry of Environment and Forests (MoEF), Government of India, has issued show cause notice dated 25th November 2010 to the Company alleging violations of the provisions of environment (Protection) Act, 1986 and directing the Company to maintain status quo for construction/development. The Company has filed Writ Petition in Bombay High Court being No. 9448 of 2010 for quashing the said show cause notice and status quo, which Petition has been admitted by the Hon'ble Bombay High Court. By order dated 17.1.2011, the MoEF has observed that the Company is in violation of Environment Impact Assessment Notifications, however MoEF is prepared to consider the project on merits subject to terms and conditions including imposition of penalty and creation of environment restoration fund. The order of status quo is continued.

Against the order dated 17.1.2011 the Company has filed Writ Petition being No. 811 of 2011 in Bombay High Court. Both the Writ Petitions are pending. The Company has filed without prejudice application with MoEF for grant of environment clearance (EC) for its 1st Phase (2000 ha) and the same is under consideration of MoEF. MoEF order is awaited. The ultimate liability in respect of the foregoing litigations, if any, is unascertainable, and hence no provisions have been made in the books of accounts.

- 14 Due to MoEF order dated 25th November 2010 to maintain status quo for construction and development work at site, the development activity was completely stopped for nearly one year till the vacation of the stay. In view of the above, the cash flows of the Company was affected adversely and as a result the company could not honor its commitments towards payment of interest and loan repayment on consortium loans due as on 31st December 2011. Since the amount unpaid is overdue for more than 90 days, the account has become substandard and the consortium loans have been classified by the some of the banks as non-performing Assets (NPA).
- 15 In Fiscal Year 2014, various common administrative costs amounting to Rs. 439.81 Million have been allocated to wholly owned subsidiaries. Further, during the year, marketing and branding related expenses, are incurred by the wholly owned subsidiary, Warasgaon Tourism Limited (WTL), which expenses were hitherto incurred directly by the Company, amounting to Rs. 310.62 Million as per the mutually agreed terms. As a consequence of these matters, the results of the Company for the year are not comparable to those of previous year.
- 16
 - a) The Company had incurred expenses of Rs. 43.26 million during the year ended 31st March 2011 towards proposed Initial Public Offer ("IPO") and debited the same to "Miscellaneous expenditure (to the extent not written off)". The same had been written off to the Statement of Profit and Loss during the year ended 31st March 2012.
 - b) On September 14, 2010, the Company has filed a Draft Red Herring Prospectus (DRHP) with Securities and Exchange Board of India (SEBI) for the proposed Initial Public Offer (IPO) of its equity shares of Rs. 10/- each. The Company has incurred certain expenses in relation to said IPO activity which have been accounted for as "Miscellaneous Expenditure (to the extent not written off or adjusted)". These expenses will be charged to the securities premium account proposed to be received from the Initial Public Offer of the equity shares of the Company. Details of expenses accounted for as Miscellaneous Expenditure (to the extent not written off or adjusted) are as below:

(Rs. in Million)		
S. No.	Description	31st March, 2011
1	Legal and Professional Fees	30.74
2	Regulatory	10.52
3	Professional Fees to Auditors	2.00
	Total	43.26

- 17 In the opinion of the Board, none of the assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business lower than, at least equal to the amount at which they are stated.
- 18 Figure “0.00” represents amount less than 0.01 Million

CONTINGENT LIABILITIES (UNCONSOLIDATED)**ANNEXURE V****STATEMENT OF CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:****(Rs. in Million)**

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Guarantee given by banks on behalf of the Company	26.51	26.51	26.51	26.51	50.27
Corporate Guarantee Outstanding	8,399.89	4,590.57	489.70	950.00	1,760.00
Claims not acknowledged as debt	12.30	12.30	9.70	9.70	9.70
Petitions against the orders / Notices filed with various authorities	177.55	177.55	177.55	177.55	-
Bank Guarantee given on behalf of Subsidiary Companies	4.79	4.05	3.94	3.67	-
For FY 2013-14 and FY 2012-13, registered Mortgage over 148.40 acres of land towards term loan taken by its subsidiary viz. Warasgaon Asset Maintenance Limited	-	-	-	-	-
For FY 2013-14, FY 2012-13 and FY 2011-12 ,registered mortgage over 231.66 acres of land situated in 5 villages namely Village Admal, Bhode, Gadle, Padalghar and Ugavali in taluka Mulshi, District Pune, Maharashtra towards Redeemable Non-Convertible Debentures issued to Axis Bank Limited by Hindustan Construction Company Limited.	-	-	-	-	-
For FY 2013-14, FY 2012-13 and FY 2011-12 Registered mortgage over 46.90 acres of land situated in 3 villages namely Village Wadawali, Sakhari and Dhamanhole in taluka Mulshi, District Pune, Maharashtra towards Term Loan taken by HCC Real Estate Limited.	-	-	-	-	-
The estimated amount of contracts remaining to be executed on capital account, and towards infrastructure development, not provided for	5,505.54	5,918.35	931.42	879.54	2,448.29
Estimated financial commitment not provided for	-	1,719.40	-	-	-
There are other commitments on revenue account, related to services to be received, made in the normal course of business.					

RELATED PARTY TRANSACTIONS (UNCONSOLIDATED)**ANNEXURE VI****RELATED PARTY DISCLOSURES**

(In compliance with Accounting Standard 18 – Related Party Disclosures)

A. List of related parties:

(As identified by the management)

i) Parent/Holding Companies and their subsidiaries

As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Hindustan Construction Company Limited (HCC) (Parent of Holding Company)	Hindustan Construction Company Limited (HCC) (Parent of Holding Company)	Hindustan Construction Company Limited (HCC) (Parent of Holding Company)	Hindustan Construction Company Limited (HCC) (Parent of Holding Company)	Hindustan Construction Company Limited (HCC) (Parent of Holding Company)
HCC Real Estate Limited (HREL) (Subsidiary of HCC & Holding company of Lavasa Corporation Limited)	HCC Real Estate Limited (HREL) (Subsidiary of HCC & Holding company of Lavasa Corporation Limited)	HCC Real Estate Limited (HREL) (Subsidiary of HCC & Holding company of Lavasa Corporation Limited)	HCC Real Estate Limited (HREL) (Subsidiary of HCC & Holding company of Lavasa Corporation Limited)	HCC Real Estate Limited (HREL) (Subsidiary of HCC & Holding company of Lavasa Corporation Limited)
Pune paid Toll Road Company Limited (Subsidiary of HREL)	Pune paid Toll Road Company Limited (Subsidiary of HREL)	Pune paid Toll Road Company Limited (Subsidiary of HREL)	Pune paid Toll Road Company Limited (Subsidiary of HCC)	Pune paid Toll Road Company Limited (Subsidiary of HCC)
Highbar Technologies Limited (Subsidiary of HCC)	Highbar Technologies Limited (Subsidiary of HCC)	Highbar Technologies Limited (Subsidiary of HCC)	Highbar Technologies Limited (Subsidiary of HCC)	Highbar Technologies Limited (Subsidiary of HCC)
HRL (Thane) Real Estate Limited (Subsidiary of HREL)	-	-	-	-
HCC Aviation Limited (Subsidiary of HREL)	HCC Aviation Limited (Subsidiary of HREL)	HCC Aviation Limited (Subsidiary of HREL)	HCC Aviation Limited (Subsidiary of HCC)	HCC Aviation Limited (Subsidiary of HCC)
Steiner India Limited	-	-	-	-

ii) Subsidiary Companies: Direct Subsidiaries

As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Apollo Lavasa Health Corporation	Apollo Lavasa Health Corporation	Apollo Lavasa Health Corporation	Apollo Lavasa Health Corporation	Apollo Lavasa Health Corporation

As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Limited	Limited	Limited	Limited	Limited
Lavasa Hotel Limited	Lavasa Hotel Limited	Lavasa Hotel Limited	Lavasa Hotel Limited	Lavasa Hotel Limited
Lakeshore Watersports Company Limited	Lakeshore Watersports Company Limited	Lakeshore Watersports Company Limited	Lakeshore Watersports Company Limited	Lakeshore Watersports Company Limited
-	-	-	Ecomotel Hotel Limited (Upto 1st September 2010)	Ecomotel Hotel Limited
Dasve Convention Center Limited	Dasve Convention Center Limited	Dasve Convention Center Limited	Dasve Convention Center Limited	Dasve Convention Center Limited
Dasve Business Hotel Limited	Dasve Business Hotel Limited	Dasve Business Hotel Limited	Dasve Business Hotel Limited	Dasve Business Hotel Limited
Lakeview Clubs Limited	Lakeview Clubs Limited	Lakeview Clubs Limited	Lakeview Clubs Limited	Lakeview Clubs Limited
Dasve Hospitality Institutes Limited	Dasve Hospitality Institutes Limited	Dasve Hospitality Institutes Limited	Dasve Hospitality Institutes Limited	Dasve Hospitality Institutes Limited
Dasve Retail Limited	Dasve Retail Limited	Dasve Retail Limited	Dasve Retail Limited	Dasve Retail Limited
Full Spectrum Adventure Limited	Full Spectrum Adventure Limited	Full Spectrum Adventure Limited	Full Spectrum Adventure Limited	Full Spectrum Adventure Limited
-	-	-	Warasgaon Lake View Hotels Limited (Upto 30th December 2010)	Warasgaon Lake View Hotels Limited (Formerly known as Lavasa Star Hotel Limited)
Lavasa Bamboocrafts Limited	Lavasa Bamboocrafts Limited	Lavasa Bamboocrafts Limited	Lavasa Bamboocrafts Limited	Lavasa Bamboocrafts Limited
-	-	-	Knowledge Vistas Limited (upto 22nd April 2010)	Knowledge Vistas Limited (Formerly known as GDST- Oxford International School Limited)
Spotless Laundry Services Limited	Spotless Laundry Services Limited	Spotless Laundry Services Limited	Spotless Laundry Services Limited	Spotless Laundry Services Limited
Reasonable Housing Limited	Reasonable Housing Limited	Reasonable Housing Limited	Reasonable Housing Limited	Reasonable Housing Limited
My City Technology Limited	My City Technology Limited	My City Technology Limited	My City Technology Limited	My City Technology Limited
Future City Multiservices SEZ Limited	Future City Multiservices SEZ Limited	Future City Multiservices SEZ Limited	Future City Multiservices SEZ Limited (Formerly known as Minfur Interior Technologies Limited)	Minfur Interior Technologies Limited
Rhapsody Commercial Space Limited	Rhapsody Commercial Space Limited	Rhapsody Commercial Space Limited	Rhapsody Commercial Space Limited	Rhapsody Hospitality Limited

As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
			(Formerly known as Rhapsody Hospitality Limited)	
Valley View Entertainment Limited	Valley View Entertainment Limited	Valley View Entertainment Limited	Valley View Entertainment Limited	Valley View Entertainment Limited
Andromeda Hotels Limited (Till 30th March, 2014)	Andromeda Hotels Limited	Andromeda Hotels Limited	Andromeda Hotels Limited	Andromeda Hotels Limited
Sirrah Palace Hotels Limited.	Sirrah Palace Hotels Limited.	Sirrah Palace Hotels Limited.	Sirrah Palace Hotels Limited.	Sirrah Palace Hotels Limited.
Whistling Thrush Facilities Services Limited	Whistling Thrush Facilities Services Limited	Whistling Thrush Facilities Services Limited	Whistling Thrush Facilities Services Limited	Whistling Thrush Facilities Services Limited
Green Hills Residences Limited	Green Hills Residences Limited	Green Hills Residences Limited	Green Hills Residences Limited	Green Hills Residences Limited
Warasgaon Tourism Limited	Warasgaon Tourism Limited	Warasgaon Tourism Limited	Warasgaon Tourism Limited	Warasgaon Tourism Limited
Warasgaon Power Supply Limited	Warasgaon Power Supply Limited	Warasgaon Power Supply Limited	Warasgaon Power Supply Limited	Warasgaon Power Supply Limited
Sahyadri City Management Limited	Sahyadri City Management Limited	Sahyadri City Management Limited	Sahyadri City Management Limited	Sahyadri City Management Limited
Our Home Service Apartments Limited	Our Home Service Apartments Limited	Our Home Service Apartments Limited	Our Home Service Apartments Limited	Our Home Service Apartments Limited
Hill City Service Apartments Limited	Hill City Service Apartments Limited	Hill City Service Apartments Limited	Hill City Service Apartments Limited	Hill City Service Apartments Limited
Warasgaon Infrastructure Providers Limited	Warasgaon Infrastructure Providers Limited	Warasgaon Infrastructure Providers Limited	Warasgaon Infrastructure Providers Limited	-
Kart Racers Limited	Kart Racers Limited	Kart Racers Limited	Kart Racers Limited	-
Nature Lovers Retail Limited	Nature Lovers Retail Limited	Nature Lovers Retail Limited	Nature Lovers Retail Limited	-
Mugaon Luxury Hotels Limited	Mugaon Luxury Hotels Limited	Mugaon Luxury Hotels Limited	Mugaon Luxury Hotels Limited	-
Osprey Hospitality Limited	Osprey Hospitality Limited	Osprey Hospitality Limited	Osprey Hospitality Limited	-
Starlit Resort Limited	Starlit Resort Limited	Starlit Resort Limited	Starlit Resort Limited	-
Rosebay Hotels Limited	Rosebay Hotels Limited	Rosebay Hotels Limited	Rosebay Hotels Limited	-
Warasgaon Valley Hotels Limited	Warasgaon Valley Hotels Limited	Warasgaon Valley Hotels Limited	Warasgaon Valley Hotels Limited	-
Warasgaon Assets Maintenance Limited	Warasgaon Assets Maintenance Limited	Warasgaon Assets Maintenance Limited	-	-

As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Hill View Parking Services Limited	Hill View Parking Services Limited	Hill View Parking Services Limited	-	-
Verzon Hospitality Limited	Verzon Hospitality Limited (From 18th February 2013)	-	Verzon Hospitality Limited (Upto 30th December 2010)	Verzon Hospitality Limited

iii) **Other Related Parties**

As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Gulabchand Foundation (Formed under section 25 of the Companies Act, 1956)	Gulabchand Foundation (Formed under section 25 of the Companies Act, 1956)	Gulabchand Foundation (Formed under section 25 of the Companies Act, 1956)	Gulabchand Foundation (Formed under section 25 of the Companies Act, 1956)	Gulabchand Foundation (Formed under section 25 of the Companies Act, 1956)
Bona Sera Hotels Limited	Bona Sera Hotels Limited	Bona Sera Hotels Limited	Bona Sera Hotels Limited	Bona Sera Hotels Limited
Palmetto Hospitality Limited	Palmetto Hospitality Limited	Palmetto Hospitality Limited	Palmetto Hospitality Limited	Palmetto Hospitality Limited
Ecomotel Hotel Limited	Ecomotel Hotel Limited	Ecomotel Hotel Limited	Ecomotel Hotel Limited (From 2nd September 2010)	-
Warasgaon Lake View Hotels Limited	Warasgaon Lake View Hotels Limited	Warasgaon Lake View Hotels Limited	Warasgaon Lake View Hotels Limited (From 31st December 2010)	-
Andromeda Hotels Limited.(From 31st March, 2014)	-	-	-	-
Vikhroli Corporate Park Private Limited	Vikhroli Corporate Park Private Limited	Vikhroli Corporate Park Private Limited	Vikhroli Corporate Park Private Limited (From 22nd July 2010)*	Vikhroli Corporate Park Firm
SOL Hospitality Limited (Merged with Bona Sera Hotels Limited From 1st April, 2013)	SOL Hospitality Limited	SOL Hospitality Limited	SOL Hospitality Limited	SOL Hospitality Limited
Knowledge Vistas Limited	Knowledge Vistas Limited	Knowledge Vistas Limited	Knowledge Vistas Limited (From 23rd April, 2010)	-
-	Verzon Hospitality Limited (Upto 17th February,	-	Verzon Hospitality Limited (From 31st December,	-

As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
	2013)		2010)	
-	-	-	Hincon Holdings Limited	-

* Vikhroli Corporate Park Private Limited (formerly - Vikhroli Corporate Park - 'firm' and converted under part IX of the Companies Act, 1956) during Fiscal Year 2011.

iv) **Key Management Personnel and their relatives:**

As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Mr. Rajgopal Nogja (Upto 28th April, 2013)	Mr. Rajgopal Nogja	Mr. Rajgopal Nogja	Mr. Rajgopal Nogja	Mr. Rajgopal Nogja
Mr. Ambuj Jain (From 1st May, 2013 Upto 1st January, 2014)	Mr. Ambuj Jain	Mr. Ambuj Jain	Mr. Ambuj Jain	-
Mr. Nathan Andrews (From 2nd January, 2014)	-	Mr. Nathan Andrews (upto 31st December, 2011)	Mr. Nathan Andrews	-
-	-	Mr. Vinayak Jadhav	Mr. Vinayak Jadhav	Mr. Vinayak Jadhav
-	-	Ms. Anuradha Paraskar	Ms. Anuradha Paraskar	-
-	-	Mr. Sureshkumar Prabhakar Pendharkar	Mr. Sureshkumar Prabhakar Pendharkar	-
-	-	Mr. Scott Wrighton	Mr. Scott Wrighton	-
-	-	Mr. Arun Bodupali	Mr. Arun Bodupali	-
-	-	Mr. A Venkatesan	Mr. A Venkatesan	Mr. A Venkatesan
Mr. Narendra Negandhi (From 8th October, 2013)	-	-	-	-

B. **Transactions during the year and Balances Outstanding as at the year end with related parties and associate companies are as follows:**

(Rs. in Million)

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Project and other services received during the year					
HCC Real Estate Limited	-	-	1.10	-	0.89
Hindustan Construction Company Limited	282.24	389.31	316.42	153.89	254.88
HCC Aviation Limited	-	-	23.94	91.76	-
Lavasa Hotel Limited	7.83	7.67	1.23	13.98	18.80
Apollo Lavasa Health Corporation Limited	3.60	0.63	3.79	0.05	-
Vikhroli Corporate Park Private Limited	36.49	37.19	32.43	26.88	10.13
My City Technology Limited	13.70	20.24	5.74	30.94	-

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Whistling Thrush Facilities Services Limited	65.77	60.37	10.48	-	-
Ecomotel Hotel Limited	0.47	4.31	2.76	11.73	-
Bona Sera Hotels Limited	0.85	1.05	-	5.82	1.08
Steiner India Limited	443.92	-	-	-	-
Others	17.22	12.58	18.39	11.62	2.40
Project and other services given during the year					
Hindustan Construction Company Limited	-	-	-	69.03	-
HCC Real Estate Limited	-	-	-	0.01	-
Lavasa Hotel Limited	4.19	11.43	18.87	15.05	39.82
Warasgaon Lake View Hotels Limited	31.21	15.27	3.49	40.83	7.57
Apollo Lavasa Health Corporation Limited	0.31	0.83	-	3.54	12.46
Ecomotel Hotel Limited	0.47	4.34	2.49	20.54	9.71
Dasve Hospitality Institutes Limited	33.34	30.59	28.20	35.04	7.17
Dasve Convention Center Limited	23.14	0.46	3.96	6.59	2.49
Sahyadri City Management Limited	68.39	29.46	17.11	52.66	-
Knowledge Vistas Limited	-	-	-	7.47	20.68
Steiner AG, Switzerland	-	-	-	3.03	-
Lakeview Clubs Limited	7.97	0.22	3.90	8.41	6.08
Warasgaon Asset Maintenance Limited	184.85	68.16	-	-	-
Spotless Laundry Services Limited	0.02	0.68	1.79	11.87	1.92
Others	146.85	16.21	8.39	15.85	14.09
Interest expense on Inter Corporate Deposit received					
HCC Real Estate Limited	106.13	78.75	51.58	7.39	-
Hindustan Construction Company Limited	-	-	3.56	-	-
Hincon Holdings Limited	-	-	1.99	-	-
Interest income on Inter Corporate Deposit given					
Lavasa Hotel Limited	2.00	8.58	16.77	19.39	15.95
Dasve Convention Center Limited	56.14	43.71	33.84	24.19	6.47
Dasve Retails Limited	73.67	83.97	77.45	57.23	6.77
Green Hills Residences Limited	44.17	63.15	58.31	43.02	0.01
Ecomotel Hotel Limited	13.56	13.60	11.20	8.11	5.12
Dasve Business Limited	21.85	24.04	21.64	18.18	6.53
Bona Sera Hotels Limited	11.07	18.55	2.13	11.87	-
Warasgaon Lake View Hotels Limited	0.10	-	36.39	7.54	1.94
Knowledge Vistas Limited	-	-	-	0.77	3.40
Others	3.79	173.91	112.39	75.47	20.47
Construction / Land Sale					
HCC Real Estate Limited	-	-	-	1,157.27	-
Apollo Lavasa Health Corporation Limited	-	-	-	-	588.30
Dasve Business Hotel Limited	-	-	-	-	175.00

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Dasve Retail Limited	-	-	-	79.23	266.50
Green Hills Residences Limited	-	-	-	103.67	345.56
Lakeview Clubs Limited	-	-	-	760.00	-
Dasve Convention Center Limited	-	-	-	1,100.00	-
Starlit Resorts Limited	-	60.35	-	-	-
Verzon Hospitality Limited	562.48	-	-	-	-
Rosebay Hospitality Limited	243.17	-	-	-	-
Mugaon Luxury Hotels Limited	175.00	-	-	-	-
Reasonable Housing Limited	20.49	3.76	-	19.49	345.03
Others	-	-	-	105.00	49.05
During the year ended March 31, 2014, Company terminated lease deed of building with Green Hills Residences Limited amounting to Rs. 483.78 Million.					
Sale of Fixed Assets					
Starlit Resorts Limited	-	77.45	-	-	-
Addition to Fixed assets as part of concession agreements					
Warasgaon Assets Maintenance Limited	266.05	-	-	-	-
Inter Corporate Deposit taken during the year					
Hindustan Construction Company Limited	-	-	210.00	-	-
HCC Real Estate Limited	499.56	851.10	3,052.85	1,090.00	-
Hincon Holdings Limited	-	-	150.00	-	-
Inter Corporate Deposit repaid during the year					
HCC Real Estate Limited	50.00	543.50	3,902.85	-	-
Hindustan Construction Company Limited	-	-	210.00	-	-
Hincon Holdings Limited	-	-	0.30	-	-
Inter Corporate Deposit given during the year					
Dasve Retail Limited	12.29	9.19	11.33	492.57	89.33
Apollo Lavasa Health Corporation Limited	8.56	57.89	29.45	78.14	266.80
Green Hills Residences Limited	6.60	8.83	2.49	434.94	1.12
Hill City Service Apartments Limited	1.78	1.13	0.55	770.73	0.05
Dasve Convention Center Limited	101.04	77.66	41.89	122.53	104.03
Sahyadri City Management Limited	87.80	184.25	96.63	0.45	0.05
Warasgaon Asset Maintenance Limited	1,871.41	984.00	-	-	-
Warasgaon Power Supply Limited	336.71	258.62	-	0.01	0.05
Starlit Resort Limited	-	-	68.40	0.05	-
Ecomotel Hotel Limited	1.51	15.10	36.55	126.05	245.53
Warasgaon Lake View Hotels Limited	11.66	-	14.65	319.82	287.31
Knowledge Vistas Limited	137.76	14.54	15.20	43.29	387.10
Others	187.09	125.78	229.17	801.34	747.15
Inter Corporate Deposit received					

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
back during the year					
Ecomotel Hotel Limited	34.50	17.00	11.97	93.72	221.09
Apollo Lavasa Health Corporation Limited	40.00	6.82	0.20	82.53	214.06
Knowledge Vistas Limited	119.55	0.53	3.70	69.30	362.21
Hill City Service Apartments Limited	71.70	-	0.00	701.33	0.00
Dasve Hospitality Institutes Limited	129.41	74.64	14.09	177.09	104.89
Warasgaon Lake View Hotels Limited	1.70	-	252.10	90.75	293.75
Spotless Laundry Service Limited	-	15.69	6.45	44.42	57.45
Sahyadri City Management Limited	324.40	17.24	11.64	0.50	0.00
Lavasa Hotel Limited	57.85	11.60	75.20	30.29	17.22
Starlit Resort Limited	-	-	68.45	-	-
Others	1,785.02	23.57	50.55	354.12	234.09
Equity Share Contribution during the year					
Apollo Lavasa Health Corporation Limited	40.00	-	-	71.20	# 588.3
Spotless Laundry Services Limited	-	15.69	-	47.73	7.13
Green Hills Residences Limited	-	-	-	23.12	0.50
Andromeda Hotels Limited	28.10	-	-	-	0.50
Verzon Hospitality Limited	-	2.87	-	-	0.50
Whistling Thrush Facilities Services Limited	-	2.04	-	-	0.50
Warasgaon Power Supply Limited	-	50.00	-	-	0.50
Warasgaon Asset Maintenance Limited	-	100.50	-	-	-
Hill View Parking Service Limited	-	0.50	-	-	-
Ecomotel Hotel Limited	13.00	13.00	-	19.88	11.42
Warasgaon Lake view Hotels Limited	39.99	18.84	-	48.86	-
Knowledge Vistas Limited	-	-	-	26.25	142.00
Others	-	-	-	4.50	267.26
Preference Share Contribution during the year					
Nature Lovers Retail Limited	17.32	-	-	-	-
Hill City Service Apartments Limited	103.29	-	-	-	-
Sahyadri City Management Limited	387.14	-	-	-	-
Warasgaon Tourism Limited	98.37	-	-	-	-
Future City Multiservices SEZ Limited	16.95	-	-	-	-
Reasonable Housing Limited	196.57	-	-	-	-
Lavasa Bamboocrafts Limited	79.02	-	-	-	-
Dasve Retail Limited	789.15	-	-	-	-
Lakeview Clubs Limited	193.58	-	-	-	-
Lakeshore Watersports Limited	109.80	-	-	-	-
Dasve Convention Center Limited	517.83	-	-	-	-
Dasve Business Hotels Limited	233.98	-	-	-	-
Dasve Hospitality Institutes Limited	170.56	100.00	-	-	-
Corporate Guarantees Received on behalf of the Company & Outstanding					
Hindustan Construction Company	5,517.87	6,648.81	6,889.16	7,484.78	6,072.04

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Limited					
HCC Real Estate Limited	4,447.18	524.23	-	-	-
Corporate Guarantees and Bank Guarantees Given & Outstanding					
Ecomotel Hotel Limited	148.50	148.50	160.58	180.00	180.00
Dasve Hospitality Institutes Limited	299.20	120.05	55.00	300.00	300.00
Knowledge Vistas Limited	140.00	131.03	146.00	370.00	370.00
Spotless Laundry Services Limited	40.47	45.28	63.12	103.67	100.00
Warasgaon Lake View Hotels Limited	108.03	100.71	65.00	-	810.00
Warasgaon Power Supply Limited	2,750.00	1,035.00	-	-	-
Warasgaon Asset Maintenance Limited	4,946.20	3,010.00	-	-	-
Outstanding Balances included in Trade Payable/Current Liabilities					
HCC Real Estate Limited	71.06	7.33	1.85	6.63	-
Hindustan Construction Company Limited	631.59	481.52	114.18	245.82	233.81
Sahyadri City Management Limited	10.12	8.94	-	-	-
Dasve Convention Center Limited	1.64	0.01	0.41	1.13	-
Ecomotel Hotel Limited	5.32	-	9.06	4.77	-
Lavasa Hotel Limited	5.41	2.07	18.41	13.89	0.39
My City Technology Limited	13.21	27.67	149.93	30.90	-
Steiner India Limited	228.07	-	-	-	-
HCC Aviation Limited	23.46	23.46	23.46	-	-
Apollo Lavasa Health Corporation Limited	1.50	-	6.82	0.50	-
Whistling Thrush Facilities Services Limited	14.15	12.28	2.13	-	-
Lake View Clubs Limited	1.86	0.36	2.45	0.73	0.73
Bonasera Hotel Limited	2.64	1.79	0.74	1.23	0.59
Others	10.44	4.45	1.58	2.40	0.47
Outstanding Balances included in Trade Receivable/Current Assets					
HCC Real Estate Limited	1,147.27	1,147.27	1,147.27	1,157.27	-
Hindustan Construction Company Limited	-	-	-	27.53	4.24
Dasve Retail Limited	3.57	149.14	72.71	14.76	344.09
Reasonable Housing Limited	301.12	252.55	228.11	222.05	245.03
Green Hills Residencies Limited	56.49	178.86	121.66	69.18	345.56
My City Technology Limited	-	2.19	-	0.19	-
Bonasera Hotel Limited	31.45	21.51	5.02	3.97	2.46
Ecomotel Hotel Limited	66.39	52.55	46.23	34.03	0.00
Knowledge Vistas Limited	12.16	12.02	-	0.25	-
Warasgaon Lakeview Hotel Limited	65.25	34.88	59.30	20.38	-
Dasve Convention Center Limited	1,129.66	1,195.86	1,159.86	1,125.45	0.00
Warasgaon Tourism Limited	331.65	18.07	9.16	1.33	-
Lake View Clubs Limited	771.56	802.05	775.83	769.96	0.35
Others	671.40	432.23	326.75	233.85	109.14
Intercompany Deposit given Outstanding					

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Dasve Retail Limited	5.23	529.62	520.43	519.30	52.28
Dasve Business Hotel Limited	2.38	155.35	146.29	139.89	120.80
Lavasa Hotel Limited	-	45.85	54.84	130.04	146.37
Green Hills Residences Limited	213.40	394.60	392.63	390.25	0.00
Dasve Convention Center Limited	51.94	323.23	245.57	213.67	103.96
Warasgaon Lake View Hotels Limited	9.96	-	-	237.45	8.38
Warasgaon Asset Maintenance Limited	2,855.41	984.00	-	-	-
Warasgaon Power Supply Limited	595.33	258.62	-	-	0.05
Ecomotel Hotel Limited	52.70	85.70	87.60	63.02	30.69
Bona Sera Hotels Limited	81.81	69.21	69.21	69.21	25.43
Others	383.57	1,228.50	988.23	690.03	361.93
Intercompany Deposit Received Outstanding					
HCC Real Estate Limited	997.16	547.60	240.00	1,090.00	-
Advance/Deposit Given and outstanding at the end of the year					
Steiner India Limited	107.16	-	-	-	-
Vikhroli Corporate Park Private Limited	7.29	7.29	7.29	7.29	7.29
Advance/Deposit received and outstanding at the end of the year					
Dasve Retail Limited	-	-	-	31.87	-
My City Technology Limited	127.85	129.19	138.38	144.82	174.59
Warasgaon Asset Maintenance Limited	6,798.50	3,696.00	-	-	-
Warasgaon Power Supply Limited	3,034.30	1,242.60	-	-	-
Verzon Hospitality Limited	-	3.80	-	-	-
Future City Multiservices SEZ Limited	10.00	10.00	10.00	-	-
Rhapsody Hospitality Limited	0.10	0.20	0.20	-	-
Warasgaon Valley Hotels Limited	0.25	0.25	0.25	-	-
Rosebay Hotels Limited	0.25	0.25	0.25	-	-
Mugaon Luxury Hotels Limited	0.25	0.25	0.25	-	-
Osprey Hospitality Limited	0.25	0.25	0.25	-	-

Note

During the financial year 2009-10, Lavasa Corporation Limited has contributed to share capital in Apollo Lavasa Health Corporation Limited by way of sale of land.

Details of transactions relating to persons referred to in item (A)(iv) above :

(Rs. in Million)

Nature of Transactions	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Mr. Ambuj Jain	5.77	15.56	14.56	12.76	11.12
Mr. Nathan Andrews	-	-	9.15	12.26	10.84
Mr. Vinayak J Jadhav	-	-	6.63	6.46	5.79
Ms. Anuradha Paraskar	-	-	7.47	6.95	6.29

Nature of Transactions	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Mr. Sureshkumar Prabhakar Pendharkar	-	-	8.37	9.01	5.40
Mr. Scott Wrighton	-	-	12.58	11.35	9.14
Mr. Arun Bodupali	-	-	8.88	8.46	7.57
Others	-	-	3.93	8.61	2.06
Total	5.77	15.56	71.57	75.85	58.22

Options granted to Key Management Personnel under Employee Stock Option Scheme.

Number of Options Granted

Name of Key Personnel	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Mr. Rajgopal Nogja	403,303	403,303	403,303	403,303	39,210
Mr. Ambuj Jain	224,126	224,126	224,126	224,126	21,790
Mr. Vinayak Jadhav	-	224,126	224,126	224,126	21,790
Mr. Nathan Andrews	-	-	-	224,126	21,790
Ms. Anuradha Paraskar	-	224,126	224,126	224,126	21,790
Mr. Arun Bodupali	-	224,126	224,126	224,126	21,790
Mr. Suresh Pendharkar	-	224,126	224,126	224,126	21,790
Total	627,429	1,523,933	1,523,933	1,748,059	169,950

Figure “0.00” represents amount less than 0.01 Million

DETAILS OF FIXED ASSETS (UNCONSOLIDATED)

ANNEXURE VII

(Rs. in Million)

Particulars	As at March 31, 2014			As at March 31, 2013			As at March 31, 2012			As at March 31, 2011			As at March 31, 2010		
	Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block
Tangible Assets															
1 Land	39.11	-	39.11	36.60	-	36.60	35.31	-	35.31	34.07	-	34.07	26.98	-	26.98
2 Buildings	5,419.13	827.32	4,591.81	4,237.73	640.73	3,597.00	3,983.98	467.20	3,516.78	3,943.30	280.36	3,662.95	2,503.28	120.41	2,382.88
3 Plant & Machinery, Office Equipments	724.52	339.55	384.97	718.06	277.38	440.69	728.02	212.02	516.01	725.60	128.68	596.93	377.79	79.34	298.45
4 Furniture & Fixtures	99.19	66.21	32.98	98.22	58.96	39.26	103.15	54.41	48.73	102.88	43.54	59.34	81.54	29.07	52.47
5 Vehicles	31.40	22.82	8.58	31.40	19.82	11.58	30.32	15.78	14.54	25.91	10.21	15.69	7.32	4.96	2.36
6 Computers	50.92	46.03	4.89	49.37	43.42	5.95	61.22	50.60	10.62	57.69	43.23	14.46	51.40	35.08	16.32
7 Boats	0.47	0.42	0.05	0.47	0.41	0.06	0.47	0.40	0.07	0.47	0.38	0.09	0.47	0.36	0.11
	6,364.74	1,302.35	5,062.40	5,171.86	1,040.72	4,131.14	4,942.48	800.41	4,142.07	4,889.93	506.40	4,383.53	3,048.79	269.22	2,779.57
Intangible Assets															
8 Software	25.10	19.52	5.58	25.10	18.00	7.10	25.10	16.69	8.41	24.99	15.20	9.79	24.93	13.46	11.47
9 Trademarks & Designs	7.39	6.51	0.88	7.39	5.77	1.62	7.39	5.04	2.35	7.39	4.26	3.13	7.39	3.52	3.87
	32.49	26.03	6.46	32.49	23.78	8.71	32.49	21.73	10.76	32.38	19.46	12.92	32.32	16.98	15.34
Total	6,397.23	1,328.38	5,068.86	5,204.35	1,064.49	4,139.85	4,974.97	822.14	4,152.83	4,922.31	525.86	4,396.45	3,081.11	286.20	2,794.91
Capital Work In Progress			8,929.14			8,643.68			7,844.08			6,664.59			7,189.94
Total	6,397.23	1,328.38	13,998.00	5,204.35	1,064.49	12,783.53	4,974.97	822.14	11,996.91	4,922.31	525.86	11,061.04	3,081.11	286.20	9,984.84

The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.

DETAILS OF LOANS AND ADVANCES (UNCONSOLIDATED)

ANNEXURE VIII

(Rs. in Million)

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Long-term loans & advances					
(Unsecured, considered Good, unless otherwise stated)					
Deposits	96.44	95.50	94.65	89.35	8.69
Inter Corporate Deposit to Subsidiaries	3,450.74	1,242.62	-	-	-
Amounts recoverable in cash or kind	0.50	0.66	0.94	0.95	1.13
Sub- Total	3,547.68	1,338.78	95.60	90.30	9.82
Short-term loans and advances					
(Unsecured, considered Good, unless otherwise stated)					
Inter Corporate Deposits to Subsidiaries	604.84	2,641.83	2,326.67	2,073.36	724.09
Inter Corporate Deposits to Associates	196.15	190.23	178.12	379.49	125.81
Amounts recoverable in cash or kind or for value to be received	611.18	441.29	416.70	329.60	188.79
Advances to Suppliers	471.39	348.43	272.51	173.01	503.08
Advances for Land Purchases	369.34	402.72	427.30	463.55	419.34
Other amounts recoverable	619.89	618.43	592.67	674.52	584.61
Deposits	2.96	4.18	4.06	3.50	3.15
Advance Payment of Taxes(Net of Provision for Tax)	940.58	913.02	868.06	795.79	511.62
Sub- Total	3,816.34	5,560.12	5,086.09	4,892.82	3,060.48
Total	7,364.01	6,898.90	5,181.69	4,983.12	3,070.30
Loans and advances to Promoters, Directors, Group Companies, subsidiaries, associates and other related parties	4,366.18	4,081.97	2,512.08	2,460.14	857.19

The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.

DETAILS OF TRADE RECEIVABLES (UNCONSOLIDATED)**ANNEXURE IX****(Rs. in Million)**

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Trade Receivables (Unsecured - Considered good)					
Outstanding over Six Months from the date they became due	5,357.07	4,840.64	4,421.02	3,806.03	962.65
Others	1,216.71	753.63	668.32	1,022.04	1,174.78
Total	6,573.77	5,594.27	5,089.34	4,828.07	2,137.44
Receivables from Promoters, Directors, Group Companies, subsidiaries, associates and other related parties	4,591.41	4,302.09	3,955.76	3,686.16	1,064.18

The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.

DETAILS OF INVESTMENTS (UNCONSOLIDATED)

ANNEXURE X

DETAILS OF INVESTMENTS

(Rs. in Million)					
Particulars	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
<u>Non-Current Investments</u>					
Trade Investments, Unquoted, Long Term :-					
Investment in Equity Shares in Subsidiary Companies	1,219.6 0	1,180.1 0	1,008.5 0	1,007.6 9	904.17
Investment in Preference Shares in Subsidiary Companies	3,013.5 5	100.00	-	-	-
Investment in Equity Shares in Associate Companies	373.66	292.20	260.37	267.21	172.21
Other non-current investments	0.50	0.50	0.50	6.55	6.55
<u>Other Investments, quoted :-</u>					
(a) Investment in Equity Instruments, Quoted	0.44	0.44	0.44	0.44	0.44
Sub-total	4,607.7 5	1,573.2 5	1,269.8 1	1,281.8 9	1,083.3 7
<u>Current Investment</u>					
Investment in Mutual Funds	-	-	-	-	2,712.5 7
Sub-total	-	-	-	-	2,712.5 7
Total	4,607.7 5	1,573.2 5	1,269.8 1	1,281.8 9	3,795.9 4
<u>Other Information</u>					
Cost of quoted investments	0.44	0.44	0.44	4.44	2,713.0 1
Market Value of quoted investments	0.73	0.70	0.89	1.17	2,713.5 5
Cost of Unquoted investments	4,607.3 1	1,572.8 0	1,269.3 6	1,281.4 5	1,082.9 3

The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.

DETAILS OF ACCOUNTING RATIOS (UNCONSOLIDATED)

ANNEXURE XI

Rs. in Million except for per share

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Basic Earnings Per Share (BEPS)					
Adjusted Net Profit / (Loss) after Tax	(137.35)	(852.54)	(799.37)	1,597.79	1,499.47
Number of Equity Shares	795,944,363	795,944,363	795,944,363	485,944,363	485,944,363
Weighted Average Number Of Equity Shares Outstanding during the year	795,944,363	795,944,363	529,386,986	485,944,363	485,944,363
Basic Earnings Per Share (BEPS)	(0.17)	(1.07)	(1.51)	3.29	3.09
Diluted Earnings Per Share (DEPS) (refer note 3 below)					
Adjusted Net Profit /(Loss) after Tax	(137.35)	(852.54)	(799.37)	1,597.79	1,577.32
Number of Equity Shares	795,944,363	795,944,363	795,944,363	485,944,363	485,944,363
Weighted Average Number Of Equity Shares Outstanding during the year	795,944,363	795,944,363	529,386,986	487,162,269	519,515,611
Diluted Earnings Per Share (DEPS)	(0.17)	(1.07)	(1.51)	3.28	3.04
Net Assets Value (NAV) per Equity Share					
Net Worth for equity shareholders	7,747.09	7,857.29	8,684.44	6,340.51	4,786.01
Number of Equity Shares outstanding at the end of the Year	795,944,363	795,944,363	795,944,363	485,944,363	47,244,591
NAV Per Equity Share	9.73	9.87	10.91	13.05	101.30
Return On Net Worth for equity shareholders (RONW)					
Net Profit /(Loss) after Tax	(111.20)	(826.39)	(773.98)	1,616.80	1,518.54
Net Worth for equity shareholders'	7747.09	7857.29	8684.44	6340.51	4786.01
Return On Net Worth for equity shareholders (RONW)	-1.44%	-10.52%	-8.91%	25.50%	31.73%

Notes:

Definition of Ratios

1 The ratios have been computed as below:

(a) Earnings Per Share (Rs.)

Adjusted Profit / (Loss) After Tax But Before Extraordinary Items
 Weighted Average Number Of Equity Shares Outstanding During The Year

(b) Net Asset Value Per Equity Share (Rs.)

Net Worth For Equity Shareholders' Excluding Revaluation Reserve
 Number of Equity Shares Outstanding at the end of Year

Net worth for Equity Shareholders = Share Capital + Share Warrant + Reserves & Surplus-Miscellaneous Expenditure to the extent not written off-Preference

Share Capital including redemption premium payable-Cumulative unprovided Preference Dividend including dividend distribution tax.

- (c) Return on Net Worth for Equity Shareholders (%) $\frac{\text{Net Profit / (Loss) After Tax But Before Extraordinary Items}}{\text{Net Worth for Equity Shareholders' Excluding Revaluation Reserve}}$
- 2 Earnings per share have been calculated in accordance with Accounting Standard 20 - Earnings per share as notified by the Companies (Accounting Standard) Rules, 2006.
 - 3 Considering that the Company has incurred losses during the year ended March 31, 2014, March 31, 2013 and March 31, 2012, the conversion of potential equity shares would decrease the loss per share for the year ended March 31, 2014, March 31, 2013 and March 31, 2012 and hence, it has been ignored for the purpose of calculation of diluted EPS.
 - 4 On 8th June 2010 and on 30th July 2010, the Company has issued and allotted 377,956,728 and 60,743,044 equity shares of Rs. 10/- each respectively, fully paid up in the ratio of 8 equity shares for every 1 share and 1 equity share for every 7 shares respectively, to the existing shareholders. In accordance with Accounting Standard 20 "Earnings per Share", the aforesaid shares have been adjusted for the event of bonus shares in computation of the earnings per share.
 - 5 Net Assets value per equity share has been computed after adjusting the number of equity shares outstanding at the end of the year, for the aforesaid shares.
 - 6 Reserves and surplus and Net Profit/ (Loss) as restated have been considered for the purpose of computing the above ratios.

DETAILS OF SHORT TERM BORROWINGS (UNCONSOLIDATED)**ANNEXURE XII****(Rs. in Million)**

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Short-term borrowings					
From Financial Institution (unsecured)	-	-	1,000.00	-	1,000.00
Inter corporate deposit from Promoters, Group Companies, subsidiaries and associate Companies (Unsecured, Repayable on Demand, having interest @ 13.5.% p.a. as on March 31, 2014)	997.16	547.60	240.00	1,090.00	-
Total	997.16	547.60	1,240.00	1,090.00	1,000.00

The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.

DETAILS OF LONG TERM BORROWINGS (UNCONSOLIDATED)

ANNEXURE XIII

(Rs. in Million)

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Deep Discount Convertible Debentures (Refer Note no. 2 A)					
Face Value of Debentures issued to Allahabad Bank	708.40	708.40	708.40	708.40	708.40
Less : Unexpired Discount	36.41	93.92	143.05	186.51	224.08
	672.00	614.49	565.35	521.90	484.32
Face Value of Debentures issued to IndusInd Bank	749.37	749.37	749.37	749.37	749.37
Less : Unexpired Discount	17.34	78.57	132.47	180.03	200.00
	732.03	670.80	616.91	569.34	549.37
Face Value of Debentures issued to Allahabad Bank	843.14	783.05	783.05	783.05	783.05
Less : Unexpired Discount	24.99	57.18	133.19	197.26	252.19
	818.16	725.87	649.86	585.80	530.86
Face Value of Debentures issued to Bank of India	-	939.66	939.66	939.66	2,349.15
Less : Unexpired Discount	-	47.81	141.13	221.31	723.40
	-	891.86	798.53	718.35	1,625.76
Face Value of Debentures issued to ICICI Bank	-	-	-	3,534.04	3,534.04
Less : Unexpired Discount	-	-	-	960.91	1,142.35
	-	-	-	2,573.13	2,391.68
Face Value of Debentures issued to Axis Bank	-	-	-	3,874.00	3,874.00
Less : Unexpired Discount	-	-	-	983.15	1,245.15
	-	-	-	2,890.85	2,628.85
Face Value of Debentures issued to Andhra Bank	-	-	-	-	354.20
Less : Unexpired Discount	-	-	-	-	107.43
	-	-	-	-	246.77
Face Value of Debentures issued to United Bank of India	-	-	-	-	708.40
Less : Unexpired Discount	-	-	-	-	216.33
	-	-	-	-	492.07
0% Fully Convertible Debenture - Unsecured (Refer Note no. 2 B)					
Face Value of Debentures issued to Bennett, Coleman & Company Limited	120.00	120.00	-	-	-
Non-Convertible Debentures – Secured (Refer Note no 2 C)					
Face Value of Debentures issued to India Opportunities II PTE LTD	150.00				
Face Value of Debentures issued to SSG Investment Holding India Limited	1,020.00	-	-	-	-
Face Value of Debentures issued to Jammu & Kashmir Bank	1,000.00	1,000.00	1,000.00	1,000.00	
Face Value of Debentures issued to ICICI Bank	2,500.00	2,500.00	2,500.00	-	-
Face Value of Debentures issued to Bank of India	-	1,050.00	1,050.00	1,050.00	-
Face Value of Debentures issued to Axis Bank	-	1,250.00	2,250.00	-	-

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Term loans - Secured (Refer Note no. 2 D)					
From Banks	15,202.28	9,949.61	7,624.75	7,459.16	6,806.61
From Financial Institutions	1,553.26	2,678.57	-	-	-
Term loans - Unsecured (Refer Note no. 2 E)					
From Financial Institutions	1,000.00	1,000.00	3,214.29	3,428.57	1,000.00
	24,767.72	22,451.19	20,269.69	20,797.09	16,756.29
Less: Current Maturities	8,659.61	5,502.57	3,058.35	1,332.29	819.89
Total	16,108.11	16,948.63	17,211.34	19,464.80	15,936.40

Note

- 1) The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.
- 2) Details of interest rates and security created for Long term borrowings outstanding as on March 31, 2014 are as follows:

SI No	Name of the Lender	Interest/Coupon rate as on March 31, 2014	Details of the Security
A Deep Discount Convertible Debentures			
1	Allahabad Bank	6% p.a.	Secured By Charge Created by English Mortgage Deed on Land of Lavasa Project admeasuring 1 Acre.
2	IndusInd Bank	6% p.a.	Secured By Charge Created by English Mortgage Deed on Land of Lavasa Project admeasuring 1 Acre.
3	Allahabad Bank	6% p.a.	Secured By Charge Created by English Mortgage Deed on Land of Lavasa Project admeasuring 1 Acre.
B Fully Convertible Debentures- Unsecured			
1	Bennett, Coleman & Company Limited	0% p.a.	Not Applicable
C Non-convertible Debentures			
1	India Opportunities II PTE LTD	14% p.a.	The non-convertible debentures are secured by way of (a) first and exclusive mortgage over land situated at survey number 41 and 45 in village Bhoini, taluka Mulshi; and (b) irrevocable and unconditional undertaking by HREL up to Rs. 150 million.
2	SSG Investment Holding India Limited	14% p.a.	The non-convertible debentures are secured by way of (a) first priority of mortgage and charge over our Company's land admeasuring 6,860.97 acres on pari passu basis with the existing consortium lenders; (b) first priority of mortgage and charge with the existing consortium lenders over all the immovable (excluding land) and moveable assets in the project; (c) first charge over all accounts of our Company, including the trust and retention account and other bank accounts of our Company; (d) first charge on all intangibles including intellectual property rights, goodwill, both present and future, on pari passu basis with the existing consortium lenders.
3	Jammu & Kashmir Bank	10.75% p. a.	The non-convertible debentures are secured by way of english mortgage of 1 Acre of land situated at village Dhamanhol, taluka Mulshi.
4	ICICI Bank	9% per annum	The non-convertible debentures are secured by way of exclusive mortgage of 747 Acres of land of our

SI No	Name of the Lender	Interest/Coupon rate as on March 31, 2014	Details of the Security
			Company.
D	Term Loans Secured		
1	Union Bank of India	Base Rate + 4.85%, Currently 15.35% p.a.	Secured By Charge Created by English Mortgage Deed on Land of Lavasa Project admeasuring 6,860.97 Acres, and premises, buildings constructed or to be constructed thereon, All present & future moveable assets, revenues, receivables on first pari passu charge basis. A first pari passu charge over / assignment of all project agreements, guarantees, performance guarantees of bonds, letters of credit that may be provided by any party / counter-party to any project agreement or otherwise in respect of the first phase of the project in favor of our Company and all clearances and all trademarks and patent rights, brands, titles, approvals, permit, clearances and interests and our Company's right, title, interest, benefit and claim in, to or under the project agreements, clearances and on the assets of the project; A first pari passu charge over/ assignment of all our Company's right, title, interest, benefit and claim in, to or under the contracts and all licenses permits, approvals, consents, Insurance contracts, Insurance policies and insurance proceeds; A first pari passu charge over all intangible assets of our Company including but not limited to goodwill. A first pari passu charge over all bank accounts of our Company including without limitation, the trust and retention account (or any account in substitution thereof) each of other accounts required to be opened and maintained by our Company under any finance documents and in all funds from time to time deposited therein and in all permitted investments or other securities representing all amounts credited to the trust and retention account. Irrevocable and unconditional Corporate guarantee to the extent 50% of outstanding balance has been given by promoters and other shareholders to the extent of their equity shareholding in the Company.
2	The Karnataka Bank Limited	Base Rate + 4.50% , Currently 15.50% p.a.	
3	Punjab National Bank	Base Rate + 4.50% +TP(0.50%), Currently 15.25% p.a.	
4	Union Bank of India	Base Rate + 4.85%, Currently 15.35% p.a.	
5	Corporation Bank	Base Rate + 4.85%, Currently 15.5% p.a.	
6	Oriental Bank Of Commerce	15.35% p.a.	
7	Bank of India	Base Rate + 6%, Currently 16.5% p.a.	
8	Bank of Baroda	Base Rate + 4.85%, Currently 15.35% p.a.	
9	Bank of India	Base rate + 3.75%, Currently 14.00% p.a.	
10	Central Bank Of India	Base Rate + 5.50% (floating)	
11	Union Bank of India	Base Rate + 3.50%, currently 14% p.a.	
12	Punjab National Bank	BR + TP + 4.50%, currently 15.50% p.a.	
13	State Bank of Hyderabad	Base Rate + 5.25%, currently 15.75% p.a. (floating)	
14	Axis Bank Limited	BPLR minus 2%, currently 12.75% p.a.	
15	Union Bank of India	Base rate + 3.50%	
16	Union Bank of India (Funded Interest Term Loan I)	Base Rate + 4.85%	
17	Union Bank of India (Funded Interest Term Loan II)	Base Rate + 4.85%	
18	Union Bank of India (Funded Interest Term Loan III)	Base Rate + 3.50%	
19	Central Bank of India	Base rate + 3.50%	
20	Central Bank of India (Funded Interest Term Loan)	Base Rate + 5.50%	
21	Axis Bank Limited	Base rate + 4%	
22	Punjab National	14% linked to base	

SI No	Name of the Lender	Interest/Coupon rate as on March 31, 2014	Details of the Security
	Bank	rate	
23	Punjab National Bank (Funded Interest Term Loan I)	Base rate + [TP] + 4.50%	
24	Punjab National Bank (Funded Interest Term Loan II)	Base rate + [TP] + 4.50%	
25	State Bank of Hyderabad (Funded Interest Term Loan)	Base Rate + 5.25%	
26	Oriental Bank of Commerce (Funded Interest Term Loan)	15.35% p.a.	
27	Corporation Bank (Funded Interest Term Loan)	15.50% p.a.	
28	The Karnataka Bank (Funded Interest Term Loan)	Base Rate + 4.50%	
29	Bank of India	BPLR, currently 12% p.a.	
30	Bank of India (Funded Interest Term Loan)	Base Rate + 6%	
31	Bank of Baroda	Base rate + 3.50%	
32	Bank of Baroda (Funded Interest Term Loan)	Base Rate + 4.85%	
33	L&T Infrastructure Finance Company Limited	L&T Infrastructure PLR minus spread of 1.25%	
34	L&T Infrastructure Finance Company Limited	L&T Infrastructure PLR minus 1.50%, currently 12.00% p.a.	
35	L&T Infrastructure Finance Company Limited	L&T Infrastructure PLR minus 1.50%, currently 12.00% p.a.	
E	Term Loans- Unsecured		
1	IFCI Limited	14% p.a. payable monthly subject to annual reset.	Not Applicable

3) Other Terms as per common loan agreement of Long Term Borrowings outstanding as on March 31, 2014 are as follows:

- a) Many of our financing arrangements entail various restrictive conditions and covenants restricting certain corporate actions, and we are required to take the prior approval of the lender**

before carrying out such activities. They are as follows:

- i) changing capital structure including increase, reduction, purchase, buy-back, re-organisation, or otherwise of its authorised, issued, subscribed, paid-up capital, otherwise than in accordance with the financing plan or as permitted by the lenders;
- ii) amending the Memorandum and Articles of Association except to facilitate our Company's day to day affairs, but which shall not jeopardize the lenders' interest;
- iii) creating any security interest with respect to any property or revenue or assets;
- iv) conveying selling, leasing, transferring or assigning or otherwise part of any of its mortgaged property except in the ordinary course of business;
- v) entering into any borrowing arrangement, except that arranged as part of means of finance for the project;
- vi) undertaking revaluation of assets;
- vii) change of control or ownership whereby the effective beneficial ownership or control of our Company may change;
- viii) changing the registered office of our Company;
- ix) standing as a surety or guarantor for any third party liability or obligation;
- x) declaring dividends for any year except out of the profits relating to that year;
- xi) winding up or entering into any merger, de merger, amalgamation arrangement, consolidation or reorganisation or any scheme for composition with its creditors;
- xii) material change in the management set up;
- xiii) abandoning or agreeing to abandon the project;
- xiv) entering into any partnership, profit sharing or royalty agreement or similar arrangement whereby the income or profits are or might be shared with any other person, other than payment of dividends or similar payments to Promoters approved by lenders; and
- xv) any action whether by acquisition or expansion scheme or undertake new project without the prior approval of the lender unless financed out of proceeds from investment or long term funds received which would constitute alteration of the nature of its business without the prior written approval of the lender.

b) Company can prepay the amount borrowed as per terms of agreements entered with respective lenders. Some major terms of agreements are as follows:

- i) Company may prepay pro- rata among the Lenders, on a voluntary basis, the outstanding principal amounts of Rupee Loans of the lenders in full or part prior to the respective repayment dates by serving an irrevocable written notice of not less than 15 days specifying the date of prepayment and amount of prepayment.
- ii) All prepayments should be made together with all accrued interest, on the amount prepaid and all other amounts payable as per the agreements upto the date of such prepayment.
- iii) Unless otherwise agreed by the Majority lenders, the borrower shall utilize the following amounts as and when received for prepaying/Liquidating the outstanding dues of the lenders;
 - any liquidated damages received by the borrowers under the project agreements,
 - any amount available with the borrower out of proceeds received under the Insurance Contracts over and above the amounts utilized for repairs/replacements of insured assets including work-in-progress,

- any surplus amounts above the required balance in Trust and Retention Accounts upon final completion of Project.
- iv) No amounts prepaid may be subsequently re-borrowed and each amount prepaid will be applied in inverse order of maturity against the repayment installments, provided however, that nothing contain herein shall prevent the borrower from borrowing for the purpose of Project any amount necessary to replace any Lenders.

c) Major events of defaults amongst others are as follows:

Non-payment of principal, interest, fee or other amount, supply of misleading information and misrepresentation, Bankruptcy and Insolvency, appointment of receiver, attachment or restraint, cessation of business, inadequacy of security.

d) Lenders may impose penalties on Company as per terms of agreements entered with respective lenders. Major terms of agreements are as follows:

- i) Disbursement made pending creation of security as agreed shall carry additional interest as per respective lenders agreements over and above the applicable interest rate of borrowing from the date of first disbursement till creation of security. Provided however, no additional interest as above shall be levied, if the borrower creates the agreed security by way of English Mortgage within 6 months from the date thereof.
- ii) The borrower shall pay additional interest at the rate as mentioned in respective lenders agreements over and above the applicable interest rate in case of any default in payment of outstanding dues to any of the lenders on the respective due dates for the period of such default.

DETAILS OF OTHER INCOME (UNCONSOLIDATED)

ANNEXURE XIV

(Rs. in Million)

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	Recurring/ Non- recurring	Related to business activities
Interest on Fixed Deposits	12.89	9.64	33.42	28.49	10.62	Recurring	Non-Related
Interest on Inter Corporate Deposits	406.45	429.51	370.11	265.75	67.56	Recurring	Related
Dividend Income	5.64	0.02	3.44	63.81	45.24	Recurring	Non-Related
Profit on sale of investment	34.09	-	-	7.17	-	Recurring	Non-Related
Sale of Scrap	4.92	2.13	3.67	4.37	0.15	Recurring	Related
Profit on Sale of Asset (Net)	-	40.60	-	-	0.16	Non- recurring	Non-Related
Net gain on foreign currency difference	1.48	0.19	1.59	-	-	Non- recurring	Non-Related
Rent received	14.66	19.00	15.14	2.85	1.85	Recurring	Related
Development charges	10.64	5.89	6.92	7.41	13.26	Recurring	Related
Franchise and operator fees	13.82	17.88	6.60	5.45	-	Recurring	Related
Cancellation charges	83.74	1.82	0.73	-	0.10	Recurring	Related
Sale of miscellaneous items	0.77	20.68	23.00	46.98	22.27	Non-recurring	Non-Related
Miscellaneous Income	10.37	24.67	8.03	6.03	4.03	Non- recurring	Non-Related
Total	599.48	572.04	472.66	438.30	165.24		

The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Profits and Losses of the Company.

DETAILS OF LAND AND CONSTRUCTION EXPENSES (UNCONSOLIDATED)

ANNEXURE XV

(Rs. in Million)

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Land purchased / acquired	245.48	150.84	130.43	694.50	550.63
Civil Work & Contract Charges (net of recoveries)	1,690.33	937.04	274.53	1,769.80	4,412.86
Power & Fuel	27.83	25.20	13.25	29.52	39.99
Rent	27.26	53.79	60.10	30.15	14.75
Rates & Taxes	15.84	33.03	12.37	3.96	15.86
Repairs & Maintenance	1.12	0.74	1.46	3.73	1.01
	2,007.87	1,200.64	492.14	2,531.66	5,035.10
Less: Transferred to Fixed Asset / Capital Work in Progress	222.15	76.02	223.76	839.31	1,457.71
Total	1,785.72	1,124.62	268.38	1,692.35	3,577.39

The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Profits and Losses of the Company.

DETAILS OF EMPLOYEE BENEFIT EXPENSES (UNCONSOLIDATED)**ANNEXURE XVI****(Rs. in Million)**

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Salary, Wages, Bonus and Gratuity	282.62	575.70	635.44	600.80	448.09
Contribution / provisions to and for provident, Gratuity and other funds	22.81	41.99	36.90	40.51	32.04
Staff welfare expenses	8.51	7.82	7.21	8.04	6.46
	313.95	625.50	679.56	649.34	486.60
Less: Transferred to Fixed Asset / Capital Work in Progress	33.32	71.14	90.63	91.75	73.12
Total	280.63	554.36	588.92	557.59	413.48

The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Profits and Losses of the Company.

UNCONSOLIDATED CAPITALIZATION STATEMENT AS AT 31st MARCH 2014

ANNEXURE XVII

(Rs. in Million)		
Particulars	Pre Issue	Post Issue
Long Term Debts	16,108.11	
Current maturities of Long Term Debts	8,659.61	
Short Term Debts	997.16	
Total Debts	25,764.88	
Shareholders' Funds		
Equity Share Capital	7,959.44	
Preference Share Capital	372.50	
Share Warrant	82.25	
Total (A)	8,414.19	
Reserves, as Restated		
Securities Premium	900.00	
Amalgamation Reserve	201.07	
Capital Redemption Reserve	216.11	
Debenture Redemption Reserve	304.64	
Surplus/(Deficit) in Statement of Profit or Loss	(717.79)	
Less :- Miscellaneous Expenditure (to the extent not written off)	-	
Total (B)	904.04	
Total Shareholders' Funds (A+B)	9,318.23	
Total Debt/ Equity	2.76	
Long Term Debts/ Equity	2.66	

Notes:

1 Short term debts represent debts which are due within twelve months from 31st March 2014.

2 Long term debts represent debts other than short term debts, as defined above.

Current Maturities of Long term debt represents long term debts which are due within twelve months from 31st March 2014.

3 The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company as at 31st March 2014.

Total Debts/ Equity = $\frac{\text{Long Term Debts} + \text{Current Maturities of Long term debt} + \text{Short Term Debts}}{\text{Shareholders' Fund}}$

Long Term Debts/ Equity = $\frac{\text{Long Term Debts} + \text{Current Maturities of Long term debt}}{\text{Shareholders' Fund}}$

4 The Corresponding Post issue figures are not determinable at this stage pending the completion of the Book Building Process and hence have not been furnished.

UNCONSOLIDATED TAX SHELTER STATEMENT

ANNEXURE XVIII

(Rs. in Million)

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Restated Profit before tax (A)	(159.29)	(1,222.60)	(1,087.89)	2,366.04	2,268.83
Normal Rate of Tax	33.99%	32.45%	32.45%	33.22%	33.99%
Tax rate on Long Term Capital gain	22.66%	21.63%	21.63%	22.15%	22.66%
Tax Rate on short term capital gain (u/s 111A)	17.00%	16.22%	16.22%	16.61%	17.00%
Minimum Alternate Tax rate	20.96%	20.01%	20.01%	19.93%	17.00%
Tax at normal rate of book profit	(54.14)	(396.67)	(352.97)	785.94	771.18
Adjustments:					
Permanent Difference					
Donation	-	-	-	(2.05)	(0.11)
Capital Expenditure	-	-	(4.07)	(2.50)	-
Profit on sale of assets	-	40.60	-	(4.32)	-
Other adjustments	(11.12)	(21.80)	(58.48)	12.49	(0.34)
Timing Difference					
Difference between Tax & Books					
Depreciation	249.22	233.40	259.43	237.02	161.58
Interest	3,006.30	2,910.74	2,444.03	1,877.92	1,694.98
Disallowance u/s 40(a)(ia)	95.13	411.46	-	-	37.83
Disallowance u/s 43B	(1.45)	318.66	6.76	(18.26)	(5.47)
Other adjustments	-	51.70	(5.57)	215.50	-
Net Adjustment (B)	3,338.09	3,944.77	2,642.09	2,315.80	1,888.47
Tax savings thereon	1,134.62	1,279.88	857.23	769.25	641.89
Profit/ (loss) As per income tax return (C)=(A-B)	(3,497.38)	(5,167.37)	(3,729.98)	50.24	380.36
Brought Forward tax losses adjusted	-	-	-	50.24	380.36
Taxable (loss)/ income	(3,497.38)	(5,167.37)	(3,729.98)	-	-
Tax Liability as per Income Tax Act (D)	-	-	-	-	-
Adjusted Book Profit as restated under MAT	(159.29)	(1,274.30)	(1,033.77)	2,156.53	2,484.33
Tax Liability as per MAT (E)	-	-	-	429.81	422.21
Tax Liability being higher of D or E	-	-	-	429.81	422.21

DETAILS OF RATES OF DIVIDEND (UNCONSOLIDATED)

ANNEXURE XIX

Rs. in Million except for per share

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Equity Shares					
Number of Shares	795,944,363	795,944,363	795,944,363	485,944,363	47,244,591
Face Value (Rs.)	10	10	10	10	10
Paid -up Value (Rs.)	10	10	10	10	10
Rate of dividend	-	-	-	-	-
Total dividend	-	-	-	-	-
Corporate dividend tax on above	-	-	-	-	-
Equity Shares Partly paid up					
Number of Shares	-	-	-	-	-
Face Value (Rs.)	-	-	-	-	-
Paid -up Value (Rs.)	-	-	-	-	-
Rate of dividend	-	-	-	-	-
Total dividend	-	-	-	-	-
Corporate dividend tax on above	-	-	-	-	-
6% Cumulative Redeemable Preference					
Shares of Rs. 10/- each fully paid up					
Number of Shares	37,249,997	37,249,997	37,249,997	27,250,000	27,250,000
Face Value (Rs.)	10	10	10	10	10
Paid -up Value (Rs.)	10	10	10	10	10
Rate of dividend	6%	6%	6%	6%	6%
Total dividend	-	-	-	16.35	16.38
Corporate dividend tax on above	-	-	-	2.65	2.72
0.001% Compulsory Convertible					
Preference Shares of Rs. 10/- each fully paid up					
Number of Shares	-	-	-	25,000,000	25,000,000
Face Value (Rs.)	-	-	-	10	10
Paid -up Value (Rs.)	-	-	-	10	10
Rate of dividend	-	-	-	0.001%	0.001%
Total dividend	-	-	-	0.00	0.00
Corporate dividend tax on above	-	-	-	0.00	0.00

LAVASA CORPORATION LIMITED

ANNEXURE - XX

RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Million)

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
EQUITY AND LIABILITIES					
Shareholders' funds					
Share Capital	8,331.94	8,331.94	8,331.94	5,381.94	994.95
Reserves & Surplus	(5,576.68)	(3,715.82)	(2,237.40)	(1,626.17)	2,918.62
Share Warrant	82.25	81.25	81.25	81.25	81.25
Net Worth	2,837.51	4,697.37	6,175.79	3,837.02	3,994.81
Minority Interest	317.14	447.92	451.77	202.68	361.16
Non-current liabilities					
Long-term borrowings	23,903.03	21,309.22	17,422.47	19,636.31	16,410.60
Deferred tax liabilities (Net)	982.52	1,008.97	1,378.30	1,678.42	882.85
Other Long term liabilities	115.30	118.95	24.85	0.66	29.12
Long-term provisions	27.50	47.51	42.62	46.21	2.91
	25,028.35	22,484.65	18,868.23	21,361.60	17,325.48
Current liabilities					
Short-term borrowings	997.16	547.60	1,240.00	1,090.00	1,000.00
Trade payables	3,030.63	2,119.22	2,691.33	2,327.78	2,638.03
Other current liabilities	11,942.25	8,388.14	4,568.27	2,138.98	1,897.51
Short-term provisions	16.47	27.10	21.78	25.95	49.25
	15,986.51	11,082.06	8,521.37	5,582.71	5,584.79
TOTAL	44,169.52	38,712.00	34,017.17	30,984.01	27,266.24
ASSETS					
Non-current assets					
Fixed Assets					
(i) Tangible assets	7,156.88	5,663.03	5,498.64	5,819.42	3,448.00
(ii) Intangible assets	17.58	21.26	14.35	15.40	16.61
(iii) Capital work-in-progress	11,570.45	10,538.48	9,255.16	7,930.31	8,382.46
Non-current investments	225.99	170.48	158.97	212.39	20.73
Long-term loans and advances	124.73	146.51	111.08	91.57	11.24
	19,095.63	16,539.76	15,038.19	14,069.10	11,879.04
Current assets					
Current Investment	31.48	-	-	-	2,777.13
Inventories	18,961.10	15,938.48	13,190.48	10,870.30	8,355.26
Trade receivables	2,216.35	2,393.51	2,669.22	2,481.24	1,135.24
Cash and Bank Balances	569.51	851.17	322.38	802.55	951.56
Short-term loans and advances	3,295.45	2,989.08	2,796.89	2,717.56	2,168.02
Other current assets	-	-	-	43.26	-
	25,073.89	22,172.24	18,978.98	16,914.91	15,387.21
TOTAL	44,169.52	38,712.00	34,017.17	30,984.01	27,266.24

The above statement should be read with Annexure XXIII - "Notes to the Restated Consolidated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows"

LAVASA CORPORATION LIMITED

ANNEXURE -XXI

RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES

(Rs. in Million)

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Year ended March 31, 2010
INCOME					
Revenue from operations	1,162.81	893.18	281.72	3,025.22	2,967.16
Other Operating Income	429.72	338.47	220.13	296.11	116.76
Other income	121.02	117.78	146.85	201.40	112.84
TOTAL INCOME	1,713.55	1,349.43	648.69	3,522.73	3,196.76
EXPENSES					
Land and Construction Expenses	1,887.00	1,203.30	341.63	507.07	3,103.45
(Increase)/Decrease in Inventory	(3,359.28)	(2,869.65)	(2,509.27)	(1,971.95)	(3,043.79)
Employee benefits expense	530.16	668.23	689.50	605.52	465.73
Finance costs	3,111.49	2,679.14	2,417.39	2,426.13	1,088.44
Depreciation and amortization	437.10	381.40	413.32	358.12	192.08
Office and Site Expenses	1,181.06	1,150.15	907.75	938.48	623.04
TOTAL EXPENSES	3,787.53	3,212.57	2,260.32	2,863.38	2,428.95
Profit/(Loss) before Tax	(2,073.98)	(1,863.14)	(1,611.62)	659.36	767.81
Tax expense:					
(1) Current tax					
Income Tax	1.39	1.37	0.86	429.96	422.21
MAT Credit Entitlement	-	-	-	(429.81)	(422.21)
(2) Deferred tax	(26.45)	(369.33)	(300.12)	795.57	753.12
Profit/(Loss) after Tax	(2,048.92)	(1,495.18)	(1,312.35)	(136.37)	14.69
Less : Minority Adjustments	(151.73)	(35.65)	157.29	(24.47)	(10.08)
Add : Share in Profit/(Loss) of Associates	(15.42)	(19.21)	(40.54)	(23.10)	(2.55)
Add : Profit / (Loss) on Sale of Stake in Associate	51.76	-	(1.05)	(3.79)	-
Profit /(Loss) for the year	(1,860.86)	(1,478.74)	(1,511.22)	(138.79)	22.22

The above statement should be read with Annexure XXIII – “Notes to the Restated Consolidated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows”

LAVASA CORPORATION LIMITED

ANNEXURE -XXII

RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

(Rs. in Million)

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Year ended March 31, 2010
Cash Flow From Operating Activities					
Net Profit Before Taxation	(2,073.98)	(1,863.14)	(1,611.62)	659.36	767.81
Adjustments For :					
Depreciation and amortization	437.10	381.40	413.32	358.12	192.08
Profit/Loss On Sale Of Fixed Assets	4.44	1.24	0.05	4.32	(0.16)
(Profit) / Loss on Investments	-	-	-	(7.15)	-
Preliminary/Miscellaneous Expenditure Written off	-	-	43.29	-	-
Interest/Dividend Income	(45.06)	(43.43)	(87.74)	(173.30)	1,961.05
Interest & Finance Expenses	4,670.23	4,104.00	3,408.09	2,922.91	(95.26)
Operating Profit Before Working Capital Changes	2,992.74	2,580.07	2,165.39	3,764.25	2,825.52
(Increase)/ Decrease In Trade Receivable	177.16	275.71	(187.98)	(1,346.00)	(350.57)
(Increase)/ Decrease In Inventory	(3,022.62)	(2,748.00)	(2,320.19)	(2,515.04)	(3,073.47)
(Increase)/ Decrease In Loans and Advances	(246.49)	(176.35)	(22.65)	(340.39)	(878.39)
(Increase) / Decrease in Other Bank Balances	(85.45)	(37.15)	446.16	(187.28)	(191.37)
Increase/ (Decrease) In Liabilities and Provisions	1,270.52	394.50	649.64	(606.99)	1,979.15
Cash Generated Used In Operations	1,085.86	288.78	730.38	(1,231.45)	310.89
Income Tax Paid	(39.48)	(52.64)	(77.05)	(289.64)	(418.24)
Net cash flows from Operating Activities	1,046.38	236.14	653.33	(1,521.09)	(107.35)
Cash Flows From Investing Activities					
Interest/Dividend Received	45.06	43.43	87.74	173.30	95.26
Purchase of fixed assets	(1,934.84)	(556.35)	(106.90)	(2,850.90)	(1,223.05)
Proceeds from sale of fixed assets	3.13	2.41	15.37	118.25	0.70
(Increase) / Decrease in Investments (net)	(50.66)	(30.40)	11.84	2,565.72	(1,984.62)
(Increase)/ Decrease in Capital Work in Progress	(1,031.96)	(1,283.33)	(1,324.85)	452.15	(2,836.13)
Net Cash flows from Investing Activities	(2,969.28)	(1,824.24)	(1,316.81)	458.53	(5,947.84)

Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Year ended March 31, 2010
Cash Flow From Financing Activities					
Proceeds from issuance of share	-	-	3,850.00	-	-
Proceeds from issuance of Share warrant	1.00	-	-	-	-
Proceeds from long term borrowings	6,149.19	6,339.71	(475.79)	3,738.11	7,432.67
Proceeds from short term borrowings	449.56	(692.40)	150.00	90.00	1,000.00
Dividend Paid including dividend distribution tax	-	-	(19.01)	(19.10)	(111.53)
Interest & Finance Expenses	(5,043.95)	(3,567.58)	(2,875.71)	(3,039.49)	(1,797.41)
Miscellaneous expenditure (Not Written Off or Adjusted)	-	-	(0.03)	(43.26)	-
Net Cash flows from Financing Activities	1,555.80	2,079.73	629.46	726.27	6,523.74
Net Increase In Cash And Cash Equivalents	(367.10)	491.64	(34.02)	(336.30)	468.54
Cash And Cash Equivalents					
Cash And Cash Equivalents At Beginning of Period	717.01	225.37	259.39	595.69	127.14
Cash And Cash Equivalents At End of Period	349.91	717.01	225.37	259.39	595.69

- The above statement should be read with Annexure XXIII-“Notes to the Restated Consolidated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows”.
- The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard - 3 on Cash Flow Statements as notified in the Companies (Accounting Standard) Rules, 2006
- Negative figures represent Cash Outflows.
- Proceeds from Long Term and Short Term Borrowings are shown net of repayments.

LAVASA CORPORATION LIMITED

ANNEXURE XXIII

NOTES TO THE RESTATED CONSOLIDATED SUMMARY STATEMENTS OF ASSETS AND LIABILITIES, PROFITS AND LOSSES AND CASH FLOWS.

A) CRITERION FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT

- a) Lavasa Corporation Limited (LAVASA) has prepared the consolidated financial statement to provide the financial information of its activities along with the subsidiaries and associates as a single entity. They are collectively referred as “Group” herein. Where separate disclosures of interests in subsidiary and associate companies are required to be made, the LAVASA reference excludes the amount pertaining to the subsidiaries and associates. The Consolidated financial statements are prepared by
- i) Consolidating its accounts with financial statements of its subsidiaries
 - ii) Applying the equity method of accounting for its associates companies in which it holds between 20 and 50 percent of the equity share capital.

b) Method of Consolidation

The consolidated financial statements have been prepared by the Company in accordance with the requirements of AS 21 “Consolidated Financial Statements” and AS 23 “Accounting for Investments in Associates in Consolidated Financial Statements” notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended). The consolidated financial statements comprises of financial statements of its subsidiaries namely Lavasa Hotel Limited (LHL), Apollo Lavasa Health Corporation Limited (ALHCL), Lakeshore Watersports Company Limited (LWCL), Dasve Convention Center Limited (DCCL), Dasve Business Hotel Limited (DBHL), Lakeview Clubs Limited (LVCL), Dasve Hospitality Institutes Limited (DHIL), Dasve Retail Limited (DRL), Full Spectrum Adventure Limited (FSAL), Spotless Laundry Services Limited (SLSL), Lavasa Bamboocrafts Limited (LBCL), Green Hills Residences Limited (GHRL), My City Technology Limited (MCTL), Reasonable Housing Limited (RHL), Future City Multiservices SEZ Limited (FCMSL), Rhapsody Commercial Space Limited (RCSL), Valley View Entertainment Limited (VVEL), Andromeda Hotels Limited (AHL) upto 30th March, 2014, Verzon Hospitality Limited (VHL), Sirrah Palace Hotels Limited (SPHL), Whistling Thrush Facilities Services Limited (WTFSL), Warasgaon Tourism Limited (WTL), Warasgaon Power Supply Limited (WPSL), Sahyadri City Management Limited (SCML), Our Home Service Apartments Limited (OHSAL), Hill City Service Apartments Limited (HCSAL), Warasgaon Infrastructure Providers Limited (WIPL), Kart Racers Limited (KRL), Nature Lovers Retail Limited (NLRL), Mugaon Luxury Hotels Limited (MLHL), Osprey Hospitality Limited (OHL), Starlit Resort Limited (SRL), Rosebay Hotels Limited (RBHL), Warasgaon Valley Hotels Limited (WVHL), Warasgaon Assets Maintenance Limited (WAML), Hill View Parking Services Limited (HVPSL) and its associated companies namely SOL Hospitality Limited (SHL) merged with Bona Sera Hotels Limited w.e.f April 1, 2013, Palmetto Hospitality Limited (PHL), Knowledge Vistas Limited (KVL), Bona Sera Hotels Limited (BSHL), Warasgaon Lake View Hotels Limited (WLVHL), Andromeda Hotels Limited (AHL) from 31st March, 2014 and Ecomotel Hotel Limited (EHL).

The year end balances and common transactions with the subsidiaries are eliminated in full.

B) SIGNIFICANT ACCOUNTING POLICIES:

a) Basis Of Accounting and the use of Estimates:

The Company maintains its accounts on accrual basis following historical cost convention to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 and the Rules, read with General Circular 15/2013 dated September 13, 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. Management makes estimates and technical and other assumptions regarding the amounts of income and expenses, assets and liabilities, and disclosure of contingencies, in accordance with Generally Accepted Accounting Principles in India in the preparation of the financial statements. Difference between the actual results and estimates are recognized in the period in which determined.

b) **Fixed Assets- Tangible and Intangible Assets**

Fixed Assets are stated at cost of acquisition or construction including attributable overheads, interest and financial costs till such assets are ready for their intended use, less accumulated depreciation & impairment losses if any.

Costs relating to trademark and design have been treated as intangible assets which also comprise license fees, other implementation costs for software and application software acquired for in-house use.

Cost of purchase of land to the extent of one percent is accounted as fixed assets and remaining is accounted as stock in trade.

c) **Depreciation and Amortization**

Depreciation on fixed assets is provided:

- i) In respect of office buildings, furniture & fixtures, office equipments, vehicles & speed boats on written down value method at the rates specified in Schedule XIV of the Companies Act, 1956 on pro-rata basis.
- ii) In respect of intangible assets being computer software relating to Geographical Information System and Enterprise Resource System is amortized over the estimated useful life of ten years under straight line method on pro-rata basis.
- iii) In respect of trademark and design costs are amortized equally over a period of ten years.

d) **Investments**

Investments are classified as long term and current investments. Long term investments are shown at cost or written down value (in case of diminution which is other than temporary diminution) and current investments are shown at cost or fair value whichever is lower.

e) **Inventories of Land and Floor Space Index (FSI)**

- i) Cost of land accounted in Stock in trade is treated as (a) Cost of FSI - 95%, (b) Land, stock-in-trade – 5%, both being distinct items of inventory. Cost of Land and FSI are on a weighted average basis along with related purchase / acquisition price plus all direct and indirect expenditure incurred in connection with the purchase of land. Borrowing costs and Overhead expenditure on sectoral / nodal / city level infrastructure, in respect of FSI under development are treated as an element of cost in view of substantial period of time for development. Land and FSI are valued at lower of Cost or Net Realizable Value. Land or FSI utilized for own construction is transferred to Fixed Assets at cost.
- ii) Project Work-in-Progress is valued at the contract rates in accordance with Accounting Standards on construction contracts.
- iii) Where construction of any unit is undertaken for which there are no sales, such inventory is valued at lower of cost or net realizable value(NRV) and is not considered under Long-term Construction for accounting purposes.
- iv) The Stock of Stores, Food and Beverages, groceries and provisions, other guest amenities, information technology material, finished products including traded goods and semi finished goods are stated at lower of cost or net realizable value. The inventories of Raw materials, Laboratory materials, other consumables and housekeeping items, medicines, medicare items are stated at cost.

f) **Foreign Currency Transactions**

Foreign currency transactions during the year are accounted at the prevailing rate on the date of transaction. All monetary items are translated at the exchange rate prevailing on the last day of the year. Gains or losses arising out of remittance/ translations at the year end are charged to the Statement

of Profit and Loss for the year.

g) **Revenue Recognition**

i) **Sale of Land and FSI**

Revenues are recognized in the year in which the agreement to lease is executed. Income from land sales (including on a long term lease basis) is recognized on the transfer of all significant risks and rewards of ownership to the buyers and a reasonable expectation of collection of the sale consideration from the buyers exists. Exchange of parcels of land against other parcels of land is not treated as sale but is adjusted in the land account.

ii) **Project Construction Work**

The Company follows the percentage completion method, on the basis of physical measurement of work actually completed at the balance sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost to the completion of the contract and the profit so determined accounted for proportionate to the percentage of the actual work done. Foreseeable losses are accounted for as and when they are determined.

Revenue from sales of constructed units other than under long term construction contracts are recognized on execution of transfer agreements.

iii) **Project Management Consultancy Fees**

Revenue from Project Management Consultancy Fees is recognized on accrual basis, as per the agreements.

iv) Sales comprise of revenue from room, allied services relating to hotel operation. Revenue is recognized upon rendering of services.

v) The revenue from sale of goods is recognized on delivery of the materials to the customers in accordance with the terms of the contract. Revenue from installation and other services is recognized as and when the service is rendered.

vi) Income from tuition/training activities is recognized over the course period.

vii) Rent is recognized on time proportionate basis.

h) **Borrowing Costs**

Borrowing costs (less any income on the temporary investments of those borrowings) that are directly attributable to qualifying assets/ project work-in-progress / FSI are charged over such qualifying assets/ project work in progress/ FSI. Borrowing costs relating to Fixed Assets, Investments and loans to subsidiaries pertaining to social infrastructure and amenities is capitalised to FSI - Inventory. These are charged to the Statement of Profit and Loss in the ratio of FSI (area) sold to Total FSI (area). Other borrowing costs are charged to Statement of Profit and Loss.

i) **Employee Benefits**

i) **Defined Contribution Plans**

Company's contributions paid/payable during the year to Provident Fund, Officer's Superannuation Fund and Labour Welfare Fund are recognized in the Statement of Profit and Loss.

ii) **Defined Benefit Plan & other long term benefits**

Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gains and losses are recognized immediately in the Statement of Profit

and Loss as income or expenses. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

j) **Taxes on Income**

The tax expense comprises of current tax & deferred tax charged or credited to the Statement of Profit & Loss for the year. Current tax is calculated in accordance with the tax laws applicable to the current financial year. The deferred tax charge or credit is recognized using the tax rates and tax laws that have been enacted by the balance sheet date. Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realisation in future. At each balance sheet date, recognized and unrecognised deferred tax assets are reviewed.

k) **Impairment**

The Company makes assessment of any indicator that may lead to impairment of the Assets on an annual basis. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value, which is higher of net selling price and the value in use. Impairment loss, if any, is charged to Statement of Profit & Loss in the year in which it is identified as impaired.

l) **Contingencies / Provisions**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent assets are neither recognized nor disclosed in the financial statement.

m) **Leases**

Lease rentals in respect of assets acquired under operating lease are charged to Statement of Profit & Loss.

n) **Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for bonus shares issued during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) **Segmental Reporting:**

The Company is primarily engaged in the business of 'Comprehensive Urban Development and Management' which as per Accounting Standard 17 on "Segment reporting" is considered to be the only reportable primary business Segment. The Company is primarily operating in India which is considered to be as a single geographical segment.

p) **Miscellaneous Expenditure**

Miscellaneous expenditure includes expenses related to ensuing initial public offer (IPO) and shall be written off against share premium account as and when received .

C) **MATERIAL ADJUSTMENTS**

Summary of adjustments carried out to the audited financial statements of the Company for the respective years and their impact on the Profits/ (Losses) of the Company are as given below:

(Rs. in Million)

Sl. No.	Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Year ended March 31, 2010
a)	Profit/ (Loss) after tax as per Audited Financial Statements (a)	(1,824.82)	(1,451.22)	(2,141.52)	(287.82)	(94.47)
b)	Material Adjustments {Refer Annexure IV E (1a)}					
	Increase in Cost of Land Sold	(19.51)	(26.29)	(23.81)	(41.52)	(57.06)
	Increase/(Decrease) in Inventory due to reallocation of Depreciation	(50.93)	207.44	229.02	(105.94)	(32.57)
	Increase in Inventory due to reallocation of Borrowing cost	154.67	1,943.70	1,600.99	1,202.71	656.21
	Decrease in Capital Work-in- Progress due to reallocation of Borrowing cost	(217.71)	(880.42)	(702.98)	(1,203.44)	(513.56)
	Increase in Inventory due to reallocation of Overhead expenditure	-	601.30	539.54	616.65	492.94
	Increase/ (Decrease) in Capital Work-in-Progress due to reallocation of Overhead expenditure	-	138.43	134.25	(144.57)	(387.00)
	Decrease in depreciation due to change in value of fixed assets	72.00	73.70	77.95	59.07	15.31
	Total (b)	(61.48)	2,057.86	1,854.96	382.96	174.28
c)	Material Adjustments {Refer Annexure IV E (1b)}					
	Decrease in Inventory due to reallocation of Borrowing cost		(1,181.33)	-	-	-
	Total (c)	-	(1,181.33)	-	-	-
d)	Material Adjustments {Refer Annexure IV E (1c)}					
	Decrease in Inventory due to reallocation of Overhead expenditure	-	(932.35)	(921.23)	-	-
	Total (d)	-	(932.35)	(921.23)	-	-
e)	Material Adjustments {Refer Annexure IV E (1d)}					
	Change in Company's share in profit/(loss) of associates	(0.40)	-	6.24	-	-
	Total (e)	(0.40)	-	6.24	-	-
f)	Total Impact of Adjustments (f=b+c+d+e)	(61.87)	(55.83)	939.98	382.96	174.28

Sl. No.	Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Year ended March 31, 2010
g)	Tax impact of above adjustment (g)	25.83	28.31	(309.68)	(233.94)	(57.60)
h)	Profit/(Loss) after tax as per Restated Financials (a+f+g)	(1,860.86)	(1,478.74)	(1,511.22)	(138.79)	22.22

D CONSOLIDATED SURPLUS (DEFICIT) IN STATEMENT OF PROFIT AND LOSS AS ON 1ST APRIL, 2009 (Restated)

Particulars	(Rs. in Million)
Balance as per audited financial statements as on April 1, 2009	663.45
Material Adjustments {Refer Annexure IV E (1a)}	
Decrease in Inventory due to reallocation of Depreciation	(11.08)
Increase in Inventory due to reallocation of Borrowing cost	649.41
Decrease in Capital Work-in- Progress due to reallocation of Borrowing cost	(395.70)
Increase in Inventory due to reallocation of Overhead expenditure	340.79
Decrease in Capital Work-in- Progress due to reallocation of Overhead expenditure	(539.91)
Decrease in depreciation due to change in value of fixed assets	1.26
Total Impact of Adjustments	44.78
Tax impact of above Adjustments	(13.99)
Balance as per restated financial statements as on April 1, 2009	694.23

E NOTE ON ADJUSTMENTS CARRIED OUT

1 Material Adjustments

- a) During the year ended March 31, 2014, the Company identified its fixed assets, investments and loans pertaining to social infrastructure and amenities used at various levels in the development of the planned city, Lavasa. These service the entire Inventory of Land of the ongoing Hill Station Project and resulting into the development of Inventory of Floor Space Index (FSI) and bringing the same to saleable condition. Based on this categorization, rationalisations in the cost allocation methodology have been made during the year ended March 31, 2014 with effect from April 1, 2013 to include borrowing costs and overhead expenditure on sectoral/ nodal/ city level infrastructure, in respect of FSI under development to be treated as an element of cost in view of substantial period of time for development.

In accordance with the requirement of restatement, effect of the same has been given for five years viz Fiscal Year 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14 including restatement of opening balances as on April 1, 2009.

- b) During the year ended March 31, 2013, borrowing cost allocation pertaining to Project Work in Progress - Floor Space Index (FSI) had been included in valuation of Inventory of FSI.

In accordance with the requirement of restatement, accounts have been restated as per policies adopted in financial year ended March 31, 2014 and corresponding effects have been given.

- c) During the year ended March 31, 2013 and March 31, 2012, consequent to the status quo for the Construction/ Development and its withdrawal, the Board took a view that certain production overheads were essential in ensuring continuity of the Project itself during this

period of suspension and further until 31st March, 2013, and the same were allocated to the Inventory of Floor Space Index.

In accordance with the requirement of restatement, accounts have been restated as per policies adopted in financial year ended March 31, 2014 and corresponding effects have been given.

- d) During the year ended March 31, 2014, March 31, 2013 and March 31, 2012, Company accounted for its share in profit/(loss) of certain associates on estimated basis.

In accordance with the requirement of restatement, Company's share in profit/(loss) of those associates have been considered as per audited financial statements of those associates and corresponding effects have been given in respective years.

2 **Material Non- Adjusting Qualifications**

- a) For the year ended March 31, 2014 and March 31, 2013, statutory auditors have qualified our audited accounts as follow;

In respect of the matters relating to Order of the Ministry of Environment and Forests according environment clearance (EC) which are subject to compliance of terms and conditions vide Order dated November 09, 2011, the liability if any, in respect of conditions set therein is unascertainable.

No adjustment has been made in Restated Consolidated Financial Statements as effects of the above qualification are unascertainable.

- b) For the year ended March 31, 2012 and March 31, 2011, statutory auditors have qualified our audited accounts as follow;

Liability, if any, in respect of matters arising from the Order of the Ministry of Environment and Forests, is unascertainable.

No adjustment has been made in Restated Consolidated Financial Statements as effects of the above qualification are unascertainable.

3 **Material Regroupings**

Appropriate adjustments have been made in restated summary statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financials of the Company for the year ended March 31, 2014, prepared in accordance with revised Schedule VI of the Companies Act, 1956.

F **Other Notes to the Restated consolidated Summary Statement of Assets and Liabilities, Profits and Losses and Cash Flows.**

1.

(Rs. in Million)

Particulars	As At March 31, 2014	As At March 31, 2013	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010
Cost of Land includes					
Land in respect of which sale deed yet to be executed in the name of Company	127.10	127.10	127.15	127.15	129.37
Land in respect of which irrevocable Power of Attorney obtained in the name of Company	1.06	1.07	1.11	1.11	1.11
Land not covered by the	3.90	3.90	3.90	3.90	8.17

Particulars	As At March 31, 2014	As At March 31, 2013	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010
Master Plan in respect of which sale deed is yet to be executed in the name of the Company					

- 2 Technical surveys/estimates are involved in respect of physical verification procedures / determination of Project work-in-progress / related costs. These estimates made by the Company and certified to the auditors, have been relied upon by them, as these are of a technical nature.

3 **Preference Dividend**

(Rs. in Million)					
Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Provision for dividend for the year payable made towards 6% cumulative redeemable preference shares.	-	-	-	16.35	16.38
Provision for dividend for the year not made towards 6% cumulative redeemable preference shares, in absence of profits for the year.	22.35	22.35	22.35	-	-
Cumulative Provision for dividend payable not made towards 6% cumulative redeemable preference shares, in absence of profits.	67.05	44.70	22.35	-	-

- 4 The Company is primarily engaged in the business of ‘Comprehensive Urban Development and Management’ which as per Accounting Standard 17 on “Segment reporting” is considered to be the only reportable primary business Segment. The Company is primarily operating in India which is considered to be as a single geographical segment. Hence no separate disclosure is required.
- 5 On 8th June, 2010, the Company has issued and allotted 37,79,56,728 equity shares of Rs. 10/- each, fully paid up in the ratio of 8 equity shares for every 1 equity share to the then existing shareholders. On 30th July 2010, the Company has further issued and allotted 6,07,43,044 equity shares of Rs. 10/- each, fully paid up in the ratio of 1 equity share for every 7 equity shares to the then existing shareholders. In accordance with Accounting Standard 20 “Earnings per Share”, the aforesaid shares have been adjusted for the event of bonus shares in computation of the earnings per share.
- 6 a) Lavasa held 10% equity shares in Pune Paud Toll Road Company Limited (PPTRCL) as at year ended 31st March 2011. The accumulated loss of PPTRCL has exceeded its Equity as on 31st March, 2011 by Rs. 297.50 Million. The toll road operated by the PPTRCL is expected to generate many fold increase in the traffic plying on the road during balance part of the concession period due to large scale development taking place in the vicinity of Lavasa City and also planned ring road development extending the municipal limits of Pune City beyond present toll plaza location. In the opinion of the management these losses are of temporary in nature hence no diminution in value of investment is considered necessary. Management is expecting that the toll collection would accelerate during the balance tenure part of the concession period due to the economic development of the area and in particular due to the large scale township development namely, “LAVASA” and the planned ring road development extending the municipal limits of city of Pune beyond present toll plaza. The Company has also taken up the matter with appropriate authorities the issue of local people’s resistance to pay toll charges and frequent disturbance created including damage to the toll plaza resulting in significant impact on toll collection and requested them to arrive at remedial measures. The company has also started discussions with the appropriate authorities to restructure concessions terms to compensate for the lower revenue. Due the above facts, the diminution in value of investment is considered of temporary nature and no provisions

considered necessary against loans and other dues.

- b) Lavasa holds 10% equity shares in Pune Paud Toll Road Company Limited (PPTRCL). The accumulated loss of PPTRCL has exceeded its Equity as on 31st March, 2010 by Rs. 155.90 Million. The toll road operated by the PPTRCL is expected to generate many fold increase in the traffic plying on the road during balance part of the concession period due to large scale development taking place in the vicinity of Lavasa City and also planned ring road development extending the municipal limits of Pune City beyond present toll plaza location. In the opinion of the management these losses are of temporary in nature hence no diminution in value of investment is considered necessary.

7 EARNINGS PER SHARE

(Rs. in Million)					
Particulars	As At March 31, 2014	As At March 31, 2013	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010
Net Profit / (Loss) for the year	(1,860.86)	(1,478.74)	(1,511.22)	(138.79)	22.22
Less: Preference Dividend on cumulative preference shares	22.35	22.35	21.84	16.35	16.35
Less: Tax on Preference Dividend	3.80	3.80	3.54	2.65	2.72
Net Profit / (Loss) after preference dividend	(1,887.00)	(1,504.89)	(1,536.61)	(157.80)	3.15
Weighted Average number of Equity Shares (for Basic EPS)	795,944,363	795,944,363	529,386,986	485,944,363	485,944,363
Earning Per Share (Basic) (in Rs.)	(2.37)	(1.89)	(2.90)	(0.32)	0.01
Weighted Average number of Equity Shares (for Diluted EPS)	795,944,363	795,944,363	529,386,986	487,162,269	487,162,269
Earning Per Share (Diluted) (in Rs.)	(2.37)	(1.89)	(2.90)	(0.32)	0.01

8 Operating Lease

(Rs. in Million)					
Nature of Transactions	As At March 31, 2014	As At March 31, 2013	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010
Future Lease Rental payments					
(i) Not later than one year	12.36	35.68	32.51	19.83	66.07
(ii) Later than one year and not later than five years	1.87	11.87	41.12	36.90	91.93
(iii) Later than five years	3.44	3.71	3.99	4.26	4.26
Lease payment recognised during the year	48.61	35.47	32.42	24.13	40.55

General description of the leasing arrangement:

- i) Leased Assets : Office premises, Guest Houses, Vehicles
 - ii) Future lease rental payments are determined on the basis of lease payable as per the agreement.
- 9
- a) For the year ended March 31, 2014, Ministry of Environment & Forests (MoEF), Government of India, vide its order dated 9th November, 2011 accorded Environment Clearance (EC) to 1st Phase. Accordingly construction has resumed at project site.
 - b) For the year ended March 31, 2013, Ministry of Environment & Forests (MoEF), Government of India, vide its order dated 9th November, 2011 accorded Environment Clearance (EC) to 1st Phase. Accordingly construction has resumed at project site.
 - c) For the year ended March 31, 2012, Ministry of Environment & Forests (MoEF), Government of India, vide its order dated 9th November, 2011 accorded environment clearance (EC) to 1st Phase comprising of 2000 ha of Lavasa project subject to compliance of terms & conditions specified therein. Action plan has been prepared and submitted to the ministry with regard to earmarking of funds towards Corporate Social Responsibility. The Company has prayed for setting aside certain conditions stated in the Environmental Clearance in an appeal filed under the relevant Act. Accordingly construction has resumed at project site.
 - d) For the year ended March 31, 2011, Ministry of Environment and Forests (MoEF), Government of India, has issued show cause notice dated 25th November 2010 to the Company alleging violations of the provisions of environment (Protection) Act, 1986 and directing the Company to maintain status quo for construction/development. The Company has filed Writ Petition in Bombay High Court being No. 9448 of 2010 for quashing the said show cause notice and status quo, which Petition has been admitted by the Hon'ble Bombay High Court by order dated 17.1.2011, the MoEF has observed that the Company is in violation of Environment Impact Assessment Notifications, however MoEF is prepared to consider the project on merits subject to terms and conditions including imposition of penalty and creation of environment restoration fund. The order of status quo is continued.
- Against the order dated 17.1.2011 the Company has filed Writ Petition being No. 811 of 2011 in Bombay High Court. Both the Writ Petitions are pending. The Company has filed without prejudice application with MoEF for grant of environment clearance (EC) for its 1st Phase (2000 ha) and the same is under consideration of MoEF. MoEF order is awaited. The ultimate liability in respect of the foregoing litigations, if any, is unascertainable, and hence no provisions have been made in the books of accounts.
- 10
- Due to MoEF order dated 25th November 2010 to maintain status quo for construction and development work at site, the development activity was completely stopped for nearly one year till the vacation of the stay. In view of the above, the cash flows of the Company was affected adversely and as a result the Company could not honor its commitments towards payment of interest and loan repayment on consortium loans due as on 31st December 2011. Since the amount unpaid is overdue for more than 90 days, the account has become sub-standard and the consortium loans has been classified by some of the banks as Non-Performing Assets (NPA).
- 11
- a) The Company has incurred expenses of Rs. 43.26 million during the year ended 31st March 2011 towards proposed Initial Public Offer ("IPO") and debited the same to "Miscellaneous expenditure (to the extent not written off)". The same had been written off to the Statement of Profit and Loss during the year ended 31st March, 2012.
 - b) On September 14, 2010, the Company has filed a Draft Red Herring Prospectus (DRHP) with Securities and Exchange Board of India (SEBI) for the proposed Initial Public Offer (IPO) of its equity shares of Rs. 10/- each. The Company has incurred certain expenses in relation to said IPO activity which have been accounted for as "Miscellaneous Expenditure (to the extent not written off or adjusted)". These expenses will be charged to the securities premium account proposed to be received from the Initial Public Offer of the equity shares of the Company. Details of expenses accounted for as Miscellaneous Expenditure (to the extent not

written off or adjusted) are as below:

(Rs. in Million)		
S. No.		31st March 2011
1	Legal & Professional fees	30.74
2	Regulatory fees	10.52
3	Professional fees to Auditors	2.00
		43.26

- 12 In the opinion of the Board, none of the assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business lower than at least equal to the amount at which they are stated.

13 **List of Subsidiaries & Associate Companies included in Consolidation.**

As At March 31, 2014	As At March 31, 2013	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010
Subsidiary				
Lavasa Hotel Limited	Lavasa Hotel Limited	Lavasa Hotel Limited	Lavasa Hotel Limited	Lavasa Hotel Limited
Apollo Lavasa Health Corporation Limited	Apollo Lavasa Health Corporation Limited	Apollo Lavasa Health Corporation Limited	Apollo Lavasa Health Corporation Limited	Apollo Lavasa Health Corporation Limited
Lakeshore Watersports Company Limited	Lakeshore Watersports Company Limited	Lakeshore Watersports Company Limited	Lakeshore Watersports Company Limited	Lakeshore Watersports Company Limited
Dasve Business Hotel Limited	Dasve Business Hotel Limited	Dasve Business Hotel Limited	Dasve Business Hotel Limited	Dasve Business Hotel Limited
Dasve Convention Center Limited	Dasve Convention Center Limited	Dasve Convention Center Limited	Dasve Convention Center Limited	Dasve Convention Center Limited
Dasve Hospitality Institutes Limited	Dasve Hospitality Institutes Limited	Dasve Hospitality Institutes Limited	Dasve Hospitality Institutes Limited	Dasve Hospitality Institutes Limited
Lakeview Clubs Limited	Lakeview Clubs Limited	Lakeview Clubs Limited	Lakeview Clubs Limited	Lakeview Clubs Limited
Dasve Retail Limited	Dasve Retail Limited	Dasve Retail Limited	Dasve Retail Limited	Dasve Retail Limited
Full Spectrum Adventure Limited	Full Spectrum Adventure Limited	Full Spectrum Adventure Limited	Full Spectrum Adventure Limited	Full Spectrum Adventure Limited
Spotless Laundry Services Limited	Spotless Laundry Services Limited	Spotless Laundry Services Limited	Spotless Laundry Services Limited	Spotless Laundry Services Limited
Lavasa Bamboocrafts Limited	Lavasa Bamboocrafts Limited	Lavasa Bamboocrafts Limited	Lavasa Bamboocrafts Limited	Lavasa Bamboocrafts Limited
Green Hills Residences Limited	Green Hills Residences Limited	Green Hills Residences Limited	Green Hills Residences Limited	Green Hills Residences Limited
Reasonable Housing Limited.	Reasonable Housing Limited.	Reasonable Housing Limited.	Reasonable Housing Limited.	Reasonable Housing Limited.
My City Technology Limited	My City Technology Limited	My City Technology Limited	My City Technology Limited	My City Technology Limited
Future City Multiservice SEZ Limited	Future City Multiservice SEZ Limited	Future City Multiservice SEZ Limited	Future City Multiservice SEZ Limited (Formerly -Minfur	Minfur Interior Technologies Limited

As At March 31, 2014	As At March 31, 2013	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010
			Interior Technologies Limited)	
Valley View Entertainment Limited	Valley View Entertainment Limited	Valley View Entertainment Limited	Valley View Entertainment Limited	Valley View Entertainment Limited
Andromeda Hotels Limited (Upto 30th March, 2014)	Andromeda Hotels Limited	Andromeda Hotels Limited	Andromeda Hotels Limited	Andromeda Hotels Limited
Whistling Thrush Facilities Services Limited	Whistling Thrush Facilities Services Limited	Whistling Thrush Facilities Services Limited	Whistling Thrush Facilities Services Limited	Whistling Thrush Facilities Services Limited
Sirrah Palace Hotels Limited	Sirrah Palace Hotels Limited	Sirrah Palace Hotels Limited	Sirrah Palace Hotels Limited	Sirrah Palace Hotels Limited
Warasgoan Tourism Limited	Warasgoan Tourism Limited	Warasgoan Tourism Limited	Warasgoan Tourism Limited	Warasgoan Tourism Limited
Our Home Service Apartments Limited	Our Home Service Apartments Limited	Our Home Service Apartments Limited	Our Home Service Apartments Limited	Our Home Service Apartments Limited
Verzon Hospitality Limited	Verzon Hospitality Limited (From 18th February, 2013)	-	Verzon Hospitality Limited (Upto 30th December 2010)	Verzon Hospitality Limited
Rhapsody Commercial Space Limited	Rhapsody Commercial Space Limited	Rhapsody Commercial Space Limited	Rhapsody Commercial Space Limited (Formerly Rhapsody Hospitality Limited)	Rhapsody Hospitality Limited
Warasgaon Power Supply Limited	Warasgaon Power Supply Limited	Warasgaon Power Supply Limited	Warasgaon Power Supply Limited	Warasgaon Power Supply Limited
Sahyadri City Management Limited	Sahyadri City Management Limited	Sahyadri City Management Limited	Sahyadri City Management Limited	Sahyadri City Management Limited
Kart Racers Limited	Kart Racers Limited	Kart Racers Limited	Kart Racers Limited	-
Warasgaon Infrastructure Providers Limited	Warasgaon Infrastructure Providers Limited	Warasgaon Infrastructure Providers Limited	Warasgaon Infrastructure Providers Limited	-
Hill City Service Apartments Limited	Hill City Service Apartments Limited	Hill City Service Apartments Limited	Hill City Service Apartments Limited	Hill City Service Apartments Limited
Nature Lovers Retail Limited	Nature Lovers Retail Limited	Nature Lovers Retail Limited	Nature Lovers Retail Limited	-
Mugaon Luxury Hotels Limited	Mugaon Luxury Hotels Limited	Mugaon Luxury Hotels Limited	Mugaon Luxury Hotels Limited	-
Osprey Hospitality Limited	Osprey Hospitality Limited	Osprey Hospitality Limited	Osprey Hospitality Limited	-
Starlit Resort Limited	Starlit Resort Limited	Starlit Resort Limited	Starlit Resort Limited	-
Rosebay Hotels	Rosebay Hotels	Rosebay Hotels	Rosebay Hotels	-

As At March 31, 2014	As At March 31, 2013	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010
Limited	Limited	Limited	Limited	
Warasgaon Valley Hotels Limited	Warasgaon Valley Hotels Limited	Warasgaon Valley Hotels Limited	Warasgaon Valley Hotels Limited	-
Warasgaon Assets Maintenance Limited	Warasgaon Assets Maintenance Limited	Warasgaon Assets Maintenance Limited	-	-
Hill View Parking Services Limited	Hill View Parking Services Limited	Hill View Parking Services Limited	-	-
-	-	-	Warasgaon Lake View Hotel Limited (Upto 30th December 2010)	Warasgaon Lake View Hotel Limited
-	-	-	Ecomotel Hotel Limited (Upto 1st Sept 2010)	Ecomotel Hotel Limited
-	-	-	Knowledge Vistas Limited (Upto 22nd April 2010)	Knowledge Vistas Limited
Associates				
Warasgaon Lake View Hotel Limited	Warasgaon Lake View Hotel Limited	Warasgaon Lake View Hotel Limited	Warasgaon Lake View Hotel Limited (From 31st December 2010)	-
Bona Sera Hotel Limited	Bona Sera Hotel Limited	Bona Sera Hotel Limited	Bona Sera Hotel Limited	Bona Sera Hotel Limited
Ecomotel Hotel Limited	Ecomotel Hotel Limited	Ecomotel Hotel Limited	Ecomotel Hotel Limited (From 2nd Sept 2010)	-
Knowledge Vistas Limited	Knowledge Vistas Limited	Knowledge Vistas Limited	Knowledge Vistas Limited (From 23rd April 2010)	-
Andromeda Hotels Limited (From 31st March, 2014)	-	-	-	-
-	SOL Hospitality Limited	SOL Hospitality Limited	SOL Hospitality Limited	SOL Hospitality Limited
Palmetto Hospitality Limited	Palmetto Hospitality Limited	Palmetto Hospitality Limited	Palmetto Hospitality Limited	Palmetto Hospitality Limited
-	Verzon Hospitality Limited (Upto 17th February, 2013)	Verzon Hospitality Limited	Verzon Hospitality Limited (From 31st December 2010)	-

14 Figure '0.00' represents amount less than 0.01 Million.

CONTINGENT LIABILITIES (CONSOLIDATED)**ANNEXURE XXIV****STATEMENT OF CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:****(Rs. in Million)**

Particulars	As At March 31, 2014	As At March 31, 2013	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010
Guarantee given by banks on behalf of the Company	26.51	26.51	26.51	26.51	50.27
Corporates Guarantees outstanding	396.53	380.24	550.00	550.00	-
Claims not acknowledged as debt	12.30	16.25	9.70	9.70	9.70
Petitions against the orders/ Notices filed with various authorities	177.55	177.55	177.55	177.55	-
For FY 2013-14, FY 2012-13 and FY 2011-12 ,registered mortgage over 231.66 acres of land situated in 5 villages namely Village Admal, Bhode, Gadle, Padalghar and Ugavali in taluka Mulshi, District Pune, Maharashtra towards Redeemable Non-Convertible Debentures issued to Axis Bank Limited by Hindustan Construction Company Limited.	-	-	-	-	-
For FY 2013-14, FY 2012-13 and FY 2011-12 Registered mortgage over 46.90 acres of land situated in 3 villages namely Village Wadawali, Sakhari and Dhamanhole in taluka Mulshi, District Pune, Maharashtra towards Term Loan taken by HCC Real Estate Limited.	-	-	-	-	-

RELATED PARTY TRANSACTIONS (CONSOLIDATED)**ANNEXURE XXV****RELATED PARTY DISCLOSURES**

(In compliance with Accounting Standard 18 – Related Party Discloser)

A. List of related parties:

(As identified by the management)

i) Parent/Holding Companies and their subsidiaries

As At March 31, 2014	As At March 31, 2013	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010
Hindustan Construction Company Limited (HCC) (Parent of Holding Company)	Hindustan Construction Company Limited (HCC) (Parent of Holding Company)	Hindustan Construction Company Limited (HCC) (Parent of Holding Company)	Hindustan Construction Company Limited (HCC) (Parent of Holding Company)	Hindustan Construction Company Limited (HCC) (Parent of Holding Company)
HCC Real Estate Limited (HREL) (Subsidiary of HCC & Holding company of Lavasa Corporation Limited)	HCC Real Estate Limited (HREL) (Subsidiary of HCC & Holding company of Lavasa Corporation Limited)	HCC Real Estate Limited (HREL) (Subsidiary of HCC & Holding company of Lavasa Corporation Limited)	HCC Real Estate Limited (HREL) (Subsidiary of HCC & Holding company of Lavasa Corporation Limited)	HCC Real Estate Limited (HREL) (Subsidiary of HCC & Holding company of Lavasa Corporation Limited)
Pune poud Toll Road Company Limited (Subsidiary of HREL)	Pune poud Toll Road Company Limited (Subsidiary of HREL)	Pune poud Toll Road Company Limited (Subsidiary of HREL)	Pune poud Toll Road Company Limited (Subsidiary of HCC)	Pune poud Toll Road Company Limited (Subsidiary of HCC)
Highbar Technologies Limited (Subsidiary of HCC)	Highbar Technologies Limited (Subsidiary of HCC)	Highbar Technologies Limited (Subsidiary of HCC)	Highbar Technologies Limited (Subsidiary of HCC)	Highbar Technologies Limited (Subsidiary of HCC)
HRL (Thane) Real Estate Limited (Subsidiary of HREL)	-	-	-	-
HCC Aviation Limited (Subsidiary of HREL)	HCC Aviation Limited (Subsidiary of HREL)	HCC Aviation Limited (Subsidiary of HREL)	HCC Aviation Limited (Subsidiary of HCC)	HCC Aviation Limited (Subsidiary of HCC)
Steiner India Limited	-	-	-	-
-	-	-	Karl Steiner AG, Switzerland	-
-	-	-	Vikhroli Corporate Park Private Limited(Upto 21st July, 2010)	-

ii) **Other Related Parties**

As At March 31, 2014	As At March 31, 2013	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010
Gulabchand Foundation (Formed under section 25 of the Companies Act, 1956)	Gulabchand Foundation (Formed under section 25 of the Companies Act, 1956)	Gulabchand Foundation (Formed under section 25 of the Companies Act, 1956)	Gulabchand Foundation (Formed under section 25 of the Companies Act, 1956)	Gulabchand Foundation (Formed under section 25 of the Companies Act, 1956)
Bona Sera Hotels Limited	Bona Sera Hotels Limited	Bona Sera Hotels Limited	Bona Sera Hotels Limited	Bona Sera Hotels Limited
Palmetto Hospitality Limited	Palmetto Hospitality Limited	Palmetto Hospitality Limited	Palmetto Hospitality Limited	Palmetto Hospitality Limited
Ecomotel Hotel Limited	Ecomotel Hotel Limited	Ecomotel Hotel Limited	Ecomotel Hotel Limited	Ecomotel Hotel Limited
Warasgaon Lake View Hotels Limited	Warasgaon Lake View Hotels Limited	Warasgaon Lake View Hotels Limited	Warasgaon Lake View Hotels Limited	Warasgaon Lake View Hotels Limited
Andromeda Hotels Limited.(From 31st March, 2014)	-	-	-	-
Vikhroli Corporate Park Private Limited	Vikhroli Corporate Park Private Limited	Vikhroli Corporate Park Private Limited	Vikhroli Corporate Park Private Limited (From 22nd July, 2010)*	Vikhroli Corporate Park firm
SOL Hospitality Limited (Merged with Bona Sera Hotels Limited From 1st April, 2013)	SOL Hospitality Limited	SOL Hospitality Limited	SOL Hospitality Limited	SOL Hospitality Limited
Knowledge Vistas Limited	Knowledge Vistas Limited	Knowledge Vistas Limited	Knowledge Vistas Limited	Knowledge Vistas Limited
-	-	Hincon Holdings Limited	-	-
-	-		Verzon Hospitality Limited (From 31st December, 2010)	-

* Vikhroli Corporate Park Private Limited (formerly - Vikhroli Corporate Park - 'firm' and converted under part IX of the Companies Act, 1956) during Fiscal Year 2011.

Key Management Personnel and their relatives:

As At March 31, 2014	As At March 31, 2013	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010
Mr. Rajgopal Nogja (Upto 28th April, 2013)	Mr. Rajgopal Nogja	Mr. Rajgopal Nogja	Mr. Rajgopal Nogja	Mr. Rajgopal Nogja
Mr. Ambuj Jain (From 1st May, 2013 Upto 1st January, 2014)	Mr. Ambuj Jain	Mr. Ambuj Jain	Mr. Ambuj Jain	-

As At March 31, 2014	As At March 31, 2013	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010
Mr. Nathan Andrews (From 2nd January, 2014)	-	Mr. Nathan Andrews (Upto 31st December, 2011)	Mr. Nathan Andrews	-
-	-	Ms. Anuradha Paraskar	Ms. Anuradha Paraskar	-
-	-	Mr. Sureshkumar Prabhakar Pendharkar	Mr. Sureshkumar Prabhakar Pendharkar	-
-	-	Mr. Scott Wrighton	Mr. Scott Wrighton	-
-	-	Mr. Arun Bodupali	Mr. Arun Bodupali	-
-	-	Mr. A Venkatesan	Mr. A Venkatesan	Mr. A Venkatesan
-	-	Mr. Vinayak Jadhav	Mr. Vinayak Jadhav	Mr. Vinayak Jadhav
Mr. Narendra Negandhi (From 8th October, 2013)	-	-	-	-

B. Transactions during the year and Balances Outstanding as at the year end with related parties are as follows:

(Rs. in Million)

Particulars	As At March 31, 2014	As At March 31, 2013	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010
Project and other services received during the year					
Hindustan Construction Company Limited	282.24	389.31	316.42	153.89	254.88
Vikhroli Corporate Park Private Limited	36.49	37.19	32.43	26.87	10.13
Ecomotel Hotel Limited	0.47	4.31	2.76	11.73	-
Steiner India Limited	443.92	-	-	-	-
Pune Paud Toll Road Company Limited	0.67	0.02	0.96	2.40	2.40
HCC Real Estate Limited	-	-	1.10	-	0.89
HCC Aviation Limited	-	-	23.94	91.76	-
Bona Sera Hotels Limited	0.85	1.05	-	5.82	1.08
Other	8.68	4.71	7.95	2.15	-
Project and other services given during the year					
Warasgaon Lake View Hotels Limited	31.21	15.27	3.49	40.83	7.57
Ecomotel Hotel Limited	0.47	4.34	2.49	20.54	9.71
Hindustan Construction Company Limited	-	-	-	69.03	-
HCC Real Estate Limited	-	-	-	0.01	-
Knowledge Vistas Limited	-	-	-	7.47	20.68
Other	5.11	-	0.02	7.81	0.06
Interest expense on Inter					

Particulars	As At March 31, 2014	As At March 31, 2013	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010
Corporate Deposit received					
HCC Real Estate Limited	106.13	78.75	51.58	7.39	-
Hindustan Construction Company Limited	-	-	3.56	-	-
Hincon Holding Limited	-	-	1.99	-	-
Interest income on Inter Corporate Deposit given					
Ecomotel Hotel Limited	13.56	13.60	11.20	8.11	5.12
Warasgaon Lake View Hotels Limited	0.10	-	36.39	7.54	1.94
Knowledge Vistas Limited	-	-	-	0.77	3.40
Bona Sera Hotels Limited	11.07	18.55	2.13	11.87	-
Andromeda Hotels Limited	3.79	-	-	-	-
Other	-	-	-	-	0.01
Construction / Land Sale					
HCC Real Estate Limited	-	-	-	1,157.27	-
Knowledge Vistas Limited	-	-	-	-	24.00
Inter Corporate Deposit taken during the year		-			
HCC Real Estate Limited	499.56	851.10	3,052.85	1,090.00	-
Hindustan Construction Company Limited	-	-	210.00	-	-
Hincon Holding Limited	-	-	150.00	-	-
Inter Corporate Deposit Repaid during the year					
HCC Real Estate Limited	50.00	543.50	3,902.85	-	-
Hindustan Construction Company Limited	-	-	210.00	-	-
Hincon Holding Limited	-	-	0.30	-	-
Inter Corporate Deposit given during the year					
Ecomotel Hotel Limited	1.51	15.10	36.55	126.05	245.53
Warasgaon Lake View Hotels Limited	11.66	-	14.65	319.82	287.31
Knowledge Vistas Limited	137.76	14.54	15.20	43.29	387.10
Other	-	-	-	46.09	124.08
Inter Corporate Deposit received back during the year					
Ecomotel Hotel Limited	34.50	17.00	11.97	93.72	221.09
Warasgaon Lake View Hotels Limited	1.70	-	252.10	90.75	293.75
Knowledge Vistas Limited	119.55	0.53	3.70	69.30	362.21
Other	-	-	-	2.37	113.56
Equity Share Contribution during the year					
Andromeda Hotels Limited	28.10	-	-	-	-
Ecomotel Hotel Limited	13.00	13.00	-	19.88	11.42

Particulars	As At March 31, 2014	As At March 31, 2013	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010
Warasgaon Lakeview Hotels Limited	39.99	18.84	-	48.86	-
Knowledge Vistas Limited	-	-	-	26.25	142.00
Others	-	-	-	-	16.29
Intercompany Deposit given Outstanding					
Ecomotel Hotel Limited	52.70	85.70	87.60	63.02	30.69
Bona Sera Hotels Limited	81.81	69.21	69.21	69.21	25.43
Warasgaon Lake View Hotels Limited	9.96	-	-	237.45	8.38
Knowledge Vistas Limited	43.72	25.51	11.50	-	26.02
Others	7.96	9.81	9.81	9.81	9.87
Corporate Guarantees Received on behalf of the Company & Outstanding					
Hindustan Construction Company Limited	5,517.87	6,648.81	6,889.16	7,484.78	6,072.04
HCC Real Estate Limited	4,447.18	524.23	-	-	-
Corporate Guarantees and Bank Guarantees Given & Outstanding					
Ecomotel Hotel Limited	148.50	148.50	160.58	180.00	180.00
Knowledge Vistas Limited	140.00	131.03	146.00	370.00	370.00
Warasgaon Lake View Hotels Limited	108.03	100.71	65.00	-	810.00
Outstanding Balances included in Trade Payable/Current Liabilities					
HCC Real Estate Limited	71.06	7.33	1.85	6.63	-
Hindustan Construction Company Limited	631.59	481.52	114.18	245.82	233.81
Ecomotel Hotel Limited	5.32	-	9.06	4.77	-
Steiner India Limited	228.07	-	-	-	-
HCC Aviation Limited	23.46	23.46	23.46	-	-
Bonaser Hotel Limited	2.64	1.79	0.74	1.23	0.59
Others	2.22	0.25	0.12	1.93	-
Outstanding Balances included in Trade Receivable/Current Assets					
HCC Real Estate Limited	1147.27	1147.27	1,147.27	1,157.27	-
Hindustan Construction Company Limited	-	-	-	27.53	4.24
Bonaser Hotel Limited	31.45	21.51	5.02	3.97	2.46
Ecomotel Hotel Limited	66.39	52.55	46.23	34.03	0.00
Knowledge Vistas Limited	12.16	12.02	-	0.25	-
Warasgaon Lake View Hotels Limited	65.25	34.88	59.30	20.38	-
Others	-	1.59	1.29	11.77	21.32
Intercompany Deposit					

Particulars	As At March 31, 2014	As At March 31, 2013	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010
Received Outstanding					
HCC Real Estate Limited	997.16	547.60	240.00	1,090.00	-
Advance/Deposit Given and outstanding at the end of the year					
Steiner India Limited	107.16	-	-	-	-
Vikhroli Corporate Park Private Limited	7.29	7.29	7.29	7.29	7.29

C) Details of transactions relating to key management personnel:

(Rs. in Million)

Nature of Transactions	As At March 31, 2014	As At March 31, 2013	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010
Mr. Ambuj Jain	5.77	15.56	14.56	12.76	11.12
Mr. Nathan Andrews	-	-	9.15	12.26	10.84
Mr. Vinayak J Jadhav	-	-	6.63	6.46	5.79
Ms. Anuradha Paraskar	-	-	7.47	6.95	6.29
Mr. Sureshkumar Prabhakar Pendharkar	-	-	8.37	9.01	5.40
Mr. Scott Wighton	-	-	12.58	11.35	9.14
Mr. Arun Bodupali	-	-	8.88	8.46	7.57
Others	-	-	3.93	8.61	2.06
Total	5.77	15.56	71.57	75.85	58.22

D) Option granted to Key Management Personnel under Employee Stock Option Scheme.

Number of Options Granted

Name of Key Personnel	As At March 31, 2014	As At March 31, 2013	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010
Mr. Rajgopal Nogja	403,303	403,303	403,303	403,303	39,210
Mr. Ambuj Jain	224,126	224,126	224,126	224,126	21,790
Mr. Vinayak Jadhav	-	224,126	224,126	224,126	21,790
Ms. Anuradha Paraskar	-	224,126	224,126	224,126	21,790
Mr. Suresh Pendharkar	-	224,126	224,126	224,126	21,790
Mr. Arun Bodupali	-	224,126	224,126	224,126	21,790
Mr. Nathan Andrews	-	-	-	224,126	21,790
Total	627,429	1,523,933	1,523,933	1,748,059	169,950

Figure '0.00' represents amount less than 0.01 Million.

DETAILS OF FIXED ASSETS (CONSOLIDATED)

ANNEXURE XXVI

(Rs. in Million)

Particulars	As at March 31, 2014			As at March 31, 2013			As at March 31, 2012			As at March 31, 2011			As at March 31, 2010		
	Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block
Tangible Assets															
1 Land	153.55	-	153.55	142.69	-	142.69	135.44	-	135.44	134.20	-	134.20	209.79	-	209.79
2 Buildings	7,022.84	1,082.65	5,940.20	5,454.28	812.19	4,642.09	5,084.02	570.52	4,513.50	5,035.36	325.68	4,709.68	2,807.05	124.10	2,682.96
3 Plant & Machinery, Office Equipments	1,381.97	505.02	876.95	1,110.24	378.76	731.48	957.14	280.61	676.53	954.99	166.36	788.63	490.28	90.42	399.86
4 Furniture & Fixtures	250.14	146.15	103.99	211.58	122.84	88.74	205.77	99.66	106.11	179.25	69.58	109.66	144.55	39.47	105.08
5 Computers	106.80	67.31	39.49	74.33	59.91	14.42	83.09	62.62	20.47	77.48	49.42	28.06	53.77	36.33	17.43
6 Vehicles	43.29	27.91	15.37	40.20	23.93	16.27	37.84	18.61	19.23	33.20	11.39	21.80	11.81	6.32	5.49
7 Boats	36.30	8.97	27.33	36.30	8.96	27.35	36.30	8.94	27.36	36.30	8.93	27.38	36.30	8.91	27.40
Total	8,994.90	1,838.01	7,156.88	7,069.62	1,406.59	5,663.03	6,539.61	1,040.97	5,498.64	6,450.78	631.36	5,819.42	3,753.55	305.55	3,448.00
Intangible Assets															
8 Software	40.51	23.86	16.64	40.35	20.78	19.57	30.36	18.44	11.91	27.75	15.81	11.94	26.17	13.57	12.60
9 Trademarks & Designs	7.75	6.81	0.94	7.75	6.07	1.68	7.75	5.32	2.43	7.75	4.29	3.46	7.54	3.53	4.01
Total	48.26	30.68	17.58	48.10	26.84	21.26	38.11	23.76	14.35	35.50	20.10	15.40	33.71	17.10	16.61
Total	9,043.15	1,868.69	7,174.45	7,117.72	1,433.44	5,684.29	6,577.72	1,064.73	5,512.98	6,486.27	651.46	5,834.81	3,787.26	322.65	3,464.60
Capital Work In Progress			11,570.45			10,538.48			9,255.16			7,930.31			8,382.46
Total	9,043.15	1,868.69	18,744.90	7,117.72	1,433.44	16,222.77	6,577.72	1,064.73	14,768.14	6,486.27	651.46	13,765.12	3,787.26	322.65	11,847.07

The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Company.

DETAILS OF LOANS AND ADVANCES (CONSOLIDATED)

ANNEXURE XXVII

(Rs. in Million)

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Long-term loans and advances					
(Unsecured, considered Good, unless otherwise stated)					
Deposits	118.61	99.54	100.11	90.51	9.75
Advances recoverable in cash or kind	6.12	46.98	10.97	1.07	1.49
Sub- Total	124.73	146.51	111.08	91.57	11.24
Short-term loans and advances					
Inter Corporate Deposits to Associates	196.15	190.23	178.12	379.49	125.81
Advances recoverable in cash or kind or for value to be received	613.61	443.00	418.39	332.55	190.23
Advances to Suppliers	495.34	383.89	297.14	201.85	621.25
Advances for Land Purchases	379.34	412.72	437.30	473.55	419.34
Other amounts recoverable	635.45	619.80	579.68	522.26	295.02
Deposits	8.33	10.30	8.39	6.18	4.18
Advance Payment of Taxes (Net of Provisions)	967.23	929.13	877.87	801.68	512.19
Sub- Total	3,295.45	2,989.08	2,796.89	2,717.56	2,168.02
Total	3,420.18	3,135.60	2,907.97	2,809.13	2,179.25
Loans and advances to Promoters, Directors, Group Companies, associates and other related parties	310.60	197.52	185.41	386.78	133.10

The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Company.

DETAILS OF TRADE RECEIVABLES (CONSOLIDATED)

ANNEXURE XXVIII

(Rs. in Million)

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Trade Receivables (Unsecured - Considered good)					
Outstanding over Six Months from the date they became due	1,708.79	2,014.68	1,982.73	1,356.89	534.02
Others	507.56	378.83	686.49	1,124.35	601.23
Total	2,216.35	2,393.51	2,669.22	2,481.24	1,135.24
Receivables from Promoters, Directors, Group Companies, associates and other related parties	1,325.96	1,272.73	1,203.67	1,261.15	41.32

The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Company.

DETAILS OF INVESTMENTS (CONSOLIDATED)

ANNEXURE XXIX

(Rs. in Million)

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Non-current investments					
Trade Investments, Unquoted, Long Term :-					
Investment In Associate Companies in India	225.11	169.59	158.09	205.46	13.80
Other non-current investments	0.44	0.44	0.44	6.49	6.49
Other Investment, quoted :-					
Investment in Equity Instruments, Quoted	0.44	0.44	0.44	0.44	0.44
Sub- Total	225.99	170.48	158.97	212.39	20.73
Current Investment					
Investment in Mutual Funds	31.48	-	-	-	2,777.13
Sub- Total	31.48	-	-	-	2,777.13
Total	257.47	170.48	158.97	212.39	2,797.86
Other Information					
Cost of quoted investments	0.44	0.44	0.44	0.44	2,777.57
Market Value of quoted investments	0.73	0.70	0.89	1.17	2,778.12
Cost of Unquoted investments	257.03	170.03	158.53	211.95	20.29

The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Company.

DETAIL OF ACCOUNTING RATIOS (CONSOLIDATED)

ANNEXURE XXX

Rs. in Million except for per share

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Basic Earnings Per Share (BEPS)					
Adjusted Net Profit / (Loss) after Tax	(1,887.00)	(1,504.89)	(1,536.61)	(157.80)	3.15
Number of Equity Shares	795,944,363	795,944,363	795,944,363	485,944,363	485,944,363
Weighted Average Number Of Equity Shares Outstanding During The Year	795,944,363	795,944,363	529,386,986	485,944,363	485,944,363
Basic Earnings Per Share (BEPS)	(2.37)	(1.89)	(2.90)	(0.32)	0.01
Diluted Earnings Per Share (DEPS) (refer note 3 below)					
Adjusted Net Profit / (Loss) after Tax	(1,887.00)	(1,504.89)	(1,536.61)	(157.80)	3.15
Number of Equity Shares	795,944,363	795,944,363	795,944,363	485,944,363	485,944,363
Weighted Average Number Of Equity Shares Outstanding During The Year	795,944,363	795,944,363	529,386,986	487,162,269	487,162,269
Diluted Earnings Per Share (DEPS)	(2.37)	(1.89)	(2.90)	(0.32)	0.01
Net Assets Value (NAV) per Equity Share					
Net Worth for equity shareholders	1,260.52	3,119.98	4,599.16	2,998.73	3,199.81
Number of Equity Shares outstanding at the end of Year	795,944,363	795,944,363	795,944,363	485,944,363	47,244,591
NAV Per Equity Share	1.58	3.92	5.78	6.17	67.73
Return On Net Worth for equity shareholders (RONW)					
Net Profit / (Loss) after Tax	(1,860.86)	(1,478.74)	(1,511.22)	(138.79)	22.22
Net Worth for equity shareholders	1,260.52	3,119.98	4,599.16	2,998.73	3,199.81
Return On Net Worth for equity shareholders (RONW)	-147.63%	-47.40%	-32.86%	-4.63%	0.69%

Notes:

Definition of Ratios

1 The ratios have been computed as below:

(a) Earnings Per Share (Rs.)

Adjusted Profit / (Loss) After Tax But Before Extraordinary Items
 Weighted Average Number Of Equity Shares Outstanding During The Year

(b) Net Asset Value Per Equity Share (Rs.)

Net Worth For Equity Shareholders Excluding Revaluation Reserve
 Number of Equity Shares Outstanding at the end of Year

Net worth for Equity Shareholders = Share Capital + Share Warrant + Reserves & Surplus - Miscellaneous Expenditure to the extent not written off - Preference Share Capital including redemption premium payable

-Cumulative unprovided Preference Dividend including dividend distribution tax.

(c) Return on Net Worth for Equity Shareholders (%)	$\frac{\text{Net Profit / (Loss) After Tax But Before Extraordinary Items}}{\text{Net Worth for Equity Shareholders Excluding Revaluation Reserve}}$

- 2 Earnings per share have been calculated in accordance with Accounting Standard 20 - Earnings per share as notified by Companies (Accounting Standards) Rules, 2006.
- 3 Considering that the Company has incurred losses during the year ended March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011, the conversion of potential equity shares would decrease the loss per share for the year ended March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 and hence, it has been ignored for the purpose of calculation of diluted EPS.
- 4 On 8th June, 2010 and on 30th July, 2010, the Company has issued and allotted 377,956,728 and 60,743,044 equity shares of Rs. 10/- each respectively, fully paid up in the ratio of 8 equity shares for every 1 share and 1 equity share for every 7 shares respectively, to the existing shareholders. In accordance with Accounting Standard 20 "Earnings per Share", the aforesaid shares have been adjusted for the event of bonus shares in computation of the earnings per share.
- 5 Net Assets value per equity share has been computed after adjusting the number of equity shares outstanding at the end of the year, for the aforesaid shares.
- 6 Reserves and surplus and Net Profit/ (Loss) as restated have been considered for the purpose of computing the above ratios.

DETAILS OF SHORT TERM BORROWINGS (CONSOLIDATED)**ANNEXURE XXXI****(Rs. in Million)**

Particulars	As at March 31,	As at March 31, 2013	As at March 31, 2012	As at March 31,	As at March 31, 2010
Short-term borrowings					
From Financial Institution (Unsecured)	-	-	1,000.00	-	1,000.00
Inter corporate deposit from Promoters, Group Companies, subsidiaries and associate Companies (Unsecured, Repayable on Demand, having interest @ 13.5% p.a. as on March 31, 2014)	997.16	547.60	240.00	1,090.00	-
Total	997.16	547.60	1,240.00	1,090.00	1,000.00

The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Company.

DETAILS OF LONG TERM BORROWINGS (CONSOLIDATED)

ANNEXURE XXXII

(Rs. in Million)

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Deep Discount Convertible Debentures (Refer Note no 2 A)					
Face Value of Debentures issued to Allahabad Bank	708.40	708.40	708.40	708.40	708.40
Less : Unexpired Discount	36.41	93.92	143.05	186.51	224.08
	672.00	614.49	565.35	521.90	484.32
Face Value of Debentures issued to IndusInd Bank	749.37	749.37	749.37	749.37	749.37
Less : Unexpired Discount	17.34	78.57	132.47	180.03	200.00
	732.03	670.80	616.91	569.34	549.37
Face Value of Debentures issued to Allahabad Bank	843.14	783.05	783.05	783.05	783.05
Less : Unexpired Discount	24.99	57.18	133.19	197.26	252.19
	818.16	725.87	649.86	585.80	530.86
Face Value of Debentures issued to Bank of India	-	939.66	939.66	939.66	2,349.15
Less : Unexpired Discount	-	47.81	141.13	221.31	723.40
	-	891.86	798.53	718.35	1,625.76
Face Value of Debentures issued to ICICI Bank	-	-	-	3,534.04	3,534.04
Less : Unexpired Discount	-	-	-	960.91	1,142.35
	-	-	-	2,573.13	2,391.68
Face Value of Debentures issued to Axis Bank	-	-	-	3,874.00	3,874.00
Less : Unexpired Discount	-	-	-	983.15	1,245.15
	-	-	-	2,890.85	2,628.85
Face Value of Debentures issued to AndhraBank	-	-	-	-	354.20
Less : Unexpired Discount	-	-	-	-	107.43
	-	-	-	-	246.77

Particulars	As at March 31, 2014		As at March 31, 2013		As at March 31, 2012		As at March 31, 2011		As at March 31, 2010	
Face Value of Debentures issued to United Bank of India	-		-		-		-		708.40	
Less : Unexpired Discount	-		-		-		-		216.33	
		-		-		-		-		492.07
0% Fully Convertible Debenture- Unsecured (Refer Note no 2 B)										
Face Value of Debentures issued to Bennett, Coleman & Company Limited		120.00		120.00		-		-		-
Non-Convertible Debentures - Secured (Refer Note no 2 C)										
Face Value of Debentures issued to India Opportunities II PTE LTD		150.00		-		-		-		-
Face Value of Debentures issued to SSG										
Investment Holding India Limited		1,020.00		-		-		-		-
Face Value of Debentures issued to Jammu & Kashmir Bank		1,000.00		1,000.00		1,000.00		1,000.00		-
Face Value of Debentures issued to ICICI Bank		2,500.00		2,500.00		2,500.00		-		-
Face Value of Debentures issued to Bank of India		-		1,050.00		1,050.00		1,050.00		-
Face Value of Debentures issued to Axis Bank		-		1,250.00		2,250.00		-		-
Term loans - Secured (Refer Note no 2 D)										
From banks		15,202.28		9,949.61		7,624.75		7,459.16		6,806.61
From banks taken by subsidiaries		8,214.00		4,381.34		223.13		171.52		474.20
From Financial Institutions		1,553.26		2,678.57		-		-		-
Term loans - Unsecured (Refer Note no 2 E)										
From Financial Institutions		1,000.00		1,000.00		3,214.29		3,428.57		1,000.00
		32,981.72		26,832.53		20,492.82		20,968.61		17,230.49
Less: Current Maturities		9,078.69		5,523.31		3,070.35		1,332.29		819.89
Total		23,903.03		21,309.22		17,422.47		19,636.31		16,410.60

Note:

- 1) The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Company.
- 2) Details interest rates and security created for Long term borrowings outstanding as on March 31, 2014 are as follows:

SI No	Name of the Lender	Interest/Coupon rate as on March 31, 2014	Details of the Security
A	Deep Discount Convertible Debentures		
1	Allahabad Bank	6% p.a.	Secured By Charge Created by English Mortgage Deed on Land of Lavasa Project admeasuring 1 Acre.
2	IndusInd Bank	6% p.a.	Secured By Charge Created by English Mortgage Deed on Land of Lavasa Project admeasuring 1 Acre.
3	Allahabad Bank	6% p.a.	Secured By Charge Created by English Mortgage Deed on Land of Lavasa Project admeasuring 1 Acre.
B	Fully Convertible Debentures- Unsecured		
1	Bennett, Coleman & Company Limited	0% p.a.	Not Applicable
C	Non-convertible Debentures		
1	India Opportunities II PTE LTD	14% per annum	The non-convertible debentures are secured by way of (a) first and exclusive mortgage over land situated at survey number 41 and 45 in village Bhoini, taluka Mulshi; and (b) irrevocable and unconditional undertaking by HREL up to Rs. 150 Million.
2	SSG Investment Holding India Limited	14% per annum	The non-convertible debentures are secured by way of (a) first priority of mortgage and charge over our Company's land admeasuring 6,860.97 acres on pari passu basis with the existing consortium lenders; (b) first priority of mortgage and charge with the existing consortium lenders over all the immovable (excluding land) and moveable assets in the project; (c) first charge over all accounts of our Company, including the trust and retention account and other bank accounts of our Company; (d) first charge on all intangibles including intellectual property rights, goodwill, both present and future, on pari passu basis with the existing consortium lenders.
3	Jammu & Kashmir Bank	10.75% per annum	The non-convertible debentures are secured by way of english mortgage of 1 Acre of land situated at village Dhamanhol, taluka Mulshi.
4	ICICI Bank	9% per annum	The non-convertible debentures are secured by way of exclusive mortgage of 747 Acres of land of our Company.
D	Term Loans Secured		
1	Union Bank of India	Base Rate + 4.85%, Currently 15.35% p.a.	Secured By Charge Created by English Mortgage Deed on Land of Lavasa Project admeasuring 6,860.97 Acres, and premises, buildings constructed or to be constructed thereon, All present & future moveable assets, revenues, receivables on first pari
2	The Karnataka Bank Limited	Base Rate + 4.50% , Currently 15.50%	

SI No	Name of the Lender	Interest/Coupon rate as on March 31, 2014	Details of the Security
		p.a.	passu charge basis.
3	Punjab National Bank	Base Rate + 4.50% + TP(0.50%), Currently 15.25% p.a.	A first pari passu charge over / assignment of all project agreements, guarantees, performance guarantees of bonds, letters of credit that may be provided by any party / counter-party to any project agreement or otherwise in respect of the first phase of the project in favor of our Company and all clearances and all trademarks and patent rights, brands, titles, approvals, permit, clearances and interests and our Company's right, title, interest, benefit and claim in, to or under the project agreements, clearances and on the assets of the project; A first pari passu charge over / assignment of all our Company's right, title, interest, benefit and claim in, to or under the contracts and all licenses permits, approvals, consents Insurance contracts, Insurance policies and insurance proceeds; A first pari passu charge over all intangible assets of our Company including but not limited to goodwill. A first pari passu charge over all bank accounts of our Company including without limitation, the trust and retention account (or any account in substitution thereof) each of other accounts required to be opened and maintained by our Company under any finance documents and in all funds from time to time deposited therein and in all permitted investments or other securities representing all amounts credited to the trust and retention account. Irrevocable and unconditional Corporate guarantee to the extent 50% of outstanding balance has been given by promoters and other shareholders to the extent of their equity shareholding in the Company.
4	Union Bank of India	Base Rate + 4.85%, Currently 15.35% p.a.	
5	Corporation Bank	Base Rate + 4.85%, Currently 15.5% p.a.	
6	Oriental Bank Of Commerce	15.35% p.a.	
7	Bank of India	Base Rate + 6%, Currently 16.5% p.a.	
8	Bank of Baroda	Base Rate + 4.85%, Currently 15.35% p.a.	
9	Bank of India	Base rate + 3.75%, Currently 14.00% p.a.	
10	Central Bank Of India	Base Rate + 5.50% (floating)	
11	Union Bank of India	Base Rate + 3.50%, currently 14% p.a.	
12	Punjab National Bank	BR + TP + 4.50%, currently 15.50% p.a.	
13	State Bank of Hyderabad	Base Rate + 5.25%, currently 15.75% p.a. (floating)	
14	Axis Bank Limited	BPLR minus 2%, currently 12.75% p.a.	
15	Union Bank of India	Base rate + 3.50%	
16	Union Bank of India (Funded Interest Term Loan I)	Base Rate + 4.85%	
17	Union Bank of India (Funded Interest Term Loan II)	Base Rate + 4.85%	
18	Union Bank of India (Funded Interest Term Loan III)	Base Rate + 3.50%	
19	Central Bank of India	Base rate + 3.50%	
20	Central Bank of India (Funded Interest Term Loan)	Base Rate + 5.50%	
21	Axis Bank Limited	Base rate + 4%	
22	Punjab National Bank	14% linked to base rate	
23	Punjab National Bank (Funded	Base rate + [TP] + 4.50%	

SI No	Name of the Lender	Interest/Coupon rate as on March 31, 2014	Details of the Security
	Interest Term Loan I)		
24	Punjab National Bank (Funded Interest Term Loan II)	Base rate + [TP] + 4.50%	
25	State Bank of Hyderabad (Funded Interest Term Loan)	Base Rate + 5.25%	
26	Oriental Bank of Commerce (Funded Interest Term Loan)	15.35% p.a.	
27	Corporation Bank (Funded Interest Term Loan)	15.50% p.a.	
28	The Karnataka Bank (Funded Interest Term Loan)	Base Rate + 4.50%	
29	Bank of India	BPLR, currently 12% p.a.	
30	Bank of India (Funded Interest Term Loan)	Base Rate + 6%,	
31	Bank of Baroda	Base rate + 3.50%	
32	Bank of Baroda (Funded Interest Term Loan)	Base Rate + 4.85%	
33	L&T Infrastructure Finance Company Limited	L&T Infrastructure PLR minus spread of 1.25%	
34	L&T Infrastructure Finance Company Limited	L&T Infrastructure PLR minus 1.50%, Currently 12.00% p.a.	
35	L&T Infrastructure Finance Company Limited	L&T Infrastructure PLR minus 1.50%, Currently 12.00% p.a.	
36	Axis Bank taken by subsidiary	Base Rate + 2.50% Currently 12.50% p.a.	First Charge/ Hypothecation on the current assets including receivables of the subsidiary company. First Charge on all bank accounts of the Company including but no limit to Escrow account to be established by the subsidiary company. Negative lien on concession right acquired in respect of Transportation Infrastructure under the Concession Agreement. Mortgage of 148.3970 Hectors of land of the Company in favor of Axis Bank for Term Loan taken by subsidiary company.
37	L&T Infrastructure Finance Company Limited taken by	PLR minus 2.75% p.a. floating	First Charge/ Hypothecation on the current assets including receivables of the subsidiary company. First Charge on all bank accounts of the Company including but no limit to Escrow account to be

SI No	Name of the Lender	Interest/Coupon rate as on March 31, 2014	Details of the Security
	subsidiary		established by the subsidiary company. Charge cum Assignment of all the Project Documents including Insurance Documents. Negative lien on concession right acquired in respect of Power Infrastructure under the Concession Agreement.
38	Allahabad Bank taken by subsidiary	Base Rate + 5.00%	Secured by mortgage of Land admeasuring 2.70 acres and building constructed thereon, first charge on all the present and future movable and immovable fixed assets of the subsidiary company
39	Axis Bank taken by subsidiary	13% p.a	Exclusive first charge on the current assets, moveable fixed assets and immovable fixed assets of the subsidiary company.
40	ICICI Bank taken by subsidiary	12.25% p.a.	Second Charge on the current assets & movable fixed assets of subsidiary company. Mortgage over Land situated at Kavsa, Thane Ghodbunder Road, Thane Maharashtra (32 acres) of HRL (Thane) Real Estate Limited on first pari passu basis (to be shared with the facilities aggregating Rs.220.00 Million sanctioned to Highbar Technologies Limited by ICICI Bank (Mortgage). Pledged over 30% shareholding of Company held in the subsidiary company.
41	Axis Bank taken by subsidiary	16.25% p.a.	Secured By Exclusive first Charge by way of English Mortgage Deed on the Immovable Property and Hypothecation of the entire moveable Fixed Assets (Both present and future) belonging to the subsidiary company.
42	HDFC Vehicle Loan taken by subsidiary	10.76% p.a.	Secured against vehicle of the subsidiary company.
E	Term Loans- Unsecured		
1	IFCI Limited	14% p.a. payable monthly subject to annual reset.	Not Applicable

3) Other Terms as per common loan agreement of Long Term Borrowings outstanding as on March 31, 2014 are as follows:

a) Many of our financing arrangements entail various restrictive conditions and covenants restricting certain corporate actions, and we are required to take the prior approval of the lender before carrying out such activities. They are as follows:

- i) changing capital structure including increase, reduction, purchase, buy-back, re-organisation, or otherwise of its authorised, issued, subscribed, paid-up capital, otherwise than in accordance with the financing plan or as permitted by the lenders;
- ii) amending the Memorandum and Articles of Association except to facilitate our Company's day to day affairs, but which shall not jeopardize the lenders' interest;
- iii) creating any security interest with respect to any property or revenue or assets;
- iv) conveying selling, leasing, transferring or assigning or otherwise part of any of its mortgaged property except in the ordinary course of business;

- v) entering into any borrowing arrangement, except that arranged as part of means of finance for the project;
- vi) undertaking revaluation of assets;
- vii) change of control or ownership whereby the effective beneficial ownership or control of our Company may change;
- viii) changing the registered office of our Company;
- ix) standing as a surety or guarantor for any third party liability or obligation;
- x) declaring dividends for any year except out of the profits relating to that year;
- xi) winding up or entering into any merger, de merger, amalgamation arrangement, consolidation or reorganisation or any scheme for composition with its creditors;
- xii) material change in the management set up;
- xiii) abandoning or agreeing to abandon the project;
- xiv) entering into any partnership, profit sharing or royalty agreement or similar arrangement whereby the income or profits are or might be shared with any other person, other than payment of dividends or similar payments to Promoters approved by lenders; and
- xv) any action whether by acquisition or expansion scheme or undertake new project without the prior approval of the lender unless financed out of proceeds from investment or long term funds received which would constitute alteration of the nature of its business without the prior written approval of the lender.

b) Company can prepay the amount borrowed as per terms of agreements entered with respective lenders. Some major terms of agreements are as follows:

- i) Company may prepay pro- rata among the Lenders, on a voluntary basis, the outstanding principal amounts of Rupee Loans of the lenders in full or part prior to the respective repayment dates by serving an irrevocable written notice of not less than 15 days specifying the date of prepayment and amount of prepayment.
- ii) All prepayments should be made together with all accrued interest, on the amount prepaid and all other amounts payable as per the agreements upto the date of such prepayment.
- iii) Unless otherwise agreed by the Majority lenders, the borrower shall utilize the following amounts as and when received for prepaying/Liquidating the outstanding dues of the lenders;
 - any liquidated damages received by the borrowers under the project agreements,
 - any amount available with the borrower out of proceeds received under the Insurance Contracts over and above the amounts utilized for repairs/replacements of insured assets including work-in-progress,
 - any surplus amounts above the required balance in Trust and Retention Accounts upon final completion of Project.
- iv) No amounts prepaid may be subsequently re-borrowed and each amount prepaid will be applied in inverse order of maturity against the repayment installments, provided however that nothing contain herein shall prevent the borrower from borrowing for the purpose of Project any amount necessary to replace any Lenders.

c) Major events of defaults amongst others are as follows:

Non-payment of principal, interest, fee or other amount, supply of misleading information and misrepresentation, Bankruptcy and Insolvency, appointment of receiver, attachment or restraint, cessation of business, inadequacy of security.

d) Lenders may impose penalties on Company as per terms of agreements entered with respective lenders. Major terms of agreements are as follows:

- i) Disbursement made pending creation of security as agreed shall carry additional interest as per respective lenders agreements over and above the applicable interest rate of borrowing from the date of first disbursement till creation of security. Provided however, no additional interest as above shall be levied, if the borrower creates the agreed security by way of English Mortgage within 6 months from the date thereof.
- ii) The borrower shall pay additional interest at the rate as mentioned in respective lenders agreements over and above the applicable interest rate in case of any default in payment of outstanding dues to any of the lenders on the respective due dates for the period of such default.

DETAILS OF OTHER INCOME (CONSOLIDATED)

ANNEXURE XXXIII

(Rs. in Million)

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	Recurring/ Non- recurring	Related to business activities
Other Income							
Interest on Fixed Deposits	14.31	10.94	34.54	29.09	11.09	Recurring	Non-Related
Interest on Inter Corporate Deposit	24.73	32.15	49.76	79.42	38.37	Recurring	Related
Dividend Income	6.01	0.34	3.44	64.79	45.80	Recurring	Non-Related
Sale of Scrap	4.92	2.14	3.67	4.37	0.15	Recurring	Related
Net gain/ loss on sale of investments	34.20	-	-	7.15	-	Non-recurring	Non-Related
Profit on Sale of Asset (Net)	-	-	-	-	0.16	Non-recurring	Non-Related
Net gain on foreign currency transactions and translation	0.29	-	3.98	2.85		Non-recurring	Non-Related
Insurance Claim received	2.52	-	2.50	0.46	2.88	Non-recurring	Non-Related
Sale of miscellaneous items	3.14	20.68	23.00	-	0.06	Non-recurring	Non-Related
Cancellation charges	0.80	1.82	0.73	-	0.10	Recurring	Related
Development charges	10.64	-	-	-	13.26	Recurring	Related
Miscellaneous Income	19.44	49.72	25.22	13.27	0.98	Non-recurring	Non-Related
Total	121.02	117.78	146.85	201.40	112.84		

The figures disclosed above are based on the Restated Consolidated Summary Statement of Profits and Losses of the Company.

DETAILS OF LAND AND CONSTRUCTION EXPENSES (CONSOLIDATED)**ANNEXURE XXXIV****(Rs. in Million)**

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Land And Construction Expenses					
Land purchased / acquired	245.51	150.85	130.43	694.50	440.68
Civil Work & Contract Charges (net of recoveries)	1,943.10	982.99	311.30	543.53	3,994.60
Power & Fuel	72.53	64.99	42.55	73.12	87.76
Rent, Rates & Taxes	87.81	80.48	80.59	42.61	38.11
	2,348.95	1,279.32	564.86	1,353.76	4,561.15
Less: Transferred to fixed assets/ Capital work in Progress	461.95	76.02	223.23	846.70	1,457.71
Total	1,887.00	1,203.30	341.63	507.07	3,103.45

The figures disclosed above are based on the Restated Consolidated Summary Statement of Profits and Losses of the Company.

DETAILS OF EMPLOYEE BENEFIT EXPENSES (CONSOLIDATED)**ANNEXURE XXXV****(Rs. in Million)**

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Employee Benefits Expense					
Salary, Wages, Bonus and Gratuity	638.72	690.85	739.13	694.22	504.30
Contribution/ provisions to and for provident, Gratuity and other funds	38.47	47.19	40.74	44.47	34.55
Staff welfare expenses	2.06	1.33	0.27	13.53	-
	679.25	739.38	780.13	752.22	538.85
Less: Transferred to fixed assets/ Capital work in Progress	149.10	71.14	90.63	146.70	73.12
Total	530.16	668.23	689.50	605.52	465.73

The figures disclosed above are based on the Restated Consolidated Summary Statement of Profits and Losses of the Company.

CONSOLIDATED CAPITALIZATION STATEMENT AS AT 31st MARCH, 2014

ANNEXURE XXXVI

(Rs. in Million)		
Particulars	Pre Issue	Post Issue
Long Term Debts	23,903.03	
Current Maturities of Long term debts	9,078.69	
Short Term Debts	997.16	
Total Debts	33,978.89	
Shareholders' Funds		
Equity Share Capital	7,959.44	
Preference Share Capital	372.50	
Share Warrant	82.25	
Total (A)	8,414.19	
Reserves, as Restated		
Capital Redemption Reserve	216.11	
Capital Reserve on Consolidation	0.32	
Securities Premium	900.00	
Debenture Redemption Reserve	304.64	
Amalgamation Reserve	201.07	
Surplus/(Deficit) in Statement of Profit/ (Loss)	(7,092.09)	
Less :- Miscellaneous Expenditure (to the extent not written off)	-	
Total (B)	(5,469.95)	
Total Shareholders' Funds (A+B)	2,944.25	
Total Debt/ Equity	11.54	
Long Term Debts/ Equity	11.20	

Notes:

- 1 Short term debts represent debts which are due within twelve months from 31st March, 2014.
- 2 Long term debts represent debts other than short term debts, as defined above.

Current Maturities of Long term debt represents long term debts which are due within twelve months from 31st March, 2014.

- 3 The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Company as at 31st March, 2014

Total Debts/ Equity = $\frac{\text{Long Term Debts} + \text{Current Maturities of Long term debt} + \text{Short Term Debts}}{\text{Shareholders' Fund}}$

Long Term Debts/ Equity = $\frac{\text{Long Term Debts} + \text{Current Maturities of Long term debt}}{\text{Shareholders' Fund}}$

- 4 The Corresponding Post issue figures are not determinable at this stage pending the completion of the Book Building Process and hence have not been furnished.

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of our outstanding financial arrangements as of June, 2014, on a standalone basis:

Details of secured loans from banks, financial institutions and non banking financial institutions

Sr. No.	Name of the lender and documentation	Nature of loan	Sanctioned amount (In ₹million)	Total outstanding amount as on June 20, 2014 (In ₹ million)	Interest rate as on June 26, 2014 (p.a.)	Tenor and repayment schedule	Purpose	Details of the Security
1.	Union Bank of India, Punjab National Bank, Corporation Bank, UCO Bank, Canara Bank, Oriental Bank of Commerce, The Karnataka Bank Limited, Bank of India and Bank of Baroda Second common loan agreement dated June 29, 2006, as amended by the common loan agreement dated February 27, 2013.	Term loan	Aggregate = 3,720.00	-	-		For developing a hill station township in the nature of a laketown over and above the Mose valley close to the Warasgaon dam reservoir Lake in Pune district.	Note 1
			Union Bank of India = 1,020.00	627.73	Base Rate + 4.85%, 15.10%	For the year ended: • 2014-2015: 64.5 • 2015-2016: 129.0 • 2016-2017: 193.5 • 2017-2018: 240.8		
			The Karnataka Bank Limited = 500.00	306.8	Base Rate + 4.50%, 15.25%	For the year ended: • 2014-2015: 31.6 • 2015-2016: 63.3 • 2016-2017: 94.9 • 2017-2018: 118.6		
			Punjab National Bank = 400.00	245.4	Base Rate + 4.50% + term premium (0.50%), 15.50%	For the year ended: • 2014-2015: 25.5 • 2015-2016: 50.6		

Sr. No.	Name of the lender and documentation	Nature of loan	Sanctioned amount (In ₹million)	Total outstanding amount as on June 20, 2014 (In ₹ million)	Interest rate as on June 26, 2014 (p.a.)	Tenor and repayment schedule	Purpose	Details of the Security
						• 2016-2017: 76.0 • 2017-2018: 94.8		
			Union Bank of India = 400.00 [#]	212.32	Base Rate + 4.85%, 15.10%	For the year ended: • 2014-2015: 22.0 • 2015-2016: 44.0 • 2016-2017: 65.9 • 2017-2018: 82.4		
			Corporation Bank = 200.00	102.6	Base Rate + 5.25%, 15.50%	For the year ended: • 2014-2015: 10.8 • 2015-2016: 21.6 • 2016-2017: 32.0 • 2017-2018: 39.2		
			Oriental Bank of Commerce = 200.00	122.1	Base Rate + 5.10%, 15.35%	For the year ended: • 2014-2015: 12.7 • 2015-2016: 25.4 • 2016-2017: 38.0 • 2017-2018:		

Sr. No.	Name of the lender and documentation	Nature of loan	Sanctioned amount (In ₹million)	Total outstanding amount as on June 20, 2014 (In ₹ million)	Interest rate as on June 26, 2014 (p.a.)	Tenor and repayment schedule	Purpose	Details of the Security
						47.5		
			Bank of India = 500.00	304.2 ⁽¹⁾	Base Rate + 6%, 16.20%	For the year ended: • 2014-2015: 31.0 • 2015-2016: 62.0 • 2016-2017: 93.0 • 2017-2018: 116.3		
			Bank of Baroda =500.00	306.54	Base Rate + 4.85%, 15.10%	For the year ended: • 2014-2015: 31.6 • 2015-2016: 63.2 • 2016-2017: 94.9 • 2017-2018: 118.6		
2.	Bank of India Corporate loan agreement dated November 14, 2013	Term loan	2,250.00	2,250.00 ⁽²⁾	Base Rate + 3.75%, 13.95%	Repayable in three annual instalments of ₹ 750 million each at the end of the 3 rd , 4 th and 5 th year from the date of first disbursement	For ongoing capital expenditure and repayment of high cost debt	Note 3
3.	Central Bank of India Loan agreement dated	Term loan	2,000.00	1,460.2	Base Rate + 5.75%, 16.00%	For the year ended: • 2014-2015:	For part financing of phase 1B of the project.	Note 1

Sr. No.	Name of the lender and documentation	Nature of loan	Sanctioned amount (In ₹million)	Total outstanding amount as on June 20, 2014 (In ₹ million)	Interest rate as on June 26, 2014 (p.a.)	Tenor and repayment schedule	Purpose	Details of the Security
	December 16, 2009 as amended by the common loan agreement dated February 27, 2013.					149.7 • 2015-2016: 299.4 • 2016-2017: 449.1 • 2017-2018: 561.3		
4.	Union Bank of India Term loan agreement dated January 27, 2010 as amended by the common loan agreement dated February 27, 2013.	Term loan	2,000.00	1,087.87	Base Rate + 4.85%, 15.10%	For the year ended: • 2014-2015: 111.6 • 2015-2016: 223.2 • 2016-2017: 334.8 • 2017-2018: 418.3	For part financing of phase 1B of the project	Note 1
5.	Punjab National Bank Loan agreement dated January 6, 2010 as amended by the amended and restated agreement to the loan agreement dated December 24, 2012 and by the common loan agreement dated February 27, 2013.	Term loan	1,600.00* 367.20*	701.2	Base Rate + 4.50% + term premium (0.50%), 15.50% Base Rate + 4.50% + term premium (0.50%), 15.50%	For the year ended: • 2014-2015: 72.0 • 2015-2016: 144.0 • 2016-2017: 216.0 • 2017-2018: 270.0 For the year ended: • 2014-2015: 36.60 • 2015-2016: 73.40	For part financing of phase 1B of the project*	Note 1

Sr. No.	Name of the lender and documentation	Nature of loan	Sanctioned amount (In ₹million)	Total outstanding amount as on June 20, 2014 (In ₹ million)	Interest rate as on June 26, 2014 (p.a.)	Tenor and repayment schedule	Purpose	Details of the Security
						• 2016-2017: 110.20 • 2017-2018: 137.80		
6.	State Bank of Hyderabad Term loan agreement dated December 22, 2009 as amended by the common loan agreement dated February 27, 2013.	Term loan	1,000.00	882.4	Base Rate + 5.25%, 15.45%	For the year ended: • 2014-2015: 90.0 • 2015-2016: 180.0 • 2016-2017: 270.0 • 2017-2018: 337.5	For the development of the hill station project at Lavasa, comprising period 1(a) at village Dasve and period 1(b) at Mugaon.	Note 1
7.	Axis Bank Limited Term loan agreement dated December 11, 2007 ^{##}	Term loan	1,000.00	197.64	BPLR – 2%, 16.00%	For the year ended: • 2014-2015: 300.00 • 2015-2016: 65.00	For development of Lavasa project (mainly for Period 1, Dasve village) and refinancing of existing term loan of the Company	Note 1
8.	Axis Bank Limited Term loan agreement dated March 5, 2008 ^{##}	Term loan	250.00	49.99	BPLR – 2%, 16.00%			
9.	Axis Bank Limited Term loan agreement dated March 5, 2008 ^{##}	Term loan	250.00	40.00	BPLR – 2%, 16.00%			
10.	Axis Bank Limited Term loan agreement	Term loan	500.00	244.5	BPLR – 2%, 16.00%	For the year ended:	Development of Dasve (period 1-a) and Mugaon (period 1-b) of	Note 1

Sr. No.	Name of the lender and documentation	Nature of loan	Sanctioned amount (In ₹million)	Total outstanding amount as on June 20, 2014 (In ₹ million)	Interest rate as on June 26, 2014 (p.a.)	Tenor and repayment schedule	Purpose	Details of the Security
	dated October 22, 2009 ^{##}					• 2014-2015: 100.00 • 2015-2016: 100.00 • 2016-2017: 74.50	the Lavasa hill station township	
11.	Union Bank of India, Central Bank of India, Axis Bank Limited, Punjab National Bank, Bank of India, The Karnataka Bank, Corporation Bank, Oriental Bank of Commerce, State Bank of Hyderabad and Bank of Baroda Common loan agreement dated February 27, 2013	Funded interest term loan	Union Bank of India I= 124.7 ^{###}	123.92	Base Rate + 4.85%, 15.10%	For the year ended: • 2014 – 2015: 62.4 • 2015 – 2016: 62.3	Granted pursuant to the restructuring of the phase 1(a) and phase 1(b) loan facilities.	Note 1
		Funded interest term loan	Union Bank of India II= 42.6 ^{###}	42.31	Base Rate + 4.85%, 15.10%	For the year ended: • 2014 – 2015: 21.3 • 2015 – 2016: 21.3		Note 1
		Funded interest term loan	Union Bank of India III= 216.0 ^{###}	210.24	Base Rate + 4.85%, 15.10%	For the year ended: • 2014 – 2015: 108.0 • 2015 – 2016: 108.0		Note 1
		Funded interest term loan	Central Bank of India = 298.7 ^{###}	280.2	Base Rate + 5.75%, 16.00%	For the year ended: • 2014 – 2015: 149.4 • 2015 – 2016:		Note 1

Sr. No.	Name of the lender and documentation	Nature of loan	Sanctioned amount (In ₹million)	Total outstanding amount as on June 20, 2014 (In ₹ million)	Interest rate as on June 26, 2014 (p.a.)	Tenor and repayment schedule	Purpose	Details of the Security
						149.3		
		Funded interest term loan	Punjab National Bank I= 48.3 ^{###}	47.9	Base Rate +4.50% + term premium (0.50%), 15.50%	For the year ended: • 2014 – 2015: 24.0 • 2015 – 2016: 24.3		Note 1
		Funded interest term loan	Punjab National Bank II= 137.4 ^{###}	137.1	Base Rate +4.50% + term premium (0.50%), 15.50%	For the year ended: • 2014 – 2015: 68.6 • 2015 – 2016: 68.8		Note 1
		Funded interest term loan	State Bank of Hyderabad = 181.3 ^{###}	175.3	Base Rate + 5.25%, 15.45%	For the year ended: • 2014 – 2015: 90.6 • 2015 – 2016: 90.7		Note 1
		Funded interest term loan	Oriental Bank of Commerce = 24.6 ^{###}	20.4	Base Rate + 5.10%, 15.35%	For the year ended: • 2014 – 2015: 12.3 • 2015 – 2016: 12.3		Note 1
		Funded interest term loan	Corporation Bank = 21.0 ^{###}	20.6	Base Rate + 5.25%, 15.50%	For the year ended: • 2014 – 2015: 10.5 • 2015 – 2016: 10.5		Note 1
		Funded interest	The Karnataka Bank = 64.9 ^{###}	64.3	Base Rate +4.50%,	For the year ended:		Note 1

Sr. No.	Name of the lender and documentation	Nature of loan	Sanctioned amount (In ₹million)	Total outstanding amount as on June 20, 2014 (In ₹ million)	Interest rate as on June 26, 2014 (p.a.)	Tenor and repayment schedule	Purpose	Details of the Security
		term loan			15.25%	• 2014 – 2015: 32.5 • 2015 – 2016: 32.4		
		Funded interest term loan	Bank of India = 69.0 ^{###}	66.6 ⁽³⁾	Base Rate + 6%, 16.20%	For the year ended: • 2014 – 2015: 34.5 • 2015 – 2016: 34.5		Note 1
		Funded interest term loan	Bank of Baroda = 60.8 ^{###}	58.04	Base Rate + 4.85%, 15.10%	For the year ended: • 2014 – 2015: 30.4 • 2015 – 2016: 30.4		Note 1
			Aggregate = 5305.90					
		Term loan	Union Bank of India = 1,600.00	1,472.5	Base Rate + 3.50%, 13.75%	For the year ended: • 2014 – 2015: 160.0 • 2015 – 2016: 320.0 • 2016 – 2017: 320.0 • 2017 – 2018: 400.0 • 2018 – 2019: 400.0	For financing towards phase 1(c) of the project	Note 2
		Term loan	Central Bank of India = 1060.00	974.6	Base Rate + 3.50%, 13.75%	For the year ended: • 2014 – 2015: 106.0		Note 2

Sr. No.	Name of the lender and documentation	Nature of loan	Sanctioned amount (In ₹million)	Total outstanding amount as on June 20, 2014 (In ₹ million)	Interest rate as on June 26, 2014 (p.a.)	Tenor and repayment schedule	Purpose	Details of the Security
						• 2015 – 2016: 212.0 • 2016 – 2017: 212.0 • 2017 – 2018: 265.0 • 2018 – 2019: 265.0		
		Term loan	Axis Bank Limited = 1,060.00	1,060.00	Base Rate + 4.00%, 14.25%	For the year ended: • 2014-2015: 106.0 • 2015-2016: 212.0 • 2016-2017: 212.0 • 2017-2018: 265.0 • 2018-2019: 265.0		Note 2
		Term loan	Punjab National Bank = 1060.90	975.9	Base Rate + 3.00% + term premium (0.50%), 14.00%	For the year ended: • 2014 – 2015: 106.1 • 2015 – 2016: 212.1 • 2016 – 2017: 212.1 • 2017 – 2018: 265.3 • 2018 – 2019: 265.3		Note 2

Sr. No.	Name of the lender and documentation	Nature of loan	Sanctioned amount (In ₹million)	Total outstanding amount as on June 20, 2014 (In ₹ million)	Interest rate as on June 26, 2014 (p.a.)	Tenor and repayment schedule	Purpose	Details of the Security
		Term loan	Bank of India = 260.00	222.5 ⁽⁴⁾	Base Rate + 3.50%, 13.70%	For the year ended: • 2014 – 2015: 26.0 • 2015 – 2016: 52.0 • 2016 – 2017: 52.0 • 2017 – 2018: 65.0 • 2018 – 2019: 65.0		Note 2
		Term loan	Bank of Baroda = 265.00	247.2	Base Rate + 3.50%, 13.75%	For the year ended: • 2014 – 2015: 26.5 • 2015 – 2016: 53.0 • 2016 – 2017: 53.0 • 2017 – 2018: 66.3 • 2018 – 2019: 66.3		Note 2
12.	L&T Infrastructure Finance Company Limited Facility agreement dated September 17, 2009	Term loan ^{####}	1,000.00	71.4 ⁽⁵⁾	L&T Infra – PLR 1.25%, 14.50%	In 14 equal quarterly instalments after the expiry of the moratorium period of 18 months from the date of the first disbursement	For township development project	Note 4

Sr. No.	Name of the lender and documentation	Nature of loan	Sanctioned amount (In ₹million)	Total outstanding amount as on June 20, 2014 (In ₹ million)	Interest rate as on June 26, 2014 (p.a.)	Tenor and repayment schedule	Purpose	Details of the Security
13.	L&T Infrastructure Finance Company Limited Facility agreement dated August 23, 2010	Term loan ^{####}	1,000.00	500.00 ⁽⁶⁾	L&T Infra PLR – 1.50%, 14.00%	In 10 equal quarterly installments after the moratorium period of 10 quarters from the date of the first disbursement	For refinancing DDCCDs to develop basic infrastructure facilities such as roads, sewerage, telecommunication, water supply, electricity at Lavasa and for ongoing capital expenditure for infrastructure development at Lavasa	Note 4
14.	L&T Infrastructure Finance Company Limited Facility agreement dated August 23, 2010**	Term loan ^{####}	837.62	746.6 ⁽⁷⁾	L&T Infra PLR – 1.50%, 14.00%	In 10 equal quarterly instalments after the expiry of moratorium period of 10 quarters from date of first disbursement.	For refinancing DDCCDs to develop basic infrastructure facilities such as roads, sewerage, telecommunication, water supply, electricity at Lavasa and for ongoing capital expenditure for infrastructure development at Lavasa	Note 4
15.	Allahabad Bank Term loan agreement dated June 27, 2014	Term loan	2,000.00****	848.68	Base Rate + 3.75%, 14%	Repayable in three annual equal instalments each at the end of the fifth, sixth and seventh year from the date of first disbursement	For part financing of the ongoing capital expenditure of our Company and for repayment of high cost debt	Note 5
Total amount outstanding				17,507.78				

[#] Under the provisions of the second common loan agreement dated June 29, 2006, UCO Bank had sanctioned and disbursed a loan of ₹ 400 million. The amount outstanding under this loan has been taken over by Union Bank of India and the security in favour of UCO Bank has been created in favour of Union Bank of India.

The facilities with Axis Bank Limited with an outstanding amount of ₹ 1,139.5 million as on February 25, 2013 have not been restructured.

The said funded interest term loan facilities have been sanctioned pursuant to the common loan agreement dated February 27, 2013.

The outstanding amounts provided for these facilities are as on June 23, 2014 and the interest rates as on June 24, 2014.

(1) This amount does not include an overdue amount of ₹ 1.96 million towards interest as on June 20, 2014.

(2) This amount does not include an overdue amount of ₹ 56.59 million towards interest as on June 20, 2014.

(3) This amount does not include an overdue amount of ₹ 1.02 million towards interest as on June 20, 2014.

(4) This amount does not include an overdue amount of ₹ 2.47 million towards interest as on June 20, 2014.

(5) This amount does not include an overdue amount of ₹ 2.27 towards interest million as on June 23, 2014.

(6) This amount does not include an overdue amount of ₹ 7.52 million towards interest as on June 23, 2014.

(7) This amount does not include an overdue amount of ₹ 2.03 million towards interest as on June 23, 2014.

** Punjab National Bank has disbursed an additional amount under the amendment and restated agreement to the loan agreement dated December 24, 2012 within the overall sanction limit of ₹ 1,600 million, of which an amount of ₹ 367.2 million was outstanding as on February 25, 2013. The same amount is has not been subjected to restructuring under the common loan agreement dated February 27, 2013.*

*** This facility has been assigned from L&T Finance Limited to L&T Infrastructure Finance Company Limited by a letter dated March 29, 2014.*

****An amount of ₹ 848.68 million has been drawn down from this facility as on June 28, 2014.*

Note: The following facilities have been restructured under the common loan agreement dated February 27, 2013, (i) Second common loan agreement dated June 29, 2006; loan agreement between our Company and Central Bank of India dated December 16, 2009; (ii) loan agreement between our Company and Union Bank of India dated January 27, 2010; (iii) loan agreement between our Company and Punjab National Bank dated January 6, 2010; and (iv) term loan agreement between our Company and State Bank of Hyderabad dated December 22, 2009.

The following outstanding amounts (as on February 25, 2013) were restructured under the common loan agreement dated December 24, 2013 are as follows: (i) Union Bank of India: ₹ 64.40 million; (ii) The Karnataka Bank: ₹ 31.63 million; (iii) Corporation Bank: ₹ 10.65 million; (iv) Punjab National Bank: ₹ 25.30 million; (v) Oriental Bank of Commerce: ₹ 12.68 million; (vi) Union Bank of India: ₹ 21.68 million; (vii) Bank of Baroda: ₹ 31.62 million; (viii) Bank of India: ₹ 31.00 million; (ix) Central Bank of India: ₹ 149.69 million; (x) Union Bank of India: ₹ 111.59 million; (xi) State Bank of Hyderabad: ₹ 90.00 million; and Punjab National Bank: ₹ 72.00 million.

Corporate Actions:

Many of our financing arrangements entail various restrictive conditions and covenants restricting certain corporate actions, and we are required to take the prior approval of the lender before carrying out such activities.

For instance, certain corporate actions for which our Company requires the prior written consent of the lenders include:

- changing capital structure including increase, reduction, purchase, buy-back, re-organisation, or otherwise of its authorised, issued, subscribed, paid-up capital, otherwise than in accordance with the financing plan or as permitted by the lenders;
- amending the Memorandum and Articles of Association except to facilitate our Company's day to day affairs, but which shall not jeopardize the lenders' interest;
- creating any security interest with respect to any property or revenue or assets;
- conveying selling, leasing, transferring or assigning or otherwise part of any of its mortgaged property except in the ordinary course of business;
- entering into any borrowing arrangement, except that arranged as part of means of finance for the project;
- undertaking revaluation of assets;
- change of control or ownership whereby the effective beneficial ownership or control of our Company may change;
- changing the registered office of our Company;
- standing as a surety or guarantor for any third party liability or obligation;
- declaring dividends for any year except out of the profits relating to that year;
- winding up or entering into any merger, de merger, amalgamation arrangement, consolidation or reorganisation or any scheme for composition with its creditors;
- material change in the management set up;
- abandoning or agreeing to abandon the project;
- entering into any partnership, profit sharing or royalty agreement or similar arrangement whereby the income or profits are or might be shared with any other person, other than payment of dividends or similar payments to Promoters approved by lenders; and
- any action whether by acquisition or expansion scheme or undertake new project without the prior approval of the lender unless financed out of proceeds from investment or long term funds received which would constitute alteration of the nature of its business without the prior written approval of the lender.

Notes:

Note 1

- A first priority of mortgage and charge over land admeasuring 6860.97 acres of our Company on pari passu basis;
- A first priority mortgage and charge over all the immovable (except land) and moveable assets of our Company, both present and future, on pari passu basis;
- A first charge over all accounts of our Company, including without limitation, the trust and retention account, (or any account in substitution thereof) and other bank accounts, all funds from time to time deposited therein and all investments authorized by the lender's agent or other securities representing all amounts credited thereto;
- A first charge on all intangibles including but not limited to intellectual property rights, goodwill, uncalled capital, trademarks, patents pertaining to the project, both present and future;
- A first charge by way of assignment or otherwise creation of security interest in: (i) all the rights, title, interest, benefits, claims and demands whatsoever of our Company in the project documents, duly acknowledged and consented to by the relevant counter-parties to such project documents to the extent not expressly provided in each such project document, all as amended, varied or supplemented from time to time; (ii) the rights, title and interest of the Company by way of first charge in, to and under all the government approvals and clearances; (iii) the rights, title, interest, benefit, claims and demands whatsoever of our Company in any letter of credit, guarantee, including contractor guarantees and liquidated damages and performance bond provided by any party to the project documents; and (iv) all insurance contracts and proceeds.
- A first priority charge over all current assets including revenues and receivables of our Company from the project or otherwise;
- Irrevocable and unconditional corporate guarantees of HCC, Venkateshwara Hatcheries Private Limited, Avantha Realty and personal guarantee of Vinay V. Maniar, to the extent of their shareholding in our Company guaranteeing up to 50% of the facility.

Note 2

- A first priority of mortgage and charge over land admeasuring 6860.97 acres of our Company on pari passu basis;
- A first priority mortgage and charge over all the immovable (except land) and moveable assets of our Company, both present and future, on pari passu basis;
- A first charge over all accounts of our Company, including without limitation, the trust and retention account, (or any account in substitution thereof) and other bank accounts, all funds from time to time deposited therein and all investments authorized by the lender's agent or other securities representing all amounts credited thereto;
- A first charge on all intangibles including but not limited to intellectual property rights, goodwill, uncalled capital, trademarks, patents pertaining to the project, both present and future;
- A first charge by way of assignment or otherwise creation of security interest in: (i) all the rights, title, interest, benefits, claims and demands whatsoever of our Company in the project documents, duly acknowledged and consented to by the relevant counter-parties to such project documents to the extent not expressly provided in each such project document, all as amended, varied or supplemented from time to time; (ii) the rights, title and interest of the Company by way of first charge in, to and under all the government approvals and clearances; (iii) the rights, title, interest, benefit, claims and demands whatsoever of our Company in any letter of credit, guarantee, including contractor guarantees and liquidated damages and performance bond provided by any party to the project documents; and (iv) all insurance contracts and proceeds.
- A first priority charge over all current assets including revenues and receivables of our Company from the project or otherwise;
- Irrevocable and unconditional corporate guarantees of HREL, Venkateshwara Hatcheries Private Limited, Avantha Realty and personal guarantee of Vinay V. Maniar, to the extent of their shareholding in our Company guaranteeing up to 50% of the facility.

Note 3

- An English mortgage of land admeasuring 6,860.97 acres on second pari passu charge basis;
- A second charge on moveable and immovable, fixed assets and current assets of our Company; and
- Irrevocable and unconditional corporate guarantees of HREL guaranteeing 100% of the facility.

Note 4

- A second pari passu charge on 978.97 acres of land.
- Irrevocable and unconditional corporate guarantee of HCC guaranteeing 100% of the facility; and

Note 5

- Second *pari passu* charge on fixed assets including mortgage of project land admeasuring 6860.97 acres and valued at ₹ 50,720 million.
- English mortgage over 0.80 hectare of land situated at village Dhamanhol, taluka Mulshi, district Pune; and
- Corporate guarantee of HREL for 100% of the loan amount.

Details of unsecured borrowing:

The unsecured borrowings of our Company as at June 25, 2014 are as follows:

Name of the Lender and documentation	Nature of loan	Sanctioned amount (In ₹ million)	Total outstanding amount as on June 25, 2014 (In ₹ million)	Interest rate as on June 25, 2014	Tenor and repayment schedule	Purpose
IFCI Limited Loan agreement dated May 20, 2011 Letter dated April 24, 2012	Term loan	1,000.00	999.40*	14% p.a. payable monthly subject to annual reset.	• 50 million on each of the following dates: April 15, 2014, July 15, 2014, October 15, 2014, January 15, 2015, April, 15, 2015, July 15, 2015, October 15, 2015, January 15, 2016. • 75 million on each of the following dates - April 15, 2016, July 15, 2016, October 15, 2016, January 15, 2017, April, 15, 2017, July 15, 2017, October 15, 2017, January	Development of integrated hill-station township project being set up at Lavasa, Pune.

Name of the Lender and documentation	Nature of loan	Sanctioned amount (In ₹ million)	Total outstanding amount as on June 25, 2014 (In ₹ million)	Interest rate as on June 25, 2014	Tenor and repayment schedule	Purpose
					15, 2018.	
Total amount outstanding			999.40			

* This amount does not include an overdue amount of ₹ 24.2 million towards interest as on June 25, 2014.

Details of Non-convertible debentures:

Details	Sanctioned amount (In ₹ million)	Total outstanding amount as on June 20, 2014 (In ₹ million)	Coupon rate	Yield	Redemption Terms	Security
Non-convertible debentures*	2,500	3,160 [#]	9%	17% per annum, compounded annually	The non-convertible debentures are redeemable on January 6, 2015	The non-convertible debentures are secured by way of exclusive mortgage of 747 acres of land of our Company.
Non-convertible debentures**	1,000	1,000 ^{##}	12.50%	14% per annum, compounded annually	The non-convertible debentures are redeemable on May 12, 2015	The non-convertible debentures are secured by way of English mortgage of one acre of land situated at village Dhamanhol, taluka Mulshi.
Non-convertible debentures***	150	150	14%	-	The redemption of the non-convertible debentures will be in the manner provided below: 25% at the end of every quarter starting from June 30, 2018 to March 31, 2019.	The non-convertible debentures are secured by way of (a) first and exclusive mortgage over land admeasuring 12 hectares situated at survey number 41 and 45 in village Bhoini, taluka Mulshi; and (b) corporate

Details	Sanctioned amount (In ₹ million)	Total outstanding amount as on June 20, 2014 (In ₹ million)	Coupon rate	Yield	Redemption Terms	Security
						guarantee by HREL up to ₹ 150 million.
Non-convertible debentures****	1,020	1,020	14%	-	The redemption of the non-convertible debentures will be in the manner provided below: • 2.5% at the end of every quarter starting from June 30, 2014 to March 31, 2015. • 5% at the end of every quarter starting from June 30, 2015 to March 31, 2017. • 6.25% at the end of every quarter starting from June 30, 2017 to March 31, 2019.	See Note 2 above.
Total amount outstanding		5,330				

* The holder of the non convertible debentures as on this date is ICICI Bank Limited.

** The holder of the non convertible debentures as on this date is The Jammu & Kashmir Bank Limited.

*** The holder of the non convertible debentures as on this date is INDIA OPPORTUNITIES II Pte. Limited.

**** The holder of the non convertible debentures as on this date is SSG Investment Holding India I Limited.

Includes interest accrued but not due of ₹ 100 million and premium on redemption accrued but not due of ₹ 560 million as on June 20, 2014.

Does not include an overdue amount of ₹ 30.96 million towards coupon as on June 23, 2014.

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

You should read the following discussion of our financial condition and results of operations together with the Audited Restated Financial Statements, the notes and significant accounting policies thereto and the reports thereon, in "Financial Statements". The Financial Statements are based on Indian GAAP, which differ in certain significant respects from U.S. GAAP and IFRS. Accordingly, the degree to which the Financial Statements in this DRHP will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian accounting practices.

Our financial year ends on March 31 of each year, so all references to a particular Fiscal Year are to the twelve-month period ended March 31 of that year.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in "Risk Factors" and "Our Business".

Overview

We are a city development and management company engaged in the development, and management of Lavasa, a hill city development in India. The state of Maharashtra has declared an area of 18 villages in Mulshi and Velhe Tehasil in the district of Pune as a "hill station", admeasuring approximately 23,014 acres (based on our internal estimates pursuant to review of available land records). As of June 18, 2014, we have approximately 10,574 acres of largely contiguous land available for development within this designated area. This land consists of approximately 10,119 acres of land that we have purchased and 455 acres of land is held on lease by us. We were granted an in-principle approval by the State of Maharashtra to develop this land which was separately notified as a hill station pursuant to which we maintain exclusive development rights over the land that we either own or hold on lease. In addition, we have entered into agreements for sale for the purchase of an additional 294 acres of land for which we have paid a substantial part of the purchase price. Our vision is to develop Lavasa as a city which provides opportunities for its residents and visitors to live, work, learn and play in harmony with nature. Based on the land we have available for development as of June 18, 2014, measuring 10,574 acres and 294 acres of land for which we have entered into agreements for sale for purchase, we estimate that Lavasa can accommodate a permanent population of approximately 240,000 with facilities for approximately two million tourists per annum.

Cities comprise a myriad of businesses that are typically provided by multiple private and public entities and are governed by diverse regulatory frameworks. At Lavasa, we are developing businesses which, we believe, will complement each other and over a period of time will facilitate the overall development of the city. We aim to develop a "365-day economy", meaning that Lavasa will not simply be a weekend or tourist destination; instead, we aim to develop an economy at Lavasa where we expect to share in the revenue streams related to our ongoing consumption and infrastructure businesses. We expect that our initial investments in core infrastructure assets such as roads, dams, bridges, power, water, and sewage network may lead to real estate revenues and to consumption driven revenues from businesses located within Lavasa. Through our continued emphasis on infrastructure and city management, we aim to achieve resident satisfaction which in turn, we believe, may lead to additional real estate transactions and consumption opportunities in the hospitality, education, tourism and leisure, healthcare and retail sectors. We are consciously cultivating these interlinked and co-dependent businesses within the framework of our governance platform which we believe will contribute to this economic integration. Driven by our focus on integration, we are organized as follows:

- **Governance.** Pursuant to a notification dated June 12, 2008 issued under the Maharashtra Regional and Town Planning Act, 1966 (the "**MRTP Act**") ("**SPA Notification**"), the Government of Maharashtra has appointed our Company as a special planning authority ("**SPA**") in connection with land owned and proposed to be developed by us.

Under the MRTP Act, a SPA is required to, from time to time, submit its proposals for the development of the land in the area as detailed in the SPA Notification, (being land either currently owned by us) ("**Statutory Proposals**") to the government of Maharashtra (the "**State Government**") after having invited and considered suggestions and objections from the public. The State Government may in turn, after consultation with the Director of Town Planning, approve such Statutory Proposals either with or

without modification. The Statutory Proposals are required to be prepared taking into consideration the provisions of any regional plan or a draft thereof, any development plan, building bye-laws and regulations, which are already in force in the area notified under the SPA Notification.

Prior to the SPA Notification, pursuant to a letter dated June 7, 2008, the Office of the Collector, Revenue Department, District Pune, has approved and granted permission to our Company for our proposed development at Dasve and Padalghar for a total area of 636.82 hectares. Currently, the Draft Planning Proposal and Draft Development Control Regulations (the "**Lavasa DCRs**") have been approved by the SPA and have been submitted to the State Government for sanction. These Lavasa DCRs are to be within the framework of the Hill Station Regulations and the development control rules, regulations, and notifications issued by the State Government of Maharashtra, as applicable to the notified area in the Pune district (the "**Pune Region DCRs**"). The SPA supervises and ensures that all development within the notified area is in accordance with the Lavasa DCRs and the Pune Region DCRs.

- **Real estate.** Our real estate business aims to continue to purchase, develop and sell built up structures and/or lease land and/or real estate assets across the residential, commercial, institutional, hospitality and social sectors. Our revenues are primarily derived from real estate sales and leases of built up structures and/or land leases, grant of long term leasehold interests in the underlying land and, to a lesser extent, the lease of certain assets and our consolidated revenue from this business was ₹ 893.18 million for Fiscal Year 2013 and ₹ 1,162.81 million for Fiscal Year 2014.
- **Infrastructure.** We develop and own assets related to dams, water and sewage, drainage, solid waste management, power, roads, street lighting, landscaping, public utilities and information, communication and technology. We expect that our information, communication and technology infrastructure will include telephone, mobile and broadband networks, e-governance and a data center. In addition, we also develop and maintain social infrastructure such as townhalls, parks and gardens, post offices and police and fire stations. Several key infrastructure assets have been completed in Dasve (which forms part of the first town that we are developing in Lavasa) and we expect to replicate these across other towns in Lavasa. In addition, our city services management team manages our public amenities, safety and security utilities information systems administration and finance and customer services. Based on an engineer's certificate dated June 17, 2014 from Taamra Engineering Consultants India Private Limited, on the land that we plan to develop, we expect to treat 100% sewage and solid waste generated, to have 100% piped water and sewage, to have our storm water drains cover 120% of our road network and have designed our water supply network and facilities to deliver 216 liters per capita per day.
- **Consumption.** Our consumption business comprises businesses in the hospitality, education, tourism and leisure, healthcare and retail sectors and aims to achieve ongoing annuity revenues through tie-ups with corporate and other institutions in the relevant sectors.
 - *Hospitality and Meetings, Incentives, Conventions and Exhibits ("MICE").* Our hospitality and MICE business comprises hotels, service apartments, a convention center and clubs. Together with our partners, we aim to offer hotels of various categories ranging from budget to high-end hotels. Four hotels developed by us (Ekaant, Fortune Select Dasve, Waterfront Shaw and Mercure Lavasa) are currently operational. We have also developed an international convention center in Dasve with a plenary capacity of 1,500 people. We also have a town and country club, Dasvino, which is operational. As of June 17, 2014, we have three hotel properties under construction in Dasve under the brands of Novotel, Holiday Inn Express and Formule 1. Further, we have entered into a land lease agreement with Hazel Hotels and Resorts Private Limited to develop an 87-room hotel at Dasve and an agreement to lease to develop hospitality and retail/serviced apartments. We have also executed a lease deed with J. Vora Hotels and Resorts Limited to develop a 52-room budget hotel in Dasve, which is under construction and is expected to commence operations by the end of Fiscal Year 2015.
 - *Education.* We have tied up with international and national educational institutions to establish an education infrastructure traversing primary, secondary, tertiary and continuing education aimed at providing quality education centered on recognized national and international curricula. Our revenue from the education business is derived from lease income from the educational institutions and, in some instances, ongoing revenue pursuant to our

shareholdings in these businesses. As of the date of this Draft Red Herring Prospectus, we have entered into land lease agreements with Symbiosis Society and a Bangalore based university, entered into an agreement to lease with NSHM Knowledge Campus, and have arrangements with institutions such as Educomp Infrastructure and School Management Limited, and Ecole Hoteliere de Lausanne whereby we will develop educational institutions jointly with these entities. The Ecole Hoteliere Lavasa, which we have developed pursuant to a consulting agreement with Ecole Hoteliere de Lausanne is currently operational.

- *Institutional.* We have arrangements in place with various institutions or corporate entities whereby we lease out land and enter into arrangements for built space with them for the development of retail, corporate guest houses, and/or training centers. While these leases form part of our real estate revenues, we view these institutional clients as contributors to our 365-day economy initiative through potential employment generation. As of the date of this Draft Red Herring Prospectus, we have entered into a memorandum of understanding with L&T Infrastructure Finance Company Limited to lease two parcels of land for their mixed use development including back-end operations and a training center in Dasve and Mugaon. We have also entered into a term sheet with the HT Media Limited to lease land. Further, we have also executed a term sheet and an agreement to lease two land parcels in Mugaon to Girias Investment Private Limited for the development of buildings for mixed use, such as residential and commercial uses including a training center. Further, we have leased land to the State Bank of India for setting up branch premises, branch manager's residence, holiday home, VIP rooms and ATMs in Dasve and have entered into a lease deed with Passionate Developers Private Limited for mixed use development including hospitality, commercial and education in Mugaon.
- *Tourism and leisure.* We intend to offer various tourism and leisure amenities such as golf training, boating, nature trails, water sports, outdoor sports, adventure sports and theme based entertainment parks with an intention to draw visitors to Lavasa. As of the date of this Draft Red Herring Prospectus, our adventure sports (Xthrill), outdoor training, water sports (Lakeshore), indoor golf and multimedia fountain facilities are currently operational. We have agreements in place for a golf training academy at Mugaon and to design a golf course at Dhamanohol. Further, we have entered into a licence agreement with Golden Five Limited for rowing and training activities with the Sir Steve Redgrave Rowing Academy. In addition, we have an existing area over 150,000 square feet at Dasve which can be developed for an indoor theme park in the future.
- *Healthcare.* We have entered into arrangements with Apollo Hospitals Enterprise Limited for health and wellness development at Lavasa spread over 200 acres, covering primary hospitals, wellness research development and medical education and have developed a hospital with a capacity of 60 beds at Dasve.
- *Retail.* We are developing commercial retail spaces with an intention to lease such spaces and in some cases lease land on a long term basis for the lessee to set up diverse retail businesses. We are developing retail spaces ranging from single brand flagship stores to retail squares concentrated in the town center. Brands such as Bata, Keppy's, Café Coffee Day, Venky's Xpress, Charosa Wineries, Granma's Homemade, Pizzavala, Past Times, Orient8, Chor Bizzare, Tabakh, Chaat Waat, American Diner, Mapro Garden, Fun Square and Smokin' Joes have entered into agreements for retail space with us. Out of these, Granma's Homemade, Pizzavala, Past Times, Orient8, Chor Bizzare, Tabakh, Chaat Waat, American Diner, Café Coffee Day, Smokin' Joes and Charosa Wineries have already commenced operations. Further, the State Bank of India and the Union Bank of India have established their branches at Dasve.

We view Lavasa as a replicable model for the development of future cities and we will, in our view, have a competitive advantage with respect to bidding for and efficiently developing and executing such future cities. We will, on an opportunistic basis, evaluate options for developing future cities and marketing our city management services to other developers of new cities. We believe that city services, which we seek to provide through our city services management team, are a key feature of our replicable model for the development of future cities. We have created various special purpose vehicles to manage the infrastructure assets of Lavasa that will provide services ranging from electric power, water, sewer, natural gas, facility maintenance, management of low income housing, local transport, solid waste collection and disposal, parking and providing places for public assembly and recreation. For details, see "—Our City services management team". Our special purpose vehicles for city management are: Warasgaon Infrastructure Providers Limited, Warasgaon Power

Supply Limited, Warasgaon Asset Maintenance Limited, Reasonable Housing Limited, Hill View Parking Services Limited, and Sahyadri City Management Limited.

We are jointly promoted by HCC, an engineering, construction and infrastructure development company in India, through its wholly-owned subsidiary company HREL. HCC, through its subsidiary, HREL holds a 68.70% stake in Lavasa Corporation Limited.

Note Regarding Presentation

The Audited Restated Financial Statements have been prepared in accordance with Indian GAAP and standards notified pursuant to Companies (Accounting Standards) Rules, 2006 and the SEBI ICDR Regulations. The discussion below covers our audited restated consolidated results for Fiscal Year 2014, Fiscal Year 2013 and Fiscal Year 2012, which have been restated in accordance with the SEBI ICDR Regulations.

Note on Audited Restated Consolidated Financial Statements

From Fiscal Year 2012, we revised our overhead allocation method on Land Floor Space Index (“**Land FSI**”), which was further refined during Fiscal Year 2013 and 2014. During Fiscal Year 2014, we identified our fixed assets, investments and loans pertaining to social infrastructure and amenities in the development of Lavasa. As these service the Land FSI inventory and add to its development, for it to reach a saleable condition, and add value to the inventory, certain modifications in cost allocation methodology were made during Fiscal Year 2014 by including borrowing costs, depreciation and overheads on social infrastructure and amenities in the determination of the costs of our Land FSI inventory. We have applied this change retroactively from Fiscal Year 2010, and have restated our audited consolidated financial statements for Fiscal Years 2010, 2011, 2012, 2013 and 2014, as explained below.

This change was adopted on the principle of matching such costs with revenue arising from the sale of Land FSI, and the development of Lavasa, which requires a substantial period of time to bring the Land FSI inventory to saleable condition. This was to recognize that as our master plan and development plan for Lavasa comprises various activities and is expected to span a period of up to 20 years (comprising Period 1, Period 2 and subsequent periods, see “*Our Business – Our Master Plan and Development Plan*”), the development work in different parts of the project is carried out concurrently with the value addition in every phase. This development work includes the development of infrastructure at Lavasa. A large amount of investment is required for the development of any new city, which includes essential infrastructure such as roads, water supply networks and water pumping stations, sewage treatment plants and sewage networks, power transmission and distribution networks and solid waste collection and disposal. Under the terms of the Development Control Regulations of the Pune regional plan which apply to Lavasa, all on-site and off-site infrastructure at hill stations is to be developed by the developer. For details, see “*Regulations and Policies*”. Accordingly, we are developing infrastructure in Lavasa, including access roads to Lavasa, power supply (since the region had no existing power supply) and dams. We are also responsible for maintenance of the infrastructure and for city management services. For details, see “*Our Business - Our Infrastructure Business*”.

One of our major items of inventory is Land FSI. Land FSI is created once the land is purchased by us and we carry out development on the land for it to reach a saleable condition. This is a time consuming process and involves various developmental activities. For this, we incur huge upfront expenditure in the form of salaries, overheads, depreciation and finance cost on borrowings. This expenditure incurred is not necessarily on the immediately saleable product (namely the land sales or construction sales made during the period) but are also in the form of value addition on the overall inventory of Land FSI. We are of the view that this will result in a more appropriate presentation of cost incurred towards development of inventory of Land FSI into saleable inventory.

Applying the matching concept to cost and revenue, the cost incurred for this value addition to inventory is allocated to such inventory and not charged as an expenditure in our restated consolidated summary statement of profit and loss. We applied this change in the method of valuation from Fiscal Year 2010. Accordingly, our audited consolidated financial statements for Fiscal Years 2010, 2011, 2012, 2013 and 2014 have been restated as follows:

- all the expenses which are either sales or marketing related are treated as period costs and are written off;

- all the expenses which are meant for establishment running cost are charged to our restated consolidated summary statement of profits and losses during the Fiscal Year in which they are incurred;
- all the expenditure which is related to “project development” in the form of salaries or overheads or depreciation and finance costs on funds borrowed for the purpose of development of the project are allocated to the inventory on the basis of area sold in proportion to overall saleable FSI available for the project; and
- the amount of overhead, depreciation and finance cost proportionate to the area sold till date is charged to consolidated restated summary statement of profit and loss and pertains to area already sold. The remaining amount is added to balance amount of unsold inventory.

For further details of material adjustments made to the audited financial statements, see “*Material Adjustments*” in our Audited Restated Financial Statements. See also paragraph 6(g) of the auditors report relating to our audited restated financials included in this Draft Red Herring Prospectus, in relation to “Emphasis of matters included in the Independent Auditors’ report to the consolidated financial statements which has been adjusted to the restated consolidated summary statements are stated below”.

Significant Developments after March 31, 2014, that May Affect Our Future Results of Operations

Except for certain defaults in repayments of principal amounts due and interest payable on loans taken by us as described in “*Risk Factors - We are subject to restrictive covenants in debt facilities provided to us by our lenders which may limit our strategic decisions and operations and we may not be able to service our debt or make repayments on a timely basis or at all thereunder which may materially and adversely affect our business, results of operations, financial condition and prospects*”, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus, which materially and adversely affect or are likely to affect, our revenues and profitability, or the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

Factors Affecting Our Financial Results

The general factors affecting our financial condition and performance are discussed below:

General economic, income and demographic conditions in India and elsewhere

We are a city development and management company. As such, our financial performance depends upon changes in the general economic condition, growth in GDP, rate of urbanisation, demographic changes, changes in disposable incomes and the real estate sector in India. From 2010 onwards, India's GDP growth has been at par with or faster than emerging and developing economies. See “*Industry – The Indian Economy*”. As investments related to urban development are driven by increases in employment and disposable income, any slowdown or perceived slowdown in the Indian economy or GDP, or in specific sectors of the Indian economy, could adversely impact our business and financial performance. Other economic conditions affecting our business include market pricing trends that affect sales and room rental rates of our projects, demographic changes, interest rates, changes in levels of disposable income and the availability of consumer financing. We expect these trends to continue and expect our results of operations to continue to vary from period to period in accordance with fluctuations in the Indian economy and the Indian real estate market.

Government regulations and policies including regulations and policies concerning the environment, real estate taxes and duties

The state government of Maharashtra has granted us SPA status which is our governance platform. The SPA approves the master plan and amendments to it in accordance with the applicable development control regulation and supervises and ensures that all development within the city is in accordance with the master plan, statutory, regulatory and other requirements, as prescribed. Notwithstanding the foregoing, we require certain statutory and regulatory permits, licenses and approvals to execute our projects and operate our business and applications need to be made at appropriate stages for such approvals. Regulations applicable to our operations include environmental regulations, standards regarding transfer of property, registration, the ratio of built-up area to land area, land usage, road access, necessary community facilities, open spaces, water supply, sewage disposal systems, electricity supply and environmental suitability.

Our operations in Fiscal Year 2013, 2012 and 2011 were affected by a stop work notice by Ministry of Environment and Forest, India dated November 25, 2010. In November 2010, the MoEF issued a stop work notice to us on the basis of alleged non-compliance with the Environment Protection Act, 1986 due to which all construction activities at Lavasa were halted. We received the approval for re-commencing construction work at Lavasa in November 2011. During the period of suspension from November 2010 to November 2011, we continued to incur operating expenses but did not generate revenues comparable to prior periods. It took us a considerable amount of time after the receipt of the approval to recommence normal levels of operations. See also, *“Risk Factors - Construction and development work in Lavasa was completely stopped for a period of approximately one year pursuant to a show cause notice of the Ministry of Environment and Forests, Government of India (the “MoEF”), which had a significant and material adverse effect on our business, financial condition and results of operations including our ability to repay our loans. Any such regulatory actions in the future which affect our development plan could have a material adverse effect on our business, financial condition and results of operations”; “Risk Factors – Our business is subject to extensive Government regulation, including in relation to the environment and land development, and the success of Lavasa depends upon our compliance with laws, rules, regulations and notifications promulgated by the central, state and local government bodies, including obtaining environmental clearance and renewing and maintaining statutory and regulatory permits, licenses and approvals from time to time. Any delay or inability to obtain such permits, licenses or approvals or failure to otherwise comply with applicable laws, rules and regulations or changes in governmental policies or stricter or more burdensome regulations, may have a material and adverse effect on our business, results of operations, financial condition and prospects.”*

Rate of urbanisation in India

Our success depends upon the rate of urbanisation in India and the need for new urban developments such as Lavasa which seek to provide better amenities than those available in most India cities. The rate of urbanisation is affected by many factors, including the growth in the target market for urbanisation (ages 16 to 64 years), changing demographic profiles, strain on existing infrastructure and housing shortages. Hence, our financial results depend upon our ability to take advantage of the rate of urbanisation in India and to attract residents, visitors and businesses to Lavasa which would, in turn, generate revenues.

Factors affecting the components of our income streams

Our operating income currently consists of (i) upfront lease premium from long-term leases for land, which are categorised as “land sales” in our financial statements; and (ii) progress billing from construction activities. In the future, we expect that our total income will comprise lease premiums, project management consultancy fees, fees from city management services and consumption driven annuities, sales and/or leases of retail built up structures, lease rentals from rental housing, lease rentals linked to revenues of retail outlets and fees for design and construction on the leased land. These income streams are affected by various factors outside our control, including:

- prevailing local economic, income and demographic conditions;
- availability of consumer and project development financing (interest rates and eligibility criteria for loans);
- availability of and demand for projects comparable to those we develop;
- changes in governmental policies relating to zoning and land use;
- changes in applicable regulatory schemes;
- our ability to collect fees from residents for infrastructure and civic amenity services provided; and
- the ongoing spending patterns of our residents and the success of our hospitality, education, tourism and leisure, healthcare and retail businesses.

Occupancy levels of our hospitality projects

We aim to offer hotels of various categories ranging from budget to high end hotels and have been granted “mega status” by the Tourism and Cultural Affairs Department, Government of Maharashtra under the Tourism Policy 2006 of the Government of Maharashtra in connection with our proposed tourism project at Lavasa hill

station at Taluka Mulshi and Velhe in Pune district falling under 'C' zone. A significant part of our development plan is devoted to our hospitality and convention business and our aim is to turn Lavasa into a convention destination that will attract meetings, exhibitions, corporate events, training and development and national and international conventions. Revenues from our hospitality projects depend upon the attractiveness of India as a tourist/business destination, our ability to attract tourists and business visitors to Lavasa and the occupancy levels in our hotels. Revenues and cash flows in the tourism industry are affected by seasonality depending on the location and categories of hotels. In Fiscal Year 2014, Lavasa attracted the maximum number of tourists during the months of November to May and we expect that this may continue going forward. Accordingly, we expect that our hospitality revenues may generally be higher during these months of each Fiscal Year compared to the other months of the Fiscal Year.

Interest in our educational projects

We have tied up with educational institutions to establish an education infrastructure traversing primary, secondary, tertiary and continuing education. Revenue from our education business is expected to be derived from lease income from the educational institutions and, in some instances, we expect to have a share in the ongoing revenue of the institutions once operational through (i) lease premiums or (ii) potential dividend payments from our Subsidiaries or Associates. Revenue from our education business segment is likely to depend upon several factors, such as tie-ups with recognised educational institutions, our ability to attract interest from students in our educational projects and our ability to attract suitably qualified professionals such as professors, teachers and instructors.

Lease prices of our developed land

Our profit margin depends in part on the pricing of our leases which is impacted by several factors, including:

- the growth of the Mumbai–Pune corridor;
- the level of success of the consumptive aspects of our economy which are currently operational;
- the success of and occupancy rates of our current hospitality projects;
- the availability of consumer and project development financing (interest rates and eligibility criteria for loans);
- changes in applicable regulatory schemes; and
- real estate prices in the state of Maharashtra.

Construction costs

We are indirectly exposed to inflation and market risk with respect to the prices of raw material and components used in our projects, particularly steel and cement. For steel and cement, some of the contractors may negotiate and pass through those costs to us.

Raw material prices, particularly, those of steel and cement, may be affected by price volatility caused by different factors that affect the Indian and international commodity markets. If there are extraordinary price increases in construction materials due to increase in demand for steel and cement, or shortages in supply, the contractors we hire for construction or development work may be unable to fulfil their contractual obligations and may therefore be compelled to increase their contract prices. As a result, increases in costs for construction materials may impact our construction costs.

In addition, the timing and quality of construction of the projects we develop depend on the availability and skill of our contractors, architects and consultants, as well as contingencies affecting them, including labour and industrial actions such as strikes. Such labour and industrial actions may cause significant delays to the construction timetables for our projects, and we may therefore be required to find replacement contractors and consultants at higher costs. As a result, any increase in prices resulting from higher construction costs could adversely affect demand for our projects and the relative affordability of our projects as compared to our competitors' projects.

Competition

We may face competition from (i) the cities of Mumbai and Pune to the extent that these cities offer improved infrastructure development and facilities as compared to existing facilities; and (ii) new urban centres which are being developed or may be developed in the Mumbai–Pune corridor. To a lesser extent, we may face competition from real estate developments in Mumbai and Pune, townships in other economic corridors in India or in the event that the municipal limits of Pune are expanded. The aforementioned competition may impact our ability to attract potential future residents and thereby adversely affect our ability to develop and sell or lease our projects.

Significant Accounting Policies

Basis of accounting and the use of estimates

We maintain our accounts on accrual basis following historical cost convention to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 and the Rules, read with General Circular 15/2013 dated September 13, 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. Our management makes estimates and technical and other assumptions regarding the amounts of income and expenses, assets and liabilities, and disclosure of contingencies, in accordance with Generally Accepted Accounting Principles in India in the preparation of the financial statements. The difference between the actual results and estimates are recognized in the period in which determined.

Fixed assets - tangible and intangible assets

Fixed assets are stated at the cost of acquisition or construction including attributable overheads, interest and financial costs till such assets are ready for their intended use, less accumulated depreciation and impairment losses, if any. Costs relating to trademark and design have been treated as intangible assets which also comprise license fees, other implementation costs for software and application software acquired for in-house use. The cost of purchase of land to the extent of one percent is accounted as fixed assets and the remaining amount is accounted for as stock-in-trade.

Depreciation and amortization

Depreciation on fixed assets is provided:

- (i) in respect of office buildings, furniture and fixtures, office equipments, vehicles and speed boats on written down value method at the rates specified in Schedule XIV of the Companies Act, 1956 on a pro-rata basis;
- (ii) in respect of intangible assets being computer software relating to our geographical information system and enterprise resource system is amortized over the estimated useful life of ten years under straight line method on pro-rata basis; and
- (iii) in respect of trademark and design, costs are amortized equally over a period of ten years.

Investments

Investments are classified as long term and current investments. Long term investments are shown at cost or written down value (in case of diminution which is other than temporary diminution) and current investments are shown at cost or fair value whichever is lower.

Inventories of land and floor space index (FSI)

- (i) The cost of land accounted for as stock-in-trade is treated as (a) Cost of FSI – 95%, (b) Land, stock-in-trade – 5%, both being distinct items of inventory. Cost of land and FSI are accounted for on a weighted average basis along with related purchase/acquisition price plus all direct and indirect expenditure incurred in connection with the purchase of land. Borrowing costs and overhead expenditure on sectoral / nodal / city level infrastructure, in respect of FSI under development are treated as an element of cost in view of the substantial period of time for development. Land and FSI are valued at lower of cost or net realizable value. Land or FSI utilized for own construction is transferred to fixed assets at cost.

- (ii) Project work-in-progress is valued at the contract rates in accordance with the accounting standards on construction contracts.
- (iii) Where construction of any unit is undertaken for which there are no sales, such inventory is valued at lower of cost or net realizable value and is not considered under long-term construction for accounting purposes.
- (iv) The stock of stores, food and beverages, groceries and provisions, other guest amenities, information technology material, finished products including traded goods and semi finished goods are stated at the lower of cost or net realizable value. The inventories of raw materials, laboratory materials, other consumables and housekeeping items, medicines and medicare items are stated at cost.

Foreign currency transactions

Foreign currency transactions during the year are accounted at the prevailing rate on the date of transaction. All monetary items are translated at the exchange rate prevailing on the last day of the Fiscal Year. Gains or losses arising out of remittances/translations at the year end are charged to the statement of profit and loss for the Fiscal Year.

Revenue recognition

(i) Sale of land and FSI

Revenues are recognized in the year in which the agreement to lease is executed. Income from land sale (including on a long term lease basis) is recognized on the transfer of all significant risks and rewards of ownership to the buyers and a reasonable expectation of collection of the sale consideration from the buyers exists. Exchange of parcels of land against other parcels of land is not treated as a sale but is adjusted in the land account.

(ii) Project construction work

We follow the percentage completion method, on the basis of physical measurement of work actually completed at the balance sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost to the completion of the contract and the profit so determined accounted for proportionate to the percentage of the actual work done. Foreseeable losses are accounted for as and when they are determined. Revenues from sales of constructed units, other than under long term construction contracts, are recognized on execution of transfer agreements.

(iii) Project management consultancy fees

Revenue from project management consultancy fees is recognized on accrual basis, as per the agreements.

- (iv) Sales comprise of revenue from room, allied services relating to hotel operation. Revenue is recognized upon rendering of services.
- (v) The revenue from sale of goods is recognized on delivery of the materials to the customers in accordance with the terms of the contract. Revenue from installation and other services is recognized as and when the service is rendered.
- (vi) Income from tuition/training activities is recognized over the course period.
- (vii) Rent is recognized on time proportionate basis.

Borrowing costs

Borrowing costs (less any income on the temporary investments of those borrowings) that are directly attributable to qualifying assets / project work-in-progress/FSI are charged over such qualifying assets/ project work in progress/FSI. Borrowing costs relating to fixed assets, investments and loans to subsidiaries pertaining to social infrastructure and amenities is capitalised to FSI - Inventory. These are charged to the statement of profit and loss in the ratio of FSI (area) sold to total FSI (area). Other borrowing costs are charged to statement of profit and loss.

Employee benefits

(i) Defined contribution plans

Our contributions paid/payable during the year to provident fund, officer's superannuation fund and labour welfare fund are recognized in the statement of profit and loss.

(ii) Defined benefit plan and other long term benefits

Our liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gain and losses are recognized immediately in the statement of profit and loss as income or expenses. The obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

Taxes on income

The tax expense comprises of current tax and deferred tax charged or credited to the statement of profit and loss for the year. Current tax is calculated in accordance with the tax laws applicable to the current financial year. The deferred tax charge or credit is recognized using the tax rates and tax laws that have been enacted by the balance sheet date. Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realisation in future. At each balance sheet date, recognized and unrecognised deferred tax assets are reviewed.

Impairment

We make an assessment of any indicator that may lead to impairment of the assets on an annual basis. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value, which is the higher of net selling price and the value in use. Impairment loss, if any, is charged to statement of profit and loss in the Fiscal Year in which it is identified as impaired.

Contingencies / Provisions

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes to accounts. Contingent assets are neither recognized nor disclosed in the financial statement.

Leases

Lease rentals in respect of assets acquired under operating lease are charged to statement of profit and loss.

Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for bonus shares issued during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Segmental reporting

We are primarily engaged in the business of "Comprehensive Urban Development and Management" which as per Accounting Standards 17 on "Segment reporting" is considered to be the only reportable primary business Segment. We primarily operate in India which is considered to be as a single geographical segment.

Miscellaneous expenditure

Miscellaneous expenditure includes expenses related to ensuing the proposed initial public offer and shall be written off against share premium account as and when received.

Principles of Consolidation

The consolidated financial statements have been prepared by us in accordance with the requirements of AS-21 “Consolidated Financial Statements” and AS 23 “Accounting for Investments in Associates in Consolidated Financial Statements” notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended). The consolidated financial statements comprise financial statements of our subsidiaries, namely Lavasa Hotel Limited (LHL), Apollo Lavasa Health Corporation Limited (ALHCL), Lakeshore Watersports Company Limited (LWCL), Dasve Convention Center Limited (DCCL), Dasve Business Hotel Limited (DBHL), Lakeview Clubs Limited (LVCL), Dasve Hospitality Institutes Limited (DHIL), Dasve Retail Limited (DRL), Full Spectrum Adventure Limited (FSAL), Spotless Laundry Services Limited (SLSL), Lavasa Bamboocrafts Limited (LBCL), Green Hills Residences Limited (GHRL), My City Technology Limited (MCTL), Reasonable Housing Limited (RHL), Future City Multiservices SEZ Limited (FCMSL), Rhapsody Commercial Space Limited (RCSL), Valley View Entertainment Limited (VVEL), Andromeda Hotels Limited (AHL) up to March 30, 2014, Verzon Hospitality Limited (VHL), Sirrah Palace Hotels Limited (SPHL), Whistling Thrush Facilities Services Limited (WTFSL), Warasgaon Tourism Limited (WTL), Warasgaon Power Supply Limited (WPSL), Sahyadri City Management Limited (SCML), Our Home Service Apartments Limited (OHSAL), Hill City Service Apartments Limited (HCSAL), Warasgaon Infrastructure Providers Limited (WIPL), Kart Racers Limited (KRL), Nature Lovers Retail Limited (NLRL), Mugaon Luxury Hotels Limited (MLHL), Osprey Hospitality Limited (OHL), Starlit Resort Limited (SRL), Rosebay Hotels Limited (RBHL), Warasgaon Valley Hotels Limited (WVHL), Warasgaon Assets Maintenance Limited (WAML), Hill View Parking Services Limited (HVPSL) and our associate companies namely SOL Hospitality Limited (SHL) merged with Bona Sera Hotels Limited with effect from April 1, 2013, Palmetto Hospitality Limited (PHL), Knowledge Vistas Limited (KVL), Bona Sera Hotels Limited (BSHL), Warasgaon Lake View Hotels Limited (WLVHL), Andromeda Hotels Limited (AHL) from March 31, 2014 and Ecomotel Hotel Limited (EHL). The year end balances and common transactions with the subsidiaries are eliminated in full.

Results of Operations

The following table sets forth certain items derived from our audited restated consolidated financial statements for Fiscal Year 2014, Fiscal Year 2013 and Fiscal Year 2012, and also expressed as a percentage of total income for the periods presented.

(₹ in Millions) (except percentages)

Particulars	For the years ended March 31,					
	2014		2013		2012	
	₹ in millions	%	₹ in millions	%	₹ in millions	%
INCOME						
Revenue from operations	1,162.81	67.86%	893.18	66.19%	281.72	43.43%
Other Operating Income	429.72	25.08%	338.47	25.08%	220.13	33.93%
Other income	121.02	7.06%	117.78	8.73%	146.85	22.64%
TOTAL	1,713.55	100.00%	1,349.43	100.00%	648.69	100.00%
EXPENSES						
Land and Construction Expenses	1,887.00	110.12%	1,203.30	89.17%	341.63	52.66%
(Increase)/Decrease in Inventory	(3,359.28)	-196.04%	(2,869.65)	-212.66%	(2,509.27)	-386.82%
Employee benefits expense	530.16	30.94%	668.23	49.52%	689.50	106.29%
Finance costs	3,111.49	181.58%	2,679.14	198.54%	2,417.39	372.65%
Depreciation and amortization expense	437.10	25.51%	381.40	28.26%	413.32	63.72%
Office and Site Expenses	1,181.06	68.92%	1,150.15	85.23%	907.75	139.93%
TOTAL	3,787.53	221.03%	3,212.57	238.07%	2,260.32	348.44%
Profit/(Loss) before Tax	(2,073.98)	-121.03%	(1,863.14)	-138.07%	(1,611.62)	-248.44%

Particulars	For the years ended March 31,					
	2014		2013		2012	
	₹ in millions	%	₹ in millions	%	₹ in millions	%
Tax expense:						
(1) Current tax						
Income Tax	1.39	0.08%	1.37	0.10%	0.86	0.13%
MAT Credit Entitlement	-	0.00%	-	0.00%	-	0.00%
(2) Deferred tax	(26.45)	-1.54%	(369.33)	-27.37%	(300.12)	-46.27%
Profit/(Loss) after Tax	(2,048.92)	-119.57%	(1,495.18)	-110.80%	(1,312.35)	-202.31%
Less : Minority Adjustments	(151.73)	-8.85%	(35.65)	-2.64%	157.29	24.25%
Add : Share in Profit/(Loss) of Associates	(15.42)	-0.90%	(19.21)	-1.42%	(40.54)	-6.25%
Add : Profit / (Loss) on Sale of Stake in Associate	51.76	3.02%	-	0.00%	(1.05)	-0.16%
Profit /(Loss) for the year	(1,860.86)	-108.60%	(1,478.74)	-109.58%	(1,511.22)	-232.96%

Income

Revenue from operations

Our operating income consists of (i) upfront lease premium from long-term leases for land, which are categorised as “land sales” in our financial statements; (ii) progress billing from construction activities.

Progress billing consists of sales of constructed residential and institutional structures, from which revenues are recognised on a percentage completion basis in the case of long term construction contracts and on the execution of transfer agreements in the case of sales of constructed units.

Other operating income

Other operating income primarily consists of project management consultancy fees and operating income of our subsidiaries. Project management consultancy consists of project management services provided to entities other than our subsidiaries. Operating income of subsidiaries consist of room rental and allied services (such as food and beverage sales and space rentals), softscape services, tuition fees, housekeeping and facility maintenance services and income from various tourism activities.

Other income

Our other income consists mainly of (i) interest on fixed deposit from banks and interest on inter corporate deposits; (ii) dividend income; (iii) scrap sales; (iv) net gain on sale of investments; (v) insurance claims received; (vi) development charges; (vii) conversion/translation differences; and (viii) other miscellaneous income.

Expenses

Land and construction expenses

Land and construction expenses (net of expenditure incurred for capital construction) consist of expenses relating to the purchase/acquisition of land, civil work and contract charges, repairs and maintenance, power and fuel charges and rent, rates and taxes.

(Increase)/Decrease in Inventory

(Increase)/Decrease in inventory consists of movement of inventories of land, Land-FSI and construction at the beginning and at the end of Fiscal Year.

Employee benefits expense

Employee benefits expense consists of salaries, wages, bonus, contribution/provisions to and for provident, gratuity and other funds and welfare expenses.

Finance costs

Finance costs consist of interest on fixed loans, interest on debentures and other financial expenses.

Depreciation and amortization expense

Depreciation consists of depreciation on buildings, plant and machinery, furniture and fixtures, motor vehicles, computers, office equipment and boats. Amortization consists of amortization of intangible assets such as software and trademarks and design.

Taxation

Income taxes are accounted for in accordance with provisions of the Income Tax Act, 1961 and AS-22 issued pursuant to Companies (Accounting Standards) Rules, 2006 on “Accounting for Taxes on Income”. Taxes comprise income tax and deferred tax.

Provision for income taxes is made at income tax rates applicable after taking into consideration the benefits admissible under the provisions of the Income Tax Act, 1961.

In cases where our income tax liability under the provisions of the Income Tax Act, 1961 is less than the tax liability calculated on our book profits (as defined by Income Tax Act, 1961), we are liable to pay the Minimum Alternate Tax at the applicable rate, in accordance with Section 115JB of the Income Tax Act, 1961.

In conformity with the Accounting Standard 22 “Accounting for Taxes on Income” issued pursuant to Companies (Accounting Standards) Rules, 2006, deferred tax asset or liability is recognised for timing differences between the profit/loss as per financial statements and the profit/loss offered for income tax, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only if there is reasonable certainty that sufficient future taxable income will be available, against which they can be realised. If there is unabsorbed depreciation or carry forward of losses under income tax laws, deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and adjusted, wherever required, to reflect reasonable and sufficient balances.

Fiscal Year 2014 Compared to Fiscal Year 2013

Income

Our total income increased by ₹ 364.12 million, or 26.98%, from ₹ 1,349.43 million in Fiscal Year 2013 to ₹ 1,713.55 million in Fiscal Year 2014. This increase was primarily due to an increase in revenue from operations.

Revenue from operations

Revenue from operations increased by ₹ 269.63 million, or 30.19%, from ₹ 893.18 million in Fiscal Year 2013 to ₹ 1,162.81 million in Fiscal Year 2014, primarily due to an increase in progress billing. The increase in progress billing from ₹ 501.00 million in Fiscal Year 2013 to ₹ 1,058.81 million in Fiscal Year 2014 was primarily due to the increased level of ongoing construction activity for villas, apartments, institutions and other real estate and the commencement of additional construction activities during Fiscal Year 2014 leading to increase in revenue. The decrease in land sales/leases from ₹ 392.18 million in Fiscal Year 2013 to ₹ 103.99 million in Fiscal Year 2014 was primarily due to fewer land sales of villas, since our focus for Fiscal Year 2014 was the sales of apartments (in which there is no land sale) since the unsold inventory of villas was not significant during Fiscal Year 2014.

Other operating income

Other operating income increased by ₹ 91.25 million, or 26.96%, from ₹ 338.47 million in Fiscal Year 2013 to ₹ 429.72 million in Fiscal Year 2014, primarily due to an increase in our operating income from subsidiaries. Our operating income from subsidiaries increased by ₹ 36.29 million from ₹ 331.14 million in Fiscal Year 2013 to ₹ 367.43 million in Fiscal Year 2014, mainly due to an increase in revenue from maintenance services, softscape maintenance services, revenue from room rentals and allied services provided by our Subsidiaries. Sale of project material increased by ₹ 37.36 million from nil in Fiscal Year 2013 to ₹ 37.36 million in Fiscal Year 2014. Further, our project management consultancy fees increased by ₹ 17.61 million from ₹ 7.33 million in Fiscal Year 2013 to ₹ 24.94 million in Fiscal Year 2014.

Other income

Other income increased by ₹ 3.24 million, or 2.75%, from ₹ 117.78 million in Fiscal Year 2013 to ₹ 121.02 million in Fiscal Year 2014. This was primarily due to an increase in dividend income and net gain on sale of investments.

Expenses

Total expenses increased by ₹ 574.96 million, or 17.90%, from ₹ 3,212.57 million in Fiscal Year 2013 to ₹ 3,787.53 million in Fiscal Year 2014. This increase was primarily due to an increase in land and construction expenses and increase in finance cost.

Land and construction expenses

Our land and construction expenses increased by ₹ 683.7 million, or 56.82%, from ₹ 1,203.30 million in Fiscal Year 2013 to ₹ 1,887.00 million in Fiscal Year 2014, primarily due to an increase in civil work and contract charges. The increase in civil work and contract charges was due to an increase in construction activities during Fiscal Year 2014, primarily in Dasve.

(Increase)/decrease in inventory

Our inventory increased by ₹ 489.63 million, or 17.06%, from ₹ 2,869.65 million in Fiscal Year 2013 to ₹ 3,359.28 million in Fiscal Year 2014. This increase was primarily due to an increase in development activities and an increase in overall expenses which resulted into increased valuation of inventory.

Employee benefit expenses

Employees benefit expenses decreased by ₹ 138.07 million, or 20.66%, from ₹ 668.23 million in Fiscal Year 2013 to ₹ 530.16 million in Fiscal Year 2014. We appointed Steiner India Limited, a company specializing in construction, and employees directly engaged in construction activities were absorbed by Steiner India Limited with effect from October 1, 2013 which resulted in a reduction in employees benefit expenses.

Finance costs

Our finance costs increased by ₹ 432.35 million, or 16.14% from ₹ 2,679.14 million in Fiscal Year 2013 to ₹ 3,111.49 million in Fiscal Year 2014. The increase was primarily due to additional borrowings during the year to fund the development work at Lavasa. In Fiscal Year 2014, we issued non-convertible debentures amounting to ₹ 1,170 million, took consortium term loans from various banks amounting to ₹ 5,252.67 million and our Subsidiaries took term loans from various banks amounting to ₹ 3,832.67 million.

Depreciation and amortization expense

Depreciation and amortization expense increased by ₹ 55.7 million, or 14.61%, from ₹ 381.40 million in Fiscal Year 2013 to ₹ 437.10 million in Fiscal Year 2014 due to an increase in the capital asset base in Fiscal Year 2014 compared to Fiscal Year 2013.

Office and site expense

Office and site expense increased by ₹ 30.91 million, or 2.69%, from ₹ 1,150.15 million in Fiscal Year 2013 to ₹ 1,181.06 million in Fiscal Year 2014 due to an increase in the cost of various services such as housekeeping,

security charges, maintenance charges and professional charges.

Profit/ (Loss) before tax

As a result of the foregoing, our loss before tax increased by ₹ 210.84 million, or 11.32%, from ₹ 1,863.14 million in Fiscal Year 2013 to ₹ 2,073.98 million in Fiscal Year 2014.

Tax expense

Our income tax expense increased by ₹ 0.02 million or 1.58% from ₹ 1.37 million in Fiscal Year 2013 compared to ₹ 1.39 million in Fiscal Year 2014 due to an increase in the profits of certain subsidiaries, which led to a higher income tax expense.

Our deferred tax credit decreased by ₹ 342.88 million or 92.84% from ₹ 369.33 million in Fiscal Year 2013 to ₹ 26.45 million in Fiscal Year 2014 due to an increase in losses of our subsidiaries whereby deferred tax credit was not recognised.

Profit/ (Loss) after Tax

As a result of the foregoing, our loss after tax increased by ₹ 553.74 million or 37.04% from ₹ 1,495.18 million in Fiscal Year 2013 to ₹ 2,048.92 million in Fiscal Year 2014.

Minority adjustments

Our minority adjustments were ₹ 35.65 million in Fiscal Year 2013 compared to ₹ 151.73 million in Fiscal Year 2014 due to increase in losses of subsidiaries which resulted into increased share of losses passed on to minority shareholders.

Share in (Loss)/Profit of Associates

Our share in loss of associates was ₹ 19.21 million in Fiscal Year 2013 as against ₹ 15.42 million in Fiscal Year 2014 due to a decrease in the losses of certain of our Associates which resulted in a decrease in our share of losses in Associates.

Profit/ (Loss) on sale of stock in associate

Our profit on sale of stock on associate was ₹ 51.76 million in Fiscal Year 2014 compared to nil in Fiscal Year 2013 due to a profit on the sale of share in a subsidiary and an associate during the Fiscal Year 2014.

Profit/ (Loss) for the year

As result of the foregoing, our loss for Fiscal Year 2014 was ₹ 1,860.46 million compared to a loss of ₹ 1,478.74 million in Fiscal Year 2013.

Fiscal Year 2013 Compared to Fiscal Year 2012

Our operations in Fiscal Year 2013 were partially affected by the stop work notice by Ministry of Environment and Forest (“**MoEF**”) dated November 25, 2010. In November 2010, the MoEF issued a stop work notice to us on the basis of non-compliance with the Environment Protection Act, 1986 due to which all construction activities at Lavasa were halted. We received the approval for re-commencing construction work at Lavasa in November 2011. During the period of suspension from November 2010 to November 2011, we continued to incur operating expenses but did not generate revenues comparable to prior periods. It took us a considerable amount of time after the receipt of the approval to recommence normal levels of operations. Accordingly our results of operations for Fiscal Year 2013 are not comparable to Fiscal Year 2012. See also “*Factors Affecting our Financial Results - Government regulations and policies including regulations and policies concerning the environment, real estates taxes and duties.*”

Income

Our total income increased by ₹ 700.74 million, or 108.02%, from ₹ 648.69 million in Fiscal Year 2012 to ₹ 1,349.43 million in Fiscal Year 2013. This increase was primarily due to an increase in revenue from our operations being carried out for the full period of Fiscal Year 2013, as compared to Fiscal Year 2012, where our

operations were partially affected due to the stop work notice by the MoEF.

Revenue from operations

Revenue from operations increased by ₹ 611.46 million, or 217.05%, from ₹ 281.72 million in Fiscal Year 2012 to ₹ 893.18 million in Fiscal Year 2013. The increase in land sales/leases from ₹ 160.09 million in Fiscal Year 2012 to ₹ 392.18 million in Fiscal Year 2013 and increase in progress billing from ₹ 121.63 million in Fiscal Year 2012 to ₹ 501.00 million in Fiscal Year 2013 was primarily due to our operations being carried out for the full period of Fiscal Year 2013, as compared to Fiscal Year 2012, where our operations were partially affected due to the stop work notice by the MoEF. In Fiscal Year 2013, we recognised revenues from land sales/leases and progress billing on account of recommencing construction and development activities that were earlier halted at Dasve.

Other operating income

Other operating income increased by ₹ 118.34 million, or 53.76%, from ₹ 220.13 million in Fiscal Year 2012 to ₹ 338.47 million in Fiscal Year 2013. This was primarily due to increase in operating income of subsidiaries, which increased from ₹ 216.68 million to ₹ 331.14 million mainly due to increase in revenue from maintenance services provided, softscape maintenance services revenue, revenue from room revenue, rentals and allied services provided by our Subsidiaries. Our project management consultancy fees increased from ₹ 3.45 million in Fiscal Year 2012 to ₹ 7.33 million in Fiscal Year 2013.

Other income

Other income decreased by ₹ 29.07 million, or 19.79%, from ₹ 146.85 million in Fiscal Year 2012 to ₹ 117.78 million in Fiscal Year 2013. This was primarily due to a decrease in dividend income and interest income on fixed deposits and inter corporate deposits in Fiscal Year 2013..

Expenses

Total expenses increased by ₹ 952.25 million, or 42.13%, from ₹ 2,260.32 million in Fiscal Year 2012 to ₹ 3,212.57 million in Fiscal Year 2013. The increase is primarily due to increased land and construction expenses, office costs and finance costs in Fiscal Year 2013.

Land and construction expenses

Our land and construction expenses increased by ₹ 861.67 million, or 252.22%, from ₹ 341.63 million in Fiscal Year 2012 to ₹ 1,203.30 million in Fiscal Year 2013. This increase was primarily due to construction work being carried out for the full period in Fiscal Year 2013 (primarily in Dasve) as compared to Fiscal Year 2012, where construction work was partially affected due to stop work notice by the MoEF.

(Increase)/decrease in inventory

Our inventory increased by ₹ 360.38 million, or 14.36%, from ₹ 2,509.27 million in Fiscal Year 2012 to ₹ 2,869.65 million in Fiscal Year 2013. The increase was primarily due to increase in development activities and increase in overall expenses which resulted in an increased valuation of inventory.

Employee benefits expenses

Employee benefits expenses decreased by ₹ 21.27 million, or 3.08%, from ₹ 689.50 million in Fiscal Year 2012 to ₹ 668.23 million in Fiscal Year 2013 as the performance linked payments to our employees decreased in Fiscal Year 2013. Since the performance linked payments are based on the individual performance as well as our performance and as our performance was severely affected due to stop work notice by the MoEF, our performance linked payments were reduced which resulted in reduced reduction in our employee benefits expenses.

Finance costs

Our finance costs increased by ₹ 261.75 million, or 10.83% from ₹ 2,417.39 million in Fiscal Year 2012 to ₹ 2,679.14 million in Fiscal Year 2013. The increase was primarily due to additional borrowings during Fiscal Year 2013 to fund our development work. In Fiscal Year 2013, we took consortium term loans from various

banks amounting to ₹ 2,324.86 million and our Subsidiaries took term loans from various banks amounting to ₹ 4,158.21 million.

Depreciation and amortization expense

Depreciation and amortization expense decreased by ₹ 31.92 million, or 7.72%, from ₹ 413.32 million in Fiscal Year 2012 to ₹ 381.40 million in Fiscal Year 2013 due to depreciation being charged on written down value method.

Office and site expenses

Office and site expenses increased by ₹ 242.41 million, or 26.70%, from ₹ 907.75 million in Fiscal Year 2012 to ₹ 1,150.15 million in Fiscal Year 2013. This increase was due to our operations being carried out for the full Fiscal Year 2013 whereas in Fiscal Year 2012, our operations were partially affected due to stop work notice by MoEF.

Profit/ (Loss) before tax

As a result of the foregoing, our loss before tax increased by ₹ 251.52 million, or 15.61%, from ₹ 1,611.62 million in Fiscal Year 2012 to ₹ 1,863.14 million in Fiscal Year 2013.

Tax expense

Our income tax expense increased by ₹ 0.51 million or 60.10% from ₹ 0.86 million in Fiscal Year 2012 compared to ₹ 1.37 million in Fiscal Year 2013 due to an increase in the profits of certain subsidiaries, which resulted in an increased income tax expense.

Our deferred tax credit increased by ₹ 69.21 million or 23.06% from ₹ 300.12 million in Fiscal Year 2012 to ₹ 369.33 million in Fiscal Year 2013 due to an increase in our losses before tax on which deferred tax credit was recognised.

Profit/ (Loss) after Tax

Our loss after tax increased by ₹ 182.83 million or 13.93% from ₹ 1,312.35 million in Fiscal Year 2012 to ₹ 1,495.18 million in Fiscal Year 2013.

Minority adjustment

Our minority interest represented a share of loss passed to minority shareholders of ₹ 35.65 million, compared to a share of profit given to minority shareholders of ₹ 157.29 million in Fiscal Year 2012 mainly due to an increase in our shareholding in our Subsidiary, Apollo Lavasa Health Corporation Limited in Fiscal Year 2012.

Share in (Loss)/Profit of Associates

Our share of loss of associates was ₹ 19.21 million in Fiscal Year 2013 as against ₹ 40.54 million in Fiscal Year 2012 due to a decrease in the losses of certain associates which resulted in a decrease in our share of losses in associates.

Profit/ (Loss) on sale of stock in associate

Our profit on sale of stock on associate was nil in Fiscal Year 2013 compared to ₹ 1.05 million in Fiscal Year 2012 due to no change in the shareholding of any subsidiary or associate during Fiscal Year 2013.

Profit/ (Loss) for the year

As result of the foregoing our loss for Fiscal Year 2013 was ₹ 1,478.74 million compared to a loss of ₹ 1,511.22 million in Fiscal Year 2012.

Major items of assets and liabilities

Assets

We had fixed assets (comprising tangible assets, intangible assets and capital work-in-progress) of ₹ 18,744.91 million, ₹ 16,222.77 million and ₹ 14,768.14 million as at the end of Fiscal Year 2014, 2013 and 2012 respectively. As we are developing a city, a large amount of upfront expenditure on infrastructure assets is needed. Our tangible assets mainly consists of infrastructure assets such as roads, dams, water treatment plant, sewage treatment plant, electricity transport lines, promenade, educational buildings. Our intangible asset mainly consist of software like SAP ERP and geographical information system and various trademarks and licenses.

We had inventories amounting to ₹ 18,961.10 million, ₹ 15,938.48 million and ₹ 13,190.48 million as at the end of Fiscal Year 2014, 2013 and 2012 respectively. Our inventory mainly consists of land inventory and construction work in progress. Inventories are valued by accumulating the direct cost of purchase/development and related indirect costs such as overheads, depreciation and finance costs. We have already purchased a significant area of total developable land required for the developments at Lavasa and have started various development work on this land. As of the date of this Draft Red Herring Prospectus, we have only sold approximately 10% of total saleable area at Lavasa. Our project requires huge upfront expenditure to bring the inventory into saleable condition. We were not able to sell much of our inventory during the Fiscal year 2012 as it was affected by construction work suspension notice by MoEF. This led to high inventory levels during Fiscal Years 2012, 2013 and 2014. We expect that our inventory levels may reduce as and when our sales levels are increase.

We had outstanding trade receivables of ₹ 2,216.35 million, ₹ 2,393.51 million and ₹ 2,669.22 million as at the end of Fiscal Year 2014, 2013 and 2012 respectively. We recognize lease premium from land sales upfront at the time of execution of land sale agreements and the same is recorded as trade receivable. However, as per the terms of agreements, these amounts are receivable in instalment together with payment for construction done as per the percentage of completion. Due to this even though our sales and receivables are recorded at the time of execution of the sale agreement, receipt of the consideration is at a later stage.

Liabilities

We had outstanding trade payables of ₹ 3,030.63 million, ₹ 2,119.22 million and ₹ 2,691.33 million as at the end of Fiscal Year 2014, 2013 and 2012 respectively. These mainly comprised payables to contractors and suppliers for various construction related work done at Lavasa. Our construction activities have increased during the Fiscal Year 2014 which resulted in higher level of outstanding payables.

We have other current liabilities of ₹ 11,942.25 million, ₹ 8,388.14 million and ₹ 4,568.27 million as at the end of Fiscal Years 2014, 2013 and 2012 respectively. These mainly comprised of current liabilities of long term debts of ₹ 9,078.69 million, ₹ 5,523.31 million and ₹ 3,070.35 million respectively for Fiscal year 2014, 2013 and 2012. It also includes unpaid interest of ₹ 742.13 million, ₹ 1,115.85 million and ₹ 579.44 million respectively for Fiscal Years 2014, 2013 and 2012. We also received advances from customers amounting to ₹ 1779.61 million, ₹ 1284.85 million and ₹ 690.28 million respectively for Fiscal Years 2014, 2013 and 2012.

Liquidity and Capital Resources

As of March 31, 2014, we had cash and cash equivalents of ₹ 349.91 million. Cash and cash equivalents primarily consist of cash on hand and balances with scheduled banks. Our primary liquidity requirements have been to finance our working capital for the development of Lavasa. Historically, we have financed our projects through (i) cash from operations; (ii) issue of share capital of our Company and our Subsidiaries or Associates; and (iii) debt financing through bank loans and issuances of convertible debentures. For our projects that we develop in collaboration with third parties, such third parties also invest equity capital in the entities set up to develop these projects.

Cash Flows

	For the year ended March 31,		
	2014	2013	2012
	(₹. in millions)		
Net cash flow generated from/(used in) operating activities	1,046.38	236.14	653.33
Net cash flow generated from/(used in) investing activities	(2,969.28)	(1,824.24)	(1,316.81)
Net cash flow generated from/(used in) financing activities	1,555.80	2,079.73	629.46
Cash and cash equivalents at the end of the period.....	349.91	717.01	225.37

Cash flow generated from/(used in) operating activities

For Fiscal Year 2014, we had a loss before taxation of ₹ 2,073.98 million. Our operating profit before working capital changes was ₹ 2,992.74 million primarily as a result of adjustments for depreciation of ₹ 437.10 million and interest and finance expenses of ₹ 4,670.23 million. However, net cash generated used in operations was ₹ 1,085.86 million as a result of working capital adjustments, including an increase in inventories of ₹ 3,022.62 million and a ₹ 1,270 million increase in payments for liabilities and provisions which was due to an increased level of construction during the Fiscal Year. We also paid ₹ 39.48 million in direct taxes.

For Fiscal Year 2013, we had a loss before taxation of ₹ 1,863.14 million. Our operating profit before working capital changes was ₹ 2,580.07 million primarily as a result of adjustments for depreciation of ₹ 381.40 million and interest and finance expenses of ₹ 4,104.00 million. However, net cash generated used in operations was ₹ 288.78 million as a result of working capital adjustments, including a ₹ 2,748.00 million increase in inventories and a ₹ 394.50 million increase in payments for liabilities and provisions. We also paid ₹ 52.64 million in direct taxes.

For Fiscal Year 2012, we had a loss before taxation of ₹ 1,611.62 million. Our operating profit before working capital changes was ₹ 2,165.39 million primarily as a result of an adjustment for depreciation of ₹ 413.32 million and interest and finance expenses of ₹ 3,408.09 million. However, net cash generated from operations was ₹ 730.38 million primarily as a result of working capital adjustments, including a ₹ 2,320.19 million increase in inventories and a ₹ 649.64 million increase in payments for liabilities and provisions. We also paid ₹ 77.05 million in direct taxes.

Cash flow generated from/ (used in) investing activities

In Fiscal Year 2014, our net cash used in investing activities was ₹ 2,969.28 million. This reflected ₹ 1,934.84 million used in the capitalization of fixed assets such as multi-level car parking, the promenade, a building and plant and machineries to be used for education purposes and a fountain and ₹ 1,031.96 million used in capital work in progress.

In Fiscal Year 2013, our net cash used in investing activities was ₹ 1,824.24 million. This reflected ₹ 556.35 million used in the capitalization of fixed assets such as roads, laundry building and plant and machineries and ₹ 1,283.33 million used in capital work in progress.

In Fiscal Year 2012, our net cash used in investing activities was ₹ 1,316.81 million. This reflected ₹ 106.90 million used in capitalization of fixed assets such as buildings and other assets to be used for education and hospitality purposes and ₹ 1,324.85 million used in capital work in progress.

Cash flow generated from/(used in) financing activities

In Fiscal Year 2014, our net cash generated from financing activities was ₹ 1,555.80 million. This reflected mainly ₹ 6,149.19 million in respect of proceeds, net of repayments, from long term borrowings such as non-convertible debentures amounting to ₹ 1,170 million from, consortium term loans from various banks amounting to ₹ 5,252.67 million and term loans from various banks amounting to ₹ 3,832.67 million. We have used ₹ 5,043.95 million to pay interest and finance expenses.

In Fiscal Year 2013, our net cash generated from financing activities was ₹ 2,079.73 million. This reflected mainly by ₹ 6,339.71 million in respect of proceeds, net of repayments, from long term borrowings such as consortium term loans from various banks amounting to ₹ 2,324.86 million and term loans from various banks amounting to subsidiaries ₹ 4,158.21 million. We have used ₹ 3,567.58 million to pay interest and finance expenses.

In Fiscal Year 2012, our net cash generated from financing activities was ₹ 629.46 million. This reflected mainly by ₹ 3,850 million in respect of proceeds from issuance of shares by us. We have used ₹ 2,875.71 million to pay interest and finance expenses.

Capital Expenditures

Historical Capital Expenditures

We have invested, in aggregate, Rs. 2,957.49 million, Rs. 1,823.33 million and Rs. 1,416.29 million on capital expenditure in Fiscal Year 2014, Fiscal Year 2013, Fiscal Year 2012, respectively.

	For the year ended March 31,		
	2014	2013	2012
	(₹ in millions)		
Capital Work In Progress	1,031.96	1,283.33	1,324.85
Fixed Assets	1,925.43	540.00	91.44
Total	2,957.40	1,823.33	1,416.29

Indebtedness

The following table sets forth our consolidated long term and short term borrowings position as of March 31, 2012, March 31, 2013 and March 31, 2014.

Long Term Borrowings	As at March 31		
	2014	2013	2012
	(₹ in millions)		
Deep Discount Convertible Debentures			
Face Value of Debentures issued to Allahabad Bank	708.40	708.40	708.40
Less : Unexpired Discount	36.41	93.92	143.05
	672.00	614.49	565.35
Face Value of Debentures issued to IndusInd Bank	749.37	749.37	749.37
Less : Unexpired Discount	17.34	78.57	132.47
	732.03	670.80	616.91
Face Value of Debentures issued to Allahabad Bank	843.14	783.05	783.05
Less : Unexpired Discount	24.99	57.18	133.19
	818.16	725.87	649.86
Face Value of Debentures issued to Bank of India	-	939.66	939.66
Less : Unexpired Discount	-	47.81	141.13
	-	891.86	798.53
0% Fully Convertible Debenture- Unsecured			
Face Value of Debentures issued to Bennett, Coleman & Company Limited	120.00	120.00	-
Non-Convertible Debentures – Secured			
Face Value of Debentures issued to India Opportunities II PTE LTD	150.00	-	-
Face Value of Debentures issued to SSG Investment Holding India Limited	1,020.00	-	-
Face Value of Debentures issued to Jammu & Kashmir Bank	1,000.00	1,000.00	1,000.00
Face Value of Debentures issued to ICICI Bank	2,500.00	2,500.00	2,500.00
Face Value of Debentures issued to Bank of India	-	1,050.00	1,050.00
Face Value of Debentures issued to Axis Bank	-	1,250.00	2,250.00
Term loans – Secured			
From banks	15,202.28	9,949.61	7,624.75
From banks taken by subsidiaries	8,214.00	4,381.34	223.13
From Financial Institutions	1,553.26	2,678.57	
Term loans – Unsecured			
From Financial Institutions	1,000.00	1,000.00	3,214.29
Total	32,981.72	26,832.53	20,492.82

Long Term Borrowings	As at March 31		
	2014	2013	2012
	(₹ in millions)		
Less: Current Maturity within next 12 months	9,078.69	5,523.31	3,070.35
Net Total	23,903.03	21,309.22	17,422.47

Short Term Borrowings	As of March 31,		
	2014	2013	2012
	(₹ in millions)		
Term loans from financial institutions.....	-	-	1,000
Inter-corporate deposit.....	997.16	547.60	240
Total	997.16	547.60	1,240

Contractual Obligations

The following table sets forth our contractual obligations and commitments to make future payments as of March 31, 2014:

Contractual Obligations and Commitments	Payment Due by Period				
	Less than 1 year ⁽¹⁾	1-2 years	3-5 years	More than 5 years	Total
	(₹ in million)				
Short-term borrowings.....	997.16	-	-	-	997.16
Long-term borrowings.....	9,078.69	5,146.83	14,560.55	4,195.65	32,981.72
Land purchases	61.33	-	-	-	61.33
Trade payables.....	3,311.12	-	-	-	3,311.12
Operating lease obligations	12.36	1.05	0.83	3.44	17.67
Total	13,460.66	5,147.88	14,561.38	4,199.09	37,369.00

Our total capital commitments as of March 31, 2014 were ₹ 1,082.52 million, which are due either in stages or on a milestone basis.

Contingent Liabilities

As of March 31, 2014, we had the following contingent liabilities that have not been provided for in our consolidated financial statements:

Particulars	As of March 31, 2014
	(₹ in millions)
Guarantee given by banks on behalf of the Company	26.51
Corporate guarantees outstanding.....	396.53
Claims not acknowledged as debts	12.30
Petitions against the orders/notices from various authorities.....	177.55
Registered mortgage over 231.66 acres of land situated in 5 villages namely Village Admal, Bhode, Gadle, Padalghar and Ugavali in taluka Mulshi, District Pune, Maharashtra towards redeemable non convertible debentures issued to Axis Bank Limited by Hindustan Construction Company Limited.....	-
Registered mortgage over 46.90 acres of land situated in 3 villages namely Village Wadawali, Sakhari and Dhamanhole in taluka Mulshi, District Pune, Maharashtra towards term loan taken by HCC Real Estate Limited.....	-

Off-Balance Sheet Arrangements

Except for our contingent liabilities described above, we do not have any off-balance sheet arrangements, derivative contracts, swap transactions or relationships with unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet transactions.

Qualitative Disclosure about Market Risk

Interest Rate Risk

Our exposure to interest rate risks relates primarily to our debt. Our long-term rupee-denominated debts, which bear interest at floating rates linked with prime lending rates of the respective lenders, as determined from time to time, are subject to fluctuations in interest rates, which could increase the amount of interest payable by us under our debt obligations and could make it difficult for us to procure new debt on attractive terms. Changes in interest rates also affect the ability and willingness of our prospective real estate customers, particularly the customers for our residential properties, to obtain financing for their purchases of our units.

Commodity Price Risk

Where we have entered into fixed price contracts, the contractors purchase raw materials and provide us with a fixed cost for all their services. However, we are exposed to indirect market risk with respect to the prices of raw material and components used in our projects, particularly steel and cement for those contracts which are not on a fixed price basis. For steel and cement, some of the contractors with whom contracts are not on a fixed price basis may negotiate and pass through cost escalations to us. However, our exposure to such cost escalations is limited due to escalation clauses in our lease agreements/contracts to sell constructed structures whereby we can, under certain conditions, increase the prices charged to purchasers and residents due to increases in the costs of steel and cement.

Credit Risk

We are exposed to credit risk from our buyers paying in instalments and from customers making ongoing payments for our infrastructure services, such as maintenance charges for public works services and utility bills. Credit risk is the risk of loss that may occur from the failure of a customer to abide by the terms of conditions of its financial contract with us, principally the failure to make required payments on amounts due to us. Our customers pay in instalments for projects during the construction period based on the percentage of completion and also make ongoing payments for our infrastructure services. The credit risk we face is mitigated by the terms of the standard agreements with our buyers whereby the property may be returned to us in the event of a customer's failure to pay its instalments.

Related Party Transactions

For details in relation to the related party transactions, see “Financial Statements” on page 310.

Inflation

In recent years, India has experienced fluctuations in inflation rates. Inflation has had an impact on our business and results of operations, primarily on our construction costs and costs of raw materials. See “ – *Factors Affecting Our Results of Operations – Construction Costs*”.

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. Our business is also cyclical and fluctuates in line with the general economic cycles impacting the hospitality, tourism, education and real estate sectors. While we generally do not believe that our business is seasonal, our revenues and cash flows in the hospitality industry are affected by seasonality depending on the location and categories of hotels. In Fiscal Year 2014, Lavasa attracted the maximum number of tourists during the months of November to May and we expect that this may continue going forward. Accordingly, we expect that our hospitality revenues may generally be higher during these months of each Fiscal Year compared to the other months of the Fiscal Year.

Unusual or Infrequent Events or Transactions

To our knowledge, except for the stop work notice from the MoEF and its impact on our business, financial condition and results of operations as described above, there have been no other unusual or infrequent events or transactions that may be described as “unusual” or “infrequent” and may have taken place during the last three years, except as disclosed in this Draft Red Herring Prospectus.

Future Relationship between Costs and Income

Other than as described in this section and the sections “Risk Factors” and “Our Business”, to our knowledge, there are no known factors which will materially impact the future relationship between our operations and revenues.

Significant Economic Changes

Except as described herein and in “Industry Overview” and “Risk Factors”, there have been no significant economic changes that could affect our income from continuing operations.

Known Trends or Uncertainties

Except as described in this Draft Red Herring Prospectus in general and “Risk Factors” and this section in particular, to the best of our knowledge and belief, there are no known trends or uncertainties that have or had or are expected to have any material adverse impact on our revenues or income from continuing operations.

New Products or Business Segments

There are currently no publicly announced new products or business segments. For further details on our business strategy, see “Our Business — Our Strategy” and “Risk Factors”.

Dependence on a Few Suppliers/Customers

Apart from Steiner India Limited, with whom we have entered into a master construction agreement (See “Our Business – Our Development Process Flow – Construction”). We do not depend on any particular supplier or customer.

Material Increases in Revenue due to Increased Sales Volume, Introduction of New Products or Increased Sales Prices

The “Results of Operations” above discusses any increases or decreases in our revenues for Fiscal Year 2014 compared to Fiscal Year 2013 and Fiscal Year 2013 compared to Fiscal Year 2012 due to, among other factors, increased sales volume, introduction of new products and/or increased sales prices, as applicable to our business and our results of operations for the periods discussed.

Total Turnover of Each Major Industry Segment

Our Company predominantly operates in a single segment and hence no separate industry segment is required to be reported under Indian GAAP.

Competitive Conditions

We operate in a competitive environment. For further details, please refer to the discussions of our competition in the sections “Risk Factors” and “Our Business”.

Auditor Remarks

The following table sets forth a summary of reservations, qualifications and adverse remarks by our auditor for the previous five financial years and the current status of the issue and the impact on our financial statements and financial position, if any:

Fiscal Year	Auditor remarks	Financial Statement Impact and our comments
2014	Qualification in the auditors' reports to the consolidated financial statements which is not adjusted to the restated consolidated summary statements: “For the year ended March 31, 2014, in respect of the matters relating to Order of the Ministry of Environment and Forests according environment clearance (EC) which are subject to compliance of terms and conditions vide Order dated November 09, 2011, the liability if any, in respect of conditions set therein, is unascertainable. Refer note 2.36 to the consolidated financial statements. (Refer note no. 9(a) of Annexure XXIII F) Note 2.36 to the consolidated financial statements mentioned above reads as follows: ‘Ministry of Environment & Forests (MoEF), Government of India, vide its order dated 9th November, 2011 accorded Environment Clearance (EC) to 1st Phase. Accordingly construction has resumed at project site.’”	The environmental clearance dated November 9, 2011 (the “EC Approval”), received by us for the development and construction of the first phase of the hill station township on a plot area of 2,048 hectares from the MoEF is subject to strict compliance of the terms and conditions as stipulated in the EC Approval. The EC Approval further states that the MoEF reserves the right to add additional safeguard measures and if necessary can revoke the EC Approval in case of non-compliance of any of the conditions under applicable environmental laws. We are required to file a compliance report every six months with MoEF demonstrating compliance with the stipulated conditions in the EC Approval. We have filed an appeal before the NGT against some of the conditions imposed on us under the EC Approval and have sought a dispensation from compliance of these conditions. Our appeal is currently pending before the NGT. For further details see “Outstanding Litigation and Material Developments” on page 456. Construction and development resumed at project site in accordance with the EC Approval. As the liability, if any, in respect of the conditions in the EC Approval is unascertainable, no adjustments have been made in the audited restated financial statements.
2013	Qualification in the auditors' reports to the consolidated financial statements which is not adjusted to the restated consolidated summary statements: “For the year ended March 31, 2013, in respect of the matters relating to Order of the Ministry of Environment and Forests according environment clearance (EC) which are subject to compliance of terms and conditions vide Order dated November 09, 2011, the liability if any, in respect of conditions set therein, is unascertainable. Refer note 2.35 to the consolidated financial statements.(Refer note no. 9(b) of Annexure XXIII F) Note 2.35 to the consolidated financial statements mentioned above reads as follows: ‘Ministry of Environment & Forests (MoEF), Government of India, vide its order dated 9th November, 2011 accorded Environment Clearance (EC) to 1st Phase. Accordingly construction has resumed at project site.’”	The environmental clearance dated November 9, 2011 (the “EC Approval”), received by us for the development and construction of the first phase of the hill station township on a plot area of 2,048 hectares from the MoEF is subject to strict compliance of the terms and conditions as stipulated in the EC Approval. The EC Approval further states that the MoEF reserves the right to add additional safeguard measures and if necessary can revoke the EC Approval in case of non-compliance of any of the conditions under applicable environmental laws. We are required to file a compliance report every six months with MoEF demonstrating compliance with the stipulated conditions in the EC Approval. We have filed an appeal before the NGT against some of the conditions imposed on us under the EC Approval and have sought a dispensation from compliance of these conditions. Our appeal is currently pending before the NGT. For further details see

Fiscal Year	Auditor remarks	Financial Statement Impact and our comments
		“Outstanding Litigation and Material Developments” on page 456. Construction and development resumed at project site in accordance with the EC Approval. As the liability, if any, in respect of the conditions in the EC Approval is unascertainable, no adjustments have been made in the audited restated financial statements.
2012	Qualification in the auditors’ reports to the consolidated financial statements which is not adjusted to the restated consolidated summary statements: “For the year ended March 31, 2012, liability, if any, in respect of matters arising from the Order of the Ministry of Environment and Forests, detailed in Note 2.36 to the consolidated financial statements, is unascertainable. (Refer note no. 9(c) of Annexure XXIII F) Note 2.36 to the consolidated financial statements mentioned above reads as follows: ‘Ministry of Environment & Forests (MoEF), Government of India, vide its order dated 9th November, 2011 accorded environment clearance (EC) to 1st Phase comprising of 2000 ha of Lavasa project subject to compliance of terms & conditions specified therein. Action plan has been prepared and submitted to the ministry with regard to earmarking of funds towards Corporate Social Responsibility. The Company has prayed for setting aside certain conditions stated in the Environmental Clearance in an appeal filed under the relevant Act. Accordingly construction has resumed at project site.’”	The environmental clearance dated November 9, 2011 (the “EC Approval”), received by us for the development and construction of the first phase of the hill station township on a plot area of 2,048 hectares from the MoEF is subject to strict compliance of the terms and conditions as stipulated in the EC Approval. The EC Approval further states that the MoEF reserves the right to add additional safeguard measures and if necessary can revoke the EC Approval in case of non-compliance of any of the conditions under applicable environmental laws. We are required to file a compliance report every six months with MoEF demonstrating compliance with the stipulated conditions in the EC Approval. We have filed an appeal before the NGT against some of the conditions imposed on us under the EC Approval and have sought a dispensation from compliance of these conditions. Our appeal is currently pending before the NGT. For further details see “Outstanding Litigation and Material Developments” on page 456. Construction and development resumed at project site in accordance with the EC Approval. As the liability, if any, in respect of the conditions in the EC Approval is unascertainable, no adjustments have been made in the audited restated financial statements.
2011	Qualification in the auditors’ reports to the consolidated financial statements which is not adjusted to the restated consolidated summary statements: “For the year ended March 31, 2011, in respect of the matters relating to Notices / Orders of the Ministry of Environment and Forests, detailed in Note ‘19’ of schedule ‘P’ to the consolidated financial statements, the liability in respect of the foregoing, if any, is unascertainable. (Refer note no. 9(d) of Annexure XXIII F) Note 19 to the consolidated financial statements	The environmental clearance dated November 9, 2011 (the “EC Approval”), received by us for the development and construction of the first phase of the hill station township on a plot area of 2,048 hectares from the MoEF is subject to strict compliance of the terms and conditions as stipulated in the EC Approval. The EC Approval further states that the MoEF reserves the right to add additional safeguard measures and if necessary can revoke the EC Approval in case of non-compliance of any of the conditions under applicable

Fiscal Year	Auditor remarks	Financial Statement Impact and our comments
	mentioned above reads as follows: “The Ministry of Environment and Forests, Government of India (MoEF), has issued show cause notice dated 25th November 2010 to the Company alleging violations of the provisions of environment (Protection) Act, 1986 and directing the Company to maintain status quo for construction/development. The Company has filed Writ Petition in Bombay High Court being No. 9448 of 2010 for quashing the said show cause notice and status quo, which Petition has been admitted by the Hon’ble Bombay High Court. By order dated 17.1.2011, the MoEF has observed that the Company is in violation of Environment Impact Assessment Notifications, however MoEF is prepared to consider the project on merits subject to terms and conditions including imposition of penalty and creation of environment restoration fund. The order of status quo is continued.” “Against the order dated 17.1.2011 the Company has filed Writ Petition being No. 811 of 2011 in Bombay High Court. Both the Writ Petitions are pending. The Company has filed without prejudice application with MoEF for grant of environment clearance (EC) for its 1st Phase (2000 ha) and the same is under consideration of MOEF. MOEF order is awaited. The liability in respect of the foregoing litigations, if any, is unascertainable, and hence no provisions have been made in the books of accounts.”	environmental laws. We are required to file a compliance report every six months with MoEF demonstrating compliance with the stipulated conditions in the EC Approval. We have filed an appeal before the NGT against some of the conditions imposed on us under the EC Approval and have sought a dispensation from compliance of these conditions. Our appeal is currently pending before the NGT. For further details see “Outstanding Litigation and Material Developments” on page 456. Construction and development resumed at project site in accordance with the EC Approval. As the liability, if any, in respect of the conditions in the EC Approval is unascertainable, no adjustments have been made in the audited restated financial statements.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, (i) there are no winding up petitions, no outstanding litigations, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against our Company, Subsidiaries, Directors, Promoters and Group Companies or against any other company whose outcome could have a materially adverse effect on the business, operations or financial position of our Company, and (ii) there are no defaults including non-payment or overdue of statutory dues, overdues to banks or financial institutions, defaults against banks or financial institutions or rollover or rescheduling of loans or any other liability, defaults in dues payable to holders of any debenture, bonds and fixed deposits or arrears on cumulative preference shares issued by our Company Promoters or Group Companies defaults in creation of full security as per the terms of issue/other liabilities, proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company except as stated below, and (iii) no disciplinary action has been taken by SEBI or any stock exchange against our Company, Subsidiaries, Directors, Promoters and Group Companies.

There are no undertakings covered under Micro, Small and Medium Enterprises (Development) Act, 2006 to whom principal amount due is outstanding for more than 45 days. There are no disputes with such entities in relation to payments to be made to them.

Litigation against our Company

Public Interest Litigations

1. Nanasaheb Vasantrao Jadhav (the “Petitioner”) has filed a public interest litigation (no. 109 of 2013) before the Bombay High Court against the State of Maharashtra, our Company and three others, challenging the amendments to Section 63-1A of the Bombay Tenancy and Agricultural Lands Act, 1948 and Sections 2(27), 44, 159 and 124F of the Maharashtra Regional and Town Planning Act, 1966, and the incorporation of Chapter IIIA in the latter, respectively (collectively, the “Amendments”). It is argued by the Petitioner that, by virtue of the Amendments, the allegedly illegal purchase of land by our Company for the project since 1996 would be rendered legal with retrospective effect. The Petitioner has prayed that the Amendments be declared void and ultra vires the Constitution of India, 1950, as the process prescribed for undertaking amendments under Article 213 had not been followed, and that the purchase of land by our Company since 1996 be declared void *ab initio*. Our Company, in its reply, has denied the allegations of the Petitioner and has stated that the Amendments were constitutionally valid. Our Company has further submitted that the petition be dismissed with compensatory costs as it suffers from delay and laches. The matter is currently pending.
2. Shamsunder Haribhau Potare (the “Petitioner”) has filed a public interest litigation (no. 148 of 2006) before the Bombay High Court and has sought the cancellation of allotments of land by the Maharashtra Krishna Khore Vikas Mahamandal (“MKKVM”) to all the allottees including allotments of land admeasuring 141.15 hectares to our Company. The Petitioner has further sought that MKKVM take back possession of the allotted lands. The Petitioner has argued that this allotment of land is against the objects of the Maharashtra Krishna Valley Development Corporation Act, 1996 (the “MKVDC Act”) which provides for the protection and operation of irrigation projects and generation of hydro electric energy and that the allotment does not fulfill the purpose of the MKVDC Act. Our Company has filed its affidavit in reply arguing that the allotment was made for the purpose of constructing bandharas, and for developing the supply of water to the hill station being developed by our Company, water sports, tourism and other recreational activities. Our Company has further submitted that the allotment was in line with the purposes of the MKVDC Act and therefore is valid under Sections 18, 19 and 28 of the MKVDC Act which provide that the function of the MKKVM is to promote and operate irrigational projects, plan, design and construct irrigational projects and promote tourism, water sports and other related activities and empowers MKKVM to acquire property and lease or sell land for the performance of its functions and duties. Our Company has sought that the public interest litigation be dismissed. The Bombay High Court by an interim order dated December 19, 2007 has directed the respondent-allottees not to alienate the property or create any third party interest in the property. The matter is currently pending.

3. Bhagatraj G. Ahuja (the “Petitioner”) has filed a public interest litigation (no. 122 of 2008) before the Bombay High Court and has sought revocation and cancellation of allotments of land made by the Maharashtra Krishna Khore Vikas Mahamandal (“MKKVM”) to all the allottees including the allotment of land admeasuring 141.15 hectares to our Company. The Petitioner has argued that the allotment of land was illegal as it was in contravention of the Maharashtra Krishna Valley Development Corporation Act, 1996 (the “MKVDC Act”) and the Maharashtra Land Revenue Code, 1966 and the rules thereof. The Petitioner has argued that the allotment of land was against the objects of the MKVDC Act which provides for the promotion and operation of irrigation projects and generation of hydro electric energy and the allotment did not carry out the purpose of the MKVDC Act. The Petitioner has further argued that MKKVM has made allotments in contravention of rules of the Maharashtra Land Revenue (Disposal of Government Lands) Rules, 1971 which put a ceiling on the land that can be allotted and the terms and conditions for such allotment. Our Company has filed its affidavit in reply arguing that the allotment was made for the purpose of constructing bandharas and for developing the supply of water to the hill station being developed by our Company, water sports, tourism and other recreational activities and is valid under Sections 18, 19 and 28 of the MKVDC Act. These Sections provide the functions of the MKKVM including the function of promoting and operating irrigational projects, planning, designing and constructing irrigational projects and promoting tourism, water sports and other related activities. It empowers the MKKVM to acquire property and lease or sell for the performance of its functions and duties. Our Company has sought that the public interest litigation be dismissed. The matter is currently pending.

4. Shamsunder Haribhau Potare (the “Petitioner”) has filed a public interest litigation (no. 2 of 2009) before the Bombay High Court against the State of Maharashtra, our Company and two others. The Petitioner has alleged that our Company has purchased more than 10,000 acres of land in violation of Sections 9 and 10 of the Maharashtra Agricultural (Ceiling on Holdings) Act, 1961 (the “Ceiling Act”). Section 9 read with Section 10 of the Ceiling Act states that any land purchased in excess of the ceiling area shall be forfeited and shall vest in the State Government. The Petitioner has argued that the purchase of land by our Company defeats the object of the Ceiling Act. The Petitioner has sought that a writ be issued directing the state of Maharashtra and the Collector, Pune to take action under the Ceiling Act with respect to the land purchased by our Company. The Petitioner has also sought an injunction restraining our Company from developing and creating any third party interest in the land purchased by our Company. Our Company has filed an affidavit in reply arguing that it has not violated the Ceiling Act as it had obtained requisite permission to buy land under Section 63-1A of the Bombay Tenancy and Agricultural Lands Act, 1948 which permits a non-agriculturist to purchase agricultural land in excess of 10 hectares for *bonafide* industrial use. Our Company has further argued that the development of the hill station is a bonafide industrial use under the Bombay Tenancy and Agricultural Lands Act, 1948 and has been given the status of an industry under the Hill Station Regulations and the provisions of the Ceiling Act do not apply to the purchase of this land. Our Company has further argued that since the land was purchased for the development of a hill station, it becomes non-agricultural land under Section 44 (A) of the Maharashtra Land Revenue Code, 1966. Our Company has sought that the petition be dismissed with costs. The matter is currently pending.

5. Suniti S.R. and seven others (the “Petitioners”) have filed a public interest litigation (no. 129 of 2014; previously no. 90 of 2010) before the Bombay High Court against our Company; the Union of India through the Ministry of Environment and Forests (“MoEF”); the Environment Department, State of Maharashtra; the Secretary, Urban Development Department, Government of Maharashtra; the Member Secretary, Maharashtra Pollution Control Board (“MPCB”); Regional Officer, MPCB; and the Collector, District Pune. The Petitioners have submitted that the Government of Maharashtra does not have the statutory power to grant the environmental clearance to our Company and that this power can be exercised by the MoEF after following the prescribed procedure. The Petitioners have also alleged that our Company has proceeded with the development of land and construction for the hill station project without obtaining environmental clearance from the MoEF under the EIA Notification, 1994. The Petitioners, *inter alia*, have sought that construction of the hill station project be halted, and that status quo be restored in relation to the site. Our Company, in its reply has stated that the Company has obtained an environmental clearance for the project for land admeasuring 2,000 hectares from the Government of Maharashtra on March 18, 2004. Further, our Company has argued that the EIA Notification, 1994 was not applicable to the extent of such 2,000 hectares, there being no requirement to obtain an environmental clearance from the MoEF under the same. Subsequently, the MoEF issued a notice to our Company on November 25, 2010 requiring that status-quo be maintained on construction and development in relation to the hill station project of our Company. A further order

was issued by the MoEF on January 17, 2011 to our Company stating that an environmental clearance for the hill station project could be considered subject to certain terms and conditions. The Petitioners challenged the said order on the grounds that the MoEF was not empowered to accord post-facto approval to illegal projects. Upon the grant of environmental clearance dated November 9, 2011 by the MoEF, subject to the conditions prescribed, for land area admeasuring 2,000 hectares, the Petitioners vide an affidavit dated December 9, 2011 argued that the said clearance was illegal as the MoEF was not the competent authority to grant the same. Further, it was alleged that the MoEF was not empowered to grant post-facto approval and the clearance had not stipulated certain essential conditions prescribed by the expert committees that had examined the hill station project of our Company. The matter was subsequently transferred to the appellate side of the Bombay High Court and is currently pending.

Civil Proceedings

1. Dyaneshwar Vishnu Shedge (the “Appellant”) has filed an appeal (no. 9 of 2012) before the National Green Tribunal, New Delhi (“NGT”) against our Company; the Ministry of Environment and Forests, Union of India (“MoEF”); and the Member Secretary, Maharashtra Pollution Control Board (“MPCB”) against the environmental clearance dated November 9, 2011 granted by the MoEF to our Company (the “EC Order”). The appellant has contended that the grant of ex-post facto EC Order by the MoEF on the basis that our Company had incurred significant expenditure and that the project had generated employment was invalid and was not contemplated under either the Environment (Protection) Act, 1986 or the EIA Notifications. Further, it is argued that the K.T. Ravindran Committee did not conduct a comprehensive appraisal of the project site. Hence, the appellant has prayed that the EC Order be quashed and a proper amount in damages be imposed upon our Company. Our Company, in our reply has *inter alia* submitted that the Appellant is not a ‘person aggrieved’ due to grant of the environmental clearance and has no locus to file the present appeal. Our Company has also submitted that the EC Order is not in violation of the either the Environment (Protection) Act, 1986 or the EIA Notifications. Our Company has also, vide a transfer petition, sought that the matter be transferred to the Supreme Court, and by an order dated October 19, 2012 the Supreme Court has imposed a stay on any ‘further proceedings’ before the NGT in this matter. However, the NGT by an order dated April 23, 2013, has held that interim proceedings in the present matter could be continued notwithstanding the stay order imposed by the Supreme Court. This order has been challenged by our Company. For further details, see “Litigation by our Company – Civil Proceedings – case no 6. Subsequently, by an order dated May 14, 2013, the NGT took note of the stay order granted by the Supreme Court and adjourned the matter. The matter before the NGT is currently pending.
2. Bandya Bhau Walhekar and another (“Petitioners”) have filed a writ petition (no. 2737 of 2011) before the Bombay High Court against our Company and 12 others alleging that our Company is making efforts to dispossess the Petitioners of their land parcels bearing survey no. 41 hissa no. 2 admeasuring 5 hectares 26.9 R and survey no. 39 hissa no. 4 admeasuring 5 hectares and 66 R, respectively, in village Mugaon, by way of fraud and fabrication. The Petitioners have challenged the notification of the Government of Maharashtra dated June 12, 2008 appointing our Company as a ‘special planning authority’, and have argued that the purchase of tribal lands by our Company is in violation of the Maharashtra Restoration of Land to Scheduled Tribes Act, 1974. Hence, it is prayed that the appointment of our Company as a ‘special planning authority’ be declared illegal and our Company be restrained from dispossessing the Petitioners from the concerned land. Our Company has denied the allegations in our reply and argued that the said writ petition is not maintainable on grounds of jurisdiction. Further, our Company has submitted that the Petitioners have no locus to file the same as their title to the concerned land is itself disputed and that the lands had been transferred by the admission of the Petitioners to third parties. Our Company has denied that the notification dated June 12, 2008 and the appointment of our Company as a ‘special planning authority’ is illegal and has sought that the present petition be dismissed with compensatory costs. The matter is currently pending.
3. Crimson Hospitality Services Private Limited (“Plaintiff”) has filed a civil suit (no. 330 of 2013) before the Bombay High Court against our Company in relation to the termination by our Company of a term sheet between the Plaintiff and our Company dated November 16, 2009 concerning the development of a hotel in Mugaon, Lavasa (the “Term Sheet”). The Plaintiff has stated that it contributed an amount of ₹ 3.21 million in pursuance of the Term Sheet. It is alleged that our Company did not abide by the terms of the Term Sheet, and that the representations made by our Company regarding the viability of the project at the time of entering into the Term Sheet were not accurate. Therefore, the Plaintiff has prayed for a total claim amount of ₹ 13.18 million together with interest. Our Company has replied in

our written statement that the Plaintiff was not a party to the Term Sheet, and that the said Term Sheet was not a binding contract. Further, our Company has argued that the Plaintiff had failed to perform its obligations under the Term Sheet, and the sum contributed by the Plaintiff stood forfeited and that our Company had suffered a loss estimated at ₹ 15 million, which our Company is entitled to set-off against any amounts which may be found due to the Plaintiff. The matter is currently pending.

4. Crimson Hospitality Services Private Limited, Mudhit Gupta, Mohit Gupta and Vinay Bhasin (“Plaintiffs”) have filed a civil suit (no. 2957 of 2010) before the Bombay High Court (“High Court”) against our Company praying for specific performance of a term sheet dated November 16, 2009 entered into in relation to a land parcel in Dasve, Lavasa (“Term Sheet”). It is alleged by the Plaintiffs that pursuant to the said Term Sheet, Crimson Hospitality Services Private Limited had paid our Company an amount of ₹ 1.1 million, subsequent to which our Company did not perform its obligations under the Term Sheet. Hence, the Plaintiff has prayed for the specific performance of the Term Sheet and refund of ₹ 1.3 million, in addition to damages for breach of contract at ₹ 1,000 million or in the alternate, the Plaintiffs have sought ₹ 450 million as compensation. Additionally, the Plaintiffs have sought an injunction from dealing with such property. By an order dated December 7, 2010, the High Court has denied any ad-interim reliefs to the Plaintiffs. Our Company has filed a written statement and the matter is currently pending.
5. Capri Global Capital Limited (“Petitioner”) has filed a company petition (no. 140 of 2014) before the Bombay High Court against our Company seeking the winding up of our Company under Section 434 of the Companies Act, 1956. The Petitioner has alleged that our Company has failed to clear dues of ₹ 31.51 million and ₹ 3.87 million as due under mandate letters dated August 4, 2008 and November 17, 2008, respectively, entered into between the Petitioner and our Company. The matter is currently pending.
6. Brian Robert Grimwade (the “Plaintiff”) has filed a summary suit (no. 1416 of 2008) against our Company before the Bombay High Court, for recovery of alleged dues payable to him on the termination of his services. The Plaintiff has claimed three months salary in lieu of termination of his services and the arrears of salary to the tune of USD 202,907.72. Our Company filed an affidavit in reply to the summons for judgement stating that the Plaintiff is not entitled to claim any amount from our Company. Thereafter, the Plaintiff took out chamber summons (no. 1123 of 2009) and as per the orders passed in the chamber summons, the plaint has been amended and the claim amount has been reduced to USD 60,211.72. Our Company, through its written submissions, has submitted that it is entitled to recover USD 19,716 from the Plaintiff on account of his failure to complete the stipulated three months’ notice period and is also entitled to claim damages for the losses caused to our Company due to the Plaintiff’s unilateral absence from work. The Bombay High Court has by an order dated November 18, 2011 directed our Company to deposit a sum of USD 6,996 in Indian currency. Our Company has complied with the order of the Bombay High Court. The matter has been transferred to the Bombay City Civil Court and is currently pending.
7. M/s Classic Enterprises (the “Plaintiff”) has filed a summary suit (no. 698 of 2012) before the Civil Judge, Junior Division, Pune, against our Company for recovery of outstanding payments in relation to supply of stationary amounting to ₹ 287,789, including incidental expenses and ₹ 64,380 for delayed payment. Our Company, has argued that the Plaintiff supplied goods in excess of what had been ordered and had raised invoices at a higher than agreed rate. Further, our Company has stated that the Plaintiff was entitled to an amount of only ₹ 68,016, which had been withheld as the Plaintiff had not settled accounts with our Company. The matter is currently pending.
8. Jenjon Retail & Services Private Limited (the “Plaintiff”) has filed a regular civil suit (no. 1635 of 2013) before the Civil Judge, Junior Division, Pune against our Company and 15 others (the “Defendants”). The Plaintiff occupied retail premises at village Dasve for operating a coffee bar by virtue of an agreement with our Company, which expired on March 31, 2013. Thereafter, upon our Company having refused to extend the said agreement, the Plaintiff has prayed for a declaration that the Defendants have no right to dispossess the Plaintiff of the premises without recourse to the process of law and that the Defendants be prevented from creating any third party rights on the premises or obstructing the Plaintiff in carrying out its activities therein. The matter is currently pending.
9. Amey Ashok Deshpande and others (the “Plaintiffs”) have filed a regular civil suit (no. 756 of 2011) before the Civil Judge, Senior Division, Pune against our Company and others for properties admeasuring approximately 12 hectares 58 ars bearing survey nos. 45/1/2/1, 45/1/2/2, 89/1+2, 106/1

and 125/1/1 of village Dasve. The Plaintiffs have alleged that they are the legal heirs of the original owners of the aforementioned properties. The Plaintiffs have further argued that the other defendants, including the grandfather, father and other relatives of Amey Ashok Deshpande had sold the suit properties without considering their rights, to one Sharad Daibhate, who further sold the said property to our Company. The Plaintiffs are seeking an order that the sale deeds entered into by their forefathers and the subsequent sale deeds are not binding on the Plaintiffs. The matter is currently pending.

10. Anubai Sopan Yenpure and others (the “Plaintiffs”) have filed a regular civil suit (no. 832 of 2010) before the Civil Judge, Senior Division, Pune against Narayan Ganpat Shedge, our Company and others (the “Defendants”). The Plaintiffs are alleging that the lands bearing survey nos. 4/2, 7/1, 44/3, 57/8, 68/2/1, 68/2/2, 68/2/3, 70/2/3/2 and 97/3 of village Dhamanohol, Taluka Mulshi, District Pune are their ancestral properties, and that two of the Defendants, Narayan Ganpat Shedge and Genu Ganpat Shedge, without any authority, sold the said properties to the other Defendants, including our Company. The Plaintiffs have sought a declaration that they are the owners of the suit lands and that the sale deeds executed between Defendants are null and void. The matter is currently pending.
11. Biru Kondu Bavdhane (the “Plaintiff”) has filed a regular civil suit (no. 2154 of 2013) before the Civil Judge, Junior Division, Pune against our Company and others. The suit property admeasuring 00 hectares 20.2 ars bearing survey nos. 43/1 d of village Mugaon. Kondu Padu Bavdhane was the original owner of the suit property. Padu Kondu Bavdhane as a power of attorney holder of Kondu Padu Bavdhane sold the said property to another Defendant Diwakar, who in turn, sold the said property to our Company. The Plaintiff is claiming to be the legal heir of Kondu Padu Bavdhane and alleging that act of Padu Kondu Bavdhane was illegal as Kondu Padu Bavdhane had demised before execution of sale deed in favour of Diwakar and on this ground the Plaintiff is claiming ownership on suit property. The Plaintiff is asking for cancellation of sale transactions in favour of Diwakar and subsequent sale transaction in favour of our Company. The matter is currently pending.
12. Chababai Padwal and others (the “Plaintiffs”) have filed a regular civil suit (no. 2212 of 2012) before the Civil Judge, Senior Division, Pune against our Company and others (the “Defendants”) in relation to suit property admeasuring 1 hectare 28 ars bearing survey nos. 19/7, 26/5/1, 35/5 and 37/3 of village Palse. Our Company had purchased the said properties from two of the Defendants, Ganesh Gupta and Satyendra Bhagat. The Plaintiffs have claimed that they are the co-owners of said properties and that the Defendants had cheated them and had illegally registered a sale deed for the said properties. The Plaintiffs have prayed for the cancellation of the sale transactions in favour of and among the Defendants, including the sale transaction in favour of our Company. The matter is currently pending.
13. Devrao Bhivrao Pasalkar has filed a special civil suit (no. 62 of 2011) before the Civil Judge, Junior Division, Pune against our Company and others (the “Defendants”) in relation to. suit property bearing gat nos. 17, 23, 48, 54, 71, 87, 92, 98, 100, 105, 106, 111, 137, 226, 235, 243, 255 and 257 of village Mose. One Bhivrao Pasalkar was the original owner of the said property he appointed Arvind Yashvant Bhale as his power of attorney holder and subsequently, the power of attorney holder sold parts in said property to our Company. The Plaintiff has alleged that no such power of attorney was given and therefore, has prayed for the cancellation of the sale deed in favour of our Company. The matter is currently pending.
14. Gena Ramaji More (the “Plaintiff”) has filed a civil suit (no. 5592 of 2013) before the Civil Judge, Junior Division, Pune against our Company and others (the “Defendants”) in relation to suit property admeasuring 1 hectare 65 ars bearing survey nos. 63/1, 65/1 and 67/1 of village Dasve. Our Company had purchased the said properties from one Arvind Bhale. The Plaintiff has prayed that the original sale of the suit property in favour of Arvind Bhale and the subsequent sale by Arvind Bhale in favour of our Company be declared invalid. The matter is currently pending.
15. Kisabai Polekar and others have filed a civil suit (no. 2066 of 2013) before the Civil Judge, Junior Division, Pune against our Company and others (the “Defendants”) in relation to suit properties bearing survey nos. 15/1, 22/1, 35/2, 47/4, 49/3, 50/2, 58/3 and 94/2 of village Dhamanohol. The Plaintiffs had sold the said properties to Kashinath Jagtap, who in turn, sold them to our Company. The Plaintiffs allege that they did not sell said properties and therefore the subsequent transactions by Defendant in relation to the said properties are invalid. Hence, the Plaintiffs are asking for cancellation of transactions in favour of Kashinath Jagtap and the subsequent sale to our Company. The matter is currently pending.

16. Kisan Narayan Dabade and another (the “Plaintiffs”) have filed a civil suit (no. 1682/2009) before the Civil Judge, Junior Division, Pune against our Company and others (the “Defendants”) in relation to suit properties bearing survey nos. 8/3 and 37/3 of village Sakhari. Our Company had purchased the said properties from Plaintiffs, who had sold them through their power of attorney holders. The Plaintiffs have denied the execution of any such power of attorney and have prayed for cancellation of the sale deeds in favour of our Company. The matter is currently pending.
17. Kondiba Pandhekar and others (the “Plaintiffs”) have filed a civil suit (no. 5287 of 2012) before the Civil Judge, Senior Division, Pune against our Company and others (the “Defendants”) in relation to suit properties bearing survey nos. 1/1, 1/2, 2/3, 3/4, 3/5, 6/2, 14/1+2, 26/1+2, 26/1/1/2, 27/1, 28/1+2, 29/2, 29/4, 29/10, 29/12, 30/1, 30/5 of village Koloshi. The Plaintiffs had caused to sale some properties out of suit properties to our Company through their power of attorney holders. The Plaintiffs have denied the execution of any power of attorney and have prayed for an order to declare sale deeds in favour of our Company as illegal and invalid. The matter is currently pending.
18. Vasanti Gorad (the “Plaintiff”) has filed a civil suit (no. 3915 of 2012, previously 625 of 2010) before the Civil Judge, Pune against our Company and others challenging the sale of the suit property bearing survey no. 30/2, 44/2, 56/1, 12/2, 31/1 and 120/2 in village Dhamanohol to our Company by the brother and mother of the Plaintiff. The matter is currently pending.
19. Vasanti Gorad (the “Plaintiff”) has filed a civil suit (no. 3916 of 2012, previously 626 of 2010) before the Civil Judge, Pune against our Company and others challenging the sale of part of the properties at survey no. 52/1/2/3, 92/2, 100/5, 30/2, 44/2, 56/1, 58/2, 121, 137/6, 28/3, 53/7, 57/6 and 134/1 in village Dhamanohol to our Company by the brother and mother of the Plaintiff. The matter is currently pending.
20. Bhaskar Mohol (the “Plaintiff”) has filed a special civil suit (no. 684 of 2012) before the Civil Judge, Pune against our Company alleging that his property had been encroached upon at the time of development of a road towards the hill station project. The Plaintiff has stated that during the construction of the road in village Mutha, our Company has caused damage to his property. The matter is currently pending.
21. Kondiba Ughade (the “Plaintiff”) has filed a civil suit (no. 1834 of 2013) before the Civil Judge, Senior Division, Pune against our Company and others (the “Defendants”) in relation to the suit property bearing survey nos. 35/1/5 and 35/1/7 of village Gadale. The suit property bearing survey no. 35/1/5 was purchased by our Company from the Plaintiff, while the other suit property at survey no. 35/1/7 was purchased by our Company from the Defendants Dhaku Zilu, Rambhau Zilu and Laxman Zilu, respectively, and in these both transactions, Sadik Maula Shaikh acted as power of attorney holder of the Plaintiff, Dhaku Zilu, Rambhau Zilu and Laxman Zilu. The Plaintiff has denied the existence of any power of attorney in favour of Sadik Maula Shaikh. Hence, the Plaintiff has prayed for cancellation of sale deeds in favour of our Company. The matter is currently pending.
22. Krishana Pasalkar and others (the “Plaintiffs”) have filed a civil suit (no. 2695 of 2012) before the Civil Judge, Junior Division, Pune against our Company in relation to suit property admeasuring 1 hectare 98 ars bearing gat nos. 14, 71 and 102 of village Mose. Our Company had purchased the said properties from the Plaintiffs. However, the Plaintiffs are alleging that the relevant sale deed in favour of our Company was executed and registered by fraud. The Plaintiffs have further alleged that they had not received the entire consideration for the transaction. The Plaintiffs have prayed for cancellation of sale deed executed in favour of our Company. The matter is currently pending.
23. Laxman Marane (the “Plaintiff”) has filed a civil suit (no. 531/2014) before the Civil Judge, Junior Division, Pune against our Company in relation to the suit property admeasuring 1 hectare 58.5 ars bearing survey nos. 12/2/2 of village Dasve. Our Company had purchased the suit property from the wife of Plaintiff. The Plaintiff has alleged that he had purchased the suit property in the year 1979 from the then owner but by fraud, the Plaintiff’s wife succeeded to mutate her name as owner of said property and that she sold suit property illegally. Hence, the Plaintiff has prayed for cancellation of the sale deed executed by his wife in favour of our Company. The matter is currently pending.
24. Leelabai Margale and others (the “Plaintiffs”) have filed a civil suit (no. 963 of 2013) before the Civil Judge, Junior Division, Pune against our Company and others (the “Defendants”) in relation to the suit property bearing survey nos. 31 and 36 of village Mugaon. The Plaintiffs have claimed that the said

property was purchased by their forefathers but their names were not recorded in revenue records and subsequently these properties were purchased by our Company. The Plaintiffs have claimed that they are in possession of the said properties and that our Company is attempting to encroach upon the suit property. The matter is currently pending.

25. Maruti Laxman Padwal (the “Plaintiff”) has filed a civil suit (no. 2079 of 2013) before the Civil Judge, Junior Division, Pune against our Company and others in relation to a suit property bearing gat no. 185 of village Saiv Bk. Our Company has purchased the said property from Vijay Devkar, who in turn had purchased it from Daryakush Koopar and Zarir Koopar, who in turn had purchased it from Kishor Phadake, who had purchased the property from Ananta Laxman Padwal. The Plaintiff has claimed the suit property as his ancestral property and has sought cancellation of all subsequent transactions. The matter is currently pending.
26. Nathu M. Kokare (the “Plaintiff”) has filed a civil suit (no. 1533 of 2010) before the Civil Judge, Senior Division, Pune in relation to suit property bearing survey nos. 35/1, 36/1, 38/2, 42/1+2, 34/4 and 41/1 of village Dhamanhol. One Padu Margale was the original owner of suit properties. After the demise of Padu Margale, the said properties devolved to his legal heirs. The said legal heirs of Padu Margale sold the suit property to various persons including our Company. The Plaintiff is alleging that he is also a legal heir of Padu Margale but his share was not considered by his brother Dhondur Kokare and the other Defendants. The Plaintiff has sought a partition of suit property. The matter is currently pending.
27. Nathubai Sapkal (the “Plaintiff”) has filed a civil suit (no. 410 of 2011) before the Civil Judge, Senior Division against our Company and others in relation to suit property bearing gat no. 92 of village Warasgaon. The Plaintiff was a co-owner of the suit property and had appointed one Balasaheb Nathu Padwal as his power of attorney holder who had along with the other owners sold the suit property to our Company. The Plaintiff has alleged that by sending a registered notice and publishing a public notice, the said power of attorney had been revoked, and therefore the act of Balasaheb Nathu Padwal is illegal and void. Hence, the Plaintiff has prayed for cancellation of said sale deed in favour of our Company. The matter is currently pending.
28. Prajkata Deshmukh and another (the “Plaintiffs”) have filed civil suit (no. 2304 of 2011) before the Civil Judge, Junior Division, Pune against the Company and others in relation to the suit property admeasuring approximately 3 hectares 69.5 ars bearing survey nos. 17/1, 20/1 and 22/1 of village Bembatmal. Our Company has purchased the suit properties from one Sangita Dhindale. Initially the said Sangita Dhindale had purchased the suit property from the father and brother of the Plaintiffs. The Plaintiffs have claimed that while transferring the said property, their rights over the said property were not considered by their father. Therefore, the Plaintiffs have prayed to declare them as owner of suit properties. The matter is currently pending.
29. Ramchandra Laxman Jambhale and others (the “Plaintiffs”) have filed this civil suit (no. 4911 of 2012) before the Civil Judge, Senior Division, Pune against our Company and others (the “Defendants”) in relation to the suit properties admeasuring approximately 00 hectares 89 ars bearing survey nos. 29/3 and 30/8 of village Koloshi. One Laxman Nama Jambhale was the original owner of the suit properties. He himself through his power of attorney holder caused to sell the suit properties. The Plaintiffs are claiming themselves to be the legal heirs of the said Laxman Nama Jambhale, and have argued that Laxman Nama Jambhale had never appointed a power of attorney holder. The Plaintiffs allege that acts of Suresh Sabale and Bhagu Sabale, as the power of attorney holders of Laxman Nama Jambhale, to sell the suit properties to our Company is illegal. The Plaintiffs have sought a declaration that the sale deed in favour of our Company be declared illegal. The matter is currently pending.
30. Ramchandra Pasalkar and others (the “Plaintiffs”) have filed a civil suit (no. 979 of 2013, previously 5979 of 2012) before the Civil Judge, Junior Division, Pune against our Company and others (the “Defendants”) in relation to suit property bearing gat no. 213, 225, 307, 399, 217, 379, 410, 448, 449, 453, 254, 289, 290 and 444 of village Saiv (Budruk), of which a prayer has been made for properties bearing gat no. 213, 225 and 307. Our Company has purchased the said properties from various investors who had purchased it from the Plaintiffs and their family members. The Plaintiffs have claimed that they never intended to sell their share but that the Defendants had cheated them and executed the sale deed. The matter is currently pending.
31. Samir Warghade and Ganesh More (“Plaintiffs”) have filed a civil suit (no. 2103 of 2013) before the

Civil Judge, Pune against our Company and others (the “Defendants”). The Deshpande family were the original owners of the entire property bearing survey nos. 80/1 of village Dasave. One Kalu Bahgu Margale purchased part of said entire property, but as the said property was a watan land, absolute title was not passed to him and hence his name was recorded in the other rights column of the 7/12 extract. Through various sale deeds, our Company purchased a major portion of said property from the Deshpande family, and legal heirs of Kalu Bahgu Margale were made party to the transactions between the Deshpande family and our Company. Further, in a revenue proceeding, it was held that the Margales who were party to our Company’s transaction were not real legal heirs of Kalu Bahgu Margale and accordingly the names of Dhondabai Kokare and Bhikabai Kokare (“Kokares”) were recorded in other rights column of the said property. Further, the Plaintiffs had entered in to a sale deed with Kokares being persons from other rights column, but the names of purchaser are recorded in owners column instead of other rights column. Revenue litigation to correct this error is in process. In this civil suit Plaintiffs have alleged that our Company is trying to encroach in Plaintiffs’ share in said property and therefore the Plaintiffs have prayed to restrain our Company from such act. The matter is currently pending.

32. Shashikant Deshpande (the “Plaintiff”) has filed a civil suit bearing (no. 4426 of 2012) before the Civil Judge, Pune against our Company and others in relation to the suit property admeasuring approximately 00 hectares 78 ars bearing survey nos. 17/1, 20/1 and 22/1 of village Bembetamal. Our Company has purchased the said properties from Sangita Dhindale, who in turn had purchased it from father of the Plaintiff. The Plaintiff has claimed that the suit properties are his ancestral properties and has prayed to declare him as owner of said property. The matter is currently pending.
33. Sheela Athyanthaya (the “Plaintiff”) has filed this civil suit (no. 5583 of 2012) before the Civil Judge, Senior Division, Pune against our Company and others (the “Defendants”) in relation to suit property admeasuring 00 hectares 30 ars bearing gat no. 227 of village Mose. Our Company has purchased the suit property from M/s Yashomala Leasing and Finance Limited and Arvind Bhale. The Plaintiff has alleged that prior to our Company, one Sheela Rege had purchased the suit property and had further sold the property to the Plaintiff. Hence, the Plaintiff has prayed for the cancellation of the sale deed in favour of our Company. The matter is currently pending.
34. Sheelabai Pasalkar (the “Plaintiff”) has filed a civil suit (no. 247 of 2014) before the Civil Judge Pune against our Company in relation to suit properties bearing survey nos. 12/1, 17/3, 29/5, 29/11 and 30/4 of village Koloshi. The Plaintiff has prayed for partition of the said properties and for a restraining order against our Company. The matter is currently pending.
35. Sulochana Deshpande and others (the “Plaintiffs”) have filed a regular civil suit bearing (5845 of 2012) before the Civil Judge, Senior Division, Pune against our Company and Ashok Deshpande, the suit properties bearing survey nos. 37/4, 51/4, 79/1/1+2+5+6, 80/1, 83/1, 86/1, 87/1, 88/1, 94/1, 103/1, 108/1, 112/1, 113/1, 114/1, 115/1, 116/1 and 117/1 of village Dasve and properties bearing S. No. 78/1, 83/1 and 122/2 of village Dhamanohol. Sulochana Deshpande is the mother of Ashok Deshpande and Dilip Deshpande, while Swati Gupte and Sangita Deshpande are their sisters. The said Ashok Deshpande and Dilip Deshpande, along with their other family members, sold the suit properties to various investors from whom our Company has purchased the same. The Plaintiffs have claimed that suit properties are their joint family properties and that their ownership right was not considered by their family members while selling said properties and therefore transactions by Defendants in favour of our Company are not binding on their share. Our Company has filed its written statement in the matter. The matter is currently pending.
36. Vijay Shantaram More (the “Plaintiff”) has filed a civil suit (no. 49 of 2011) before the Civil Judge, Junior Division, Pune against our Company in relation to suit property admeasuring approximately 01 hectares 91 ars bearing survey nos. 40/5+6+7 in village Dasve. Our Company has purchased said property from one Anjali Nivaskar, who had previously purchased the said property from the grandfather of the Plaintiff. The Plaintiff has alleged that said property is purchased by him and that the said transfer in the name of Anjali Nivaskar and other transactions are illegal. The Plaintiff has sought an order to declare the purchase by our Company as illegal and void. The matter is currently pending.
37. Yashodabai Raghu Yadav (the “Plaintiff”) has filed this civil suit (no. 1427 of 2011) before the Civil Judge, Pune against our Company and others (the “Defendants”) in relation to the suit properties bearing gat no. 226, 241, 242, 265, 267, 275, 277, 279, 281 and 291 of village Saiv. Our Company purchased shares in the suit properties from Dattatraya Pandit, Vishnu Pandit and Sakhubai Dalavi. The

Plaintiff, stating herself to be the step sister of the sellers has claimed that her right in said property was intentionally ignored by the Defendants and that they had transferred her share in the name of our Company. The Plaintiff has claimed for a separate share in property by a partition of the suit properties. The matter is currently pending.

38. Zima Rama Margale and others (the “Plaintiffs”) have filed a civil suit (no. 888 of 2012) before the Civil Judge, Senior Division, Pune against our Company and others (the “Defendants”) in relation to the suit property admeasuring approximately 06 hectares 07.3 ars bearing survey no. 30/1 of Mugaon. The Defendants have alleged that the said land was allotted to their predecessors i.e. Rama Zima Margale and have further alleged that due to an error, the name of another defendant Rama Sama Margale is recorded in revenue records. The Plaintiffs have prayed to cancel said mutation in the name of Rama Sama Margale and have also prayed to cancel all transactions based on said mutation in favour of Rama Sama Maragale. The matter is currently pending.
39. Sakharam Pasalkar (the “Plaintiff”) has filed a civil suit (no. 2101 of 2013) before the Civil Judge, Pune in relation to the property at gat no. 7, 37 and 72 at village Mugaon. Our Company had acquired the property at gat no. 37 from the sellers who had themselves purchased the land from one Alkawati, while the property at gat no. 72 was directly purchased by our Company from Alakawati. Alkawati had been transferred the property by her husband Tukaram. The Plaintiff has argued that the said transfer from Tukaram to Alkawati was illegal, and therefore, all further transactions in relation to the property, including the transfer to our Company should be cancelled. The matter is currently pending.
40. Hausabai Kisan Gawde and 27 others (the “Plaintiffs”) have filed a special suit (no. 63 of 2013) before the Civil Judge, Senior Division, Pune against our Company and 34 others (the “Defendants”) in relation to the title over land admeasuring 12 hectares 94 ars bearing survey nos. 18/1/A, 48/1, 49/5, 50/2 and 51/7 in village Dasve (the “suit property”). The Plaintiffs have argued that they were the Class I heirs of the original owner of the suit property, Shankar Krishna Gawde. It is argued that upon the death of the original owner, one Narayan Genuji More caused his name to be mutated to the suit property by way of falsification of documents and suppression of facts. Hence, with Laxman More, Damodar More, Dyanoba More, Vilas More, Seetabai Yenpure, Rukmini Kangude and Tanhubai More being the Class I heirs of Narayan Genuji More, the Plaintiffs have argued that the transfer of the suit property to our Company from one Jyoti Bhale, who had, in turn, purchased it from the heirs of Narayan Genuji More was invalid, and that our Company had no title or interest in the suit property. Hence, the Plaintiffs have prayed for a declaration that the suit property is owned by the Plaintiffs and that the sale deeds executed between the Defendants, including our Company, be declared void ab initio. The matter is currently pending.
41. Bamabai Margale and others (the “Plaintiffs”) have filed a special civil suit (no. 5695 of 2012) before the Civil Judge, Pune against our Company and others (the “Defendants”) in relation to the property admeasuring 06 hectares 73 ars at survey no. 30/4 in village Mugaon. Our Company had purchased the said property from two of the Defendants, Jagu Gangu Margale and Sonu Gangu Margale. The Plaintiffs have argued that the property had been allocated to one Bhoru Lakhu Margale, while the name of the Defendants had been recorded as an error. Hence, the Plaintiffs have prayed that all subsequent transactions in relation to the property, including to our Company be cancelled. The matter is currently pending.
42. Bhikaji Bhikude and others (the “Plaintiffs”) have filed a civil suit (no. 467 of 2013) before the Civil Judge, Pune against our Company and others in relation to the property at survey no. 66/1at village Mugaon. The Plaintiffs are the co-owners of the said property and have alleged that our Company has engaged in encroachment by seeking to lay a road over the share of the property owned by the Plaintiffs. The matter is currently pending.
43. Janabai Pasalkar and others (the “Plaintiffs”) have filed a civil suit (no. 405 of 2011) before the Civil Judge, Pune against our Company and others in relation to the property admeasuring approximately 00 hectares 52 ars at gat no. 62 and 66 in village Varasgaon. The Plaintiffs have argued that they are the legal heirs of the original owners of the property and their names were deleted from the revenue records despite them not transferring the property. Therefore, the Plaintiffs have prayed that their names be entered in the revenue records in respect of the said property. The matter is currently pending.
44. Krishnaji Kulkarni (the “Plaintiff”) has filed a special civil suit (no. 2699 of 2010) before the Civil

- Judge, Pune against our Company and others in relation to the properties admeasuring 01 hectares 83 ars at survey no. 15/5 and 15/6 in village Wadawali. The Plaintiff has alleged that he had purchased the said property from the original owners prior to the sale to our Company, Hence, the Plaintiff has prayed for cancellation of the sale deed in favour of our Company. The matter is currently pending.
45. Nanda Polekar (the "Plaintiff") has filed a civil suit (no. 325 of 2013) before the Civil Judge, Pune against our Company and others in relation to the property bearing survey no. 59/3 in village Dhamanohol. The Plaintiff has claimed that the property is her ancestral property and hence has challenged the sale deed in favour of our Company. The matter is currently pending.
 46. Paresh Tanna (the "Plaintiff") has filed a special civil suit (no. 1601 of 2009) before the Civil Judge, Senior Division, Pune against our Company, Raghu Soma Gethale and others (the "Defendants"). The Plaintiff has alleged that our Company has illegally bought lands at village Sakhri, taluka Mulshi, district Pune bearing survey nos. 28/8, 48/6, 49/1, 49/3, 24/4 and 28/7 (the "Suit Lands"), admeasuring 05 hectares 04 ars, by a sale deed dated October 3, 2008, which were originally acquired by the Plaintiff under a sale deed dated March 27, 1997. The Plaintiff has sought a declaration that he is the sole and the rightful owner of the Suit Lands. Further, the Plaintiff has also sought an injunction restraining the Defendants from creating any third party interest or encumbrances on the Suit Lands and a mandatory injunction against the Defendants to hand over possession of the Suit Lands to the Plaintiff. Our Company has filed its written statement praying that the plaint be dismissed. The court has passed an interim stay order in favour of the Plaintiff, and our Company has appealed against the same before the District Court, Pune and the appeal is numbered as Miscellaneous Civil Appeal No. 255 of 2014. The matters are currently pending.
 47. Arun Govind Polekar (the "Plaintiff") has filed a special civil suit (no. 1450 of 2009) before the Civil Judge, Senior Division, Pune against our Company and 15 other defendants. The Plaintiff has sought a declaration that the sale of land admeasuring 3.84 hectares situated at village Palse, taluka Mulshi, district Pune, bearing survey nos. 34/7+9 F, 48/6 F, 48/7 F, 56/3+4 P/4 F, 60/2 F (the "Suit Lands") by the other defendants in favour of our Company is null and void and therefore not valid and binding on the Plaintiff. The Plaintiff has further prayed that the Court grant possession of the Suit Lands in favour of the Plaintiff. The matter is currently pending.
 48. Anil Babulalji Chopra (the "Plaintiff") has filed a suit (no. 495 of 2008) before Civil Judge, Junior Division, Pune against our Company and others (the "Defendants"). The Plaintiff has alleged that the land admeasuring 1.66 hectares situated at village Sakhri, taluka Mulshi, district Pune, bearing survey no. 37/1 has been illegally sold by Rahibai More, Chintaman Dabade and Chapabai Dabade to our Company, as the suit property had already been sold to the Plaintiff earlier. The Plaintiff has sought a declaration that the subsequent sale is not binding on the Plaintiff and that he is the owner, occupier and possessor of the Suit Land. Our Company has filed its written statement praying that the claim of the Plaintiff that he is the owner, occupier and possessor of the suit property be rejected and accordingly suit be dismissed. The court has passed a temporary injunction order restraining the defendants from creating any third party interest in the Suit Land till the disposal of the suit. The matter is currently pending.
 49. Anil Babulalji Chopra (the "Plaintiff") has filed a suit (no. 543 of 2008, new no. 3609 of 2012) before the Civil Judge, Senior Division, Pune against our Company and others (the "Defendants"). The Plaintiff has alleged that the land admeasuring 3.08 hectares situated at village Sakhri, taluka Mulshi, district Pune, bearing survey nos. 9 hissa no.4, 18 hissa no.13, 29 hissa no.4, 30 hissa no.1+2, 48 hissa no.5, 26 hissa no.6, 24 hissa no.3 and 52 hissa no.18, has been illegally sold by Rahibai More, Chintaman Dabade and Chapabai Dabade to Surekha Shinde, who had in turn sold it to our Company, as the original sellers previously sold the suit property to the Plaintiff. The Plaintiff has sought the cancellation of the sale deeds and a declaration that the subsequent sale is not binding on the Plaintiff and that he is the owner, occupier and possessor of the suit property.. The Plaintiff has further sought an injunction restraining the defendants from creating any third party interest in the Suit Lands. Our Company has filed its written statement praying that the claim of the Plaintiff be rejected and accordingly suit be dismissed. The matter is currently pending.
 50. Vasanti Dattaram Gorad (the "Plaintiff") has filed three special civil suits (nos. 623 of 2010, 624 of 2010 and 627 of 2010 respectively, new nos. 3913/12, 3914/12 and 3917/12 respectively) before the Civil Judge, Senior Division, Pune against our Company and others (the "Other Defendants"). The Plaintiff has sought an order cancelling the deed of conveyance executed by the Other Defendants in

favour of our Company pertaining to land situated at village Dhamanohol, bearing survey no. 136, hissa no. 3 (in suit no. 623 of 2010), survey no. 2 hissa no. 4, survey no. 29 hissa no. 6 and survey no. 30 hissa no.3 of land in village Koloshi, taluka Mulshi, district Pune, (in suit no. 624 of 2010 and Suit no. 627 of 2010 respectively), and declare it illegal and not binding on the Plaintiff as the same was executed without the consent and knowledge of the Plaintiff. The Plaintiff has also prayed that our Company be restrained by a permanent injunction from carrying out any construction and from selling or creating any third party interest in the suit property. The matter is currently pending.

51. Sachin Shrirang Bhosale (the “Plaintiff”) has filed a civil suit (no. 226 of 2006) before the Civil Judge, Senior Division, Pune against our Company. The Plaintiff has sought an injunction restraining our Company from entering upon his share in the property bearing survey no.78 hissa no.1, survey no.20 situated at village Mugaon, taluka Mulshi, district Pune (the “Suit Lands”) and laying roads through the Plaintiff’s land. Our Company has filed its written statements denying the allegations of the Plaintiff that it had encroached on the Plaintiff’s land. The matter is currently pending.
52. Bhikaji Tukaram Bhikule and others (the “Plaintiff”) has filed a special civil suit (no. 1906 of 2008, new no. 3672 of 2012) before the Civil Judge, Senior Division, Pune against our Company and others (the “Defendants”). The Plaintiff has sought a declaration that the sale deeds executed by Kunal Sevalekar and Aniruddha Sevalekar in favour of our Company pertaining to land admeasuring 1.30 hectares situated at village Mugaon, taluka Mulshi, district Pune, bearing survey no. 18, hissa no. 5 and survey no. 26, hissa no. 10 are null and void and not binding on the Plaintiff as the other defendants had fraudulently executed sale deeds of the suit properties which were owned by the Plaintiff’s father. Our Company has filed its written statement stating that the sale deeds have been validly executed and that the Plaintiff had knowledge of the same. The court has passed an interim injunction restraining our Company from interfering with the peaceful possession of the Suit Lands by the Plaintiff and from creating any third party interest over the suit lands. The matter is currently pending.
53. Shankar Bhau Margale (the “Plaintiff”) has filed a civil suit (no. 599 of 2006) before the Civil Judge, Senior Division, Pune against our Company and others. The Plaintiff has challenged the sale of land situated at village Dasve bearing survey no. 53/4, 117/1, 118/1 on the ground that the other defendant did not have any right in the property that was sold to our Company and thus the sale is not binding on the Plaintiff. The matter is currently pending.
54. Suryakant Thakkar (the “Plaintiff”) has filed a civil suit (no. 242 of 2006, new no. 617 of 2012) before the Civil Judge, Senior Division, Pune against our Company and others (the “Defendants”). The Plaintiff has alleged that the land admeasuring 10.46 hectares situated at village Ugavali bearing survey no. 7/1 has been illegally sold by the other Defendants to our Company, as the other Defendants had already sold the suit property to the Plaintiff earlier. The Plaintiff has sought declaration that the subsequent sale is not binding on the Plaintiff and has sought specific performance of the agreement under which the land was allegedly sold to him. The matter is currently pending.
55. Yeshwant Sopan Shedge (the “Plaintiff”) has filed a civil suit (no. 457 of 2005) before the Civil Judge, Senior Division, Pune against our Company and others (the “Other Defendants”). The Plaintiff has alleged that the land admeasuring 4.01 hectares bearing no. 92/1 situated at village Dhamanohol (the “Suit Land”) has been illegally sold by Rohini Vichare to our Company. Plaintiff has stated that Rohini Vichare had purchased the land from Namdeo Shedge. It is the case of the Plaintiff that Namdeo Shedge had executed a registered will of the Suit Land in favour of the Plaintiff. The Plaintiff has sought a declaration that the sale is not binding on the Plaintiff and has challenged the sale deeds between Rohini Vichare and our Company. The matter is currently pending.
56. Satish Dattatraya Deshpande (the “Plaintiff”) has filed a civil suit (no. 1132 of 2008) before the Civil Judge, Junior Division, Pune against our Company and others (the “Defendants”). The Plaintiff has sought an order to declare that the deed of conveyance was invalidly executed by the Defendants in favour of our Company pertaining to land bearing survey nos. 16/1 A, 19/1, 20/1, 22/1 situated at village Bembatmal, taluka Mulshi, district Pune (the “Suit Land”), and declare it illegal and not binding on the Plaintiff as the same was executed without the consent of the Plaintiff and without partition of the land by meters and bounds. The Plaintiff has also prayed that our Company be restrained by a permanent injunction from carrying out any construction and from selling or creating any third party interest in the Suit Land. The matter is currently pending.
57. Leelabai Halande (the “Plaintiff”) has filed a civil suit (no. 1189 of 2009) before the Civil Judge, Junior

Division, Pune against our Company and others (the “Defendants”). The Plaintiff has alleged that one Suman Jadhav illegally represented herself as Leelabai Halande and sold the land situated at village Padalgar, taluka Mulshi, district Pune, bearing survey nos. 7/1+2 by to our Company. The Plaintiff has sought a declaration that the sale of the said land in favour of our Company is null and void and therefore not valid and binding on the Plaintiff as the sale was done fraudulently. The Plaintiff has further prayed that the court grant a perpetual injunction against our Company from obstructing the possession of the suit property to the Plaintiff. The matter is currently pending.

58. Datta Kondiba alias Kondu Kokare and others (the “Plaintiffs”) has filed a special civil suit (no. 1316 of 2010; new no. 4898 of 2012) before the Civil Judge Senior Division, Pune against our Company and others (the “Defendants”). The Plaintiff has alleged that the land admeasuring 5.6656 hectares situated at village Mugaon bearing survey no. 50/3 has been illegally sold by Girish Agarwal and Pritam Aagrwal to our Company by way of a forged and fabricated sale deed. The Plaintiff has sought a declaration that he is owner of the suit property and the sale deed is null and void. The matter is currently pending.
59. Ramchandra Dhau Bavdhane and other (the “Plaintiffs”) have filed a civil suit (no. 1829 of 2010) before the Civil Judge, Senior Division, Pune against Sama Kondu Margale and others (the “Defendants”) wherein our Company has been added as Defendants. The Plaintiffs have alleged that the lands at village Sakhari, taluka Mulshi, district Pune bearing survey nos. 38/1, 38/2, 39/2, 43/1/1, 43/2, 48/9, have been illegally sold by Sama Kondu Margale, Dhavaji Kondu Margale, Devaji Ramchandra Margale, Sakharan Ramchandra Margale and Tanhabai Bavdhane to Satya Bharat, who further sold it to our Company, by way of a forged and fabricated sale deed. The Plaintiff has sought a declaration that the sale deed be declared illegal. The matter is currently pending.
60. Pandurang B Ubhe and others (the “Plaintiffs”) have filed a civil suit (no. 1225 of 2013) before the Civil Judge, Junior Division, Pune against our Company and others (the “Defendants”) in relation to a property bearing survey nos. 127/1, 128/1, 129/1 and 130/1 of village Dasve. The Plaintiffs are the original owner of the suit properties and had sold them to one Anjali Nivsarkar. The said Anjali Nivsarkar further sold the properties to our Company. The Plaintiffs are alleging that the transaction between themselves and Anjali Nivsarkar was void as said properties constitute watan land and that prior permission had not been obtained before the sale. The Plaintiffs have prayed for a cancellation of the sale transaction between themselves and Anjali Nivsarkar and the further transaction by Anjali Nivaskar in favour of our Company. The matter is currently pending.

Criminal Proceedings

1. The Maharashtra Pollution Control Board (“MPCB”) has filed a criminal case (no. 4671 of 2011) before the Chief Judicial Magistrate, Pune (“CJM”) against our Company, Ambuj Jain, S.P. Pendharkar, S. Narayan, Krunal Negandhi, Dyandeo B. Ghorpade, Aniruddha Deshpande, Anuradha Jitendra Desai, Vithal Maniyar, Gautam Thapar, S. K. Khandelwal, Shalaka Gulabchand Dhawan, K.G. Tendulkar, S.K. Dharmadhikari and Sharad M. Kulkarni (the “Accused”), in relation to alleged violation of the Environment (Protection) Act, 1986 read with the EIA Notifications MPCB has alleged that our Company carried out construction and development activities prior to obtaining environmental clearance from the MoEF, and caused damage to the environment. By an order dated November 24, 2011, the CJM held that prima facie it appears that the Accused had acted in violation of the EIA Notifications and had breached previous commitments given to the MPCB. The CJM issued process for the offences punishable under Sections 15 and 16 of the Environment (Protection) Act, 1986 against the Accused. Some of our Directors have filed a criminal application and criminal revision application under Section 482 and Section 397 of the Code of Criminal Procedure, 1973, before the Bombay High Court and the Sessions Court at Pune, respectively. The Bombay High Court was pleased to stay all further proceedings in the present case. The matter is currently pending.
2. Crimson Hospitality Services Private Limited (“Complainant”) has filed a criminal complaint (no. 3400127 of 2010) before the Additional Chief Metropolitan Magistrate, Vikhroli, Mumbai (“Magistrate”) against our Company and five others (“Accused”) under Section 420 read with Section 34 of the Indian Penal Code, 1860. It is alleged by the Complainant that the Accused approached it with a proposal for constructing and developing a business hotel at Dasve, Lavasa, and made representations in relation to, inter alia, the lack of encumbrance on the land, expected profits and expeditious procurement of the required licenses and approvals. It is alleged that upon the signing of a term sheet and the payment of ₹ 1.1 million and ₹ 3.61 million by the Complainant, the Accused failed

to perform their obligations and made false representations. By an order dated April 4, 2013, the Magistrate issued process under Section 420 of the Indian Penal Code, 1860 against our Company and four others. The matter is currently pending.

3. Vikram A. Deshpande has filed a regular criminal case (no. 633 of 2012) before the Judicial Magistrate, First Class, Pune against our Company and others (the “Accused”). Our Company purchased a property from the predecessors of the Complainant and from the persons to whom the predecessors of the Complainant sold the said properties. The Complainant has alleged that the said transfers were conducted by way of improper use of power of attorney. Process has not been issued in the matter, and no order been passed against or served on our Company. The officials from the concerned police station have recorded the statement of our Company. The matter is currently pending.
4. Reji Thomas (the “Complainant”) has filed a regular criminal case (no. 3557 of 2013) before the Judicial Magistrate, First Class, Pune (“Judicial Magistrate”) against our Company and others (the “Accused”). Our Company had entered into a business agreement with Complainant, pursuant to which the Complainant was operating a café on a premises owned by our Company. Upon expiry of the term of the agreement, our Company recovered possession of the said premises. The Complainant has alleged that he was forcefully dispossessed from the premises. The Judicial Magistrate, by its order dated April 23, 2014 (“Order”) dismissed the complaint against the directors and has issued process against our Company and one individual. Aggrieved by this order, the Complainant has filed a criminal revision application (no. 371 of 2014) before the Sessions Judge, Pune and has sought that the Order be set aside and process be issued against the other accused. Both the matters are currently pending.

Revenue Proceedings

1. Maruti Thaku Zore (the “Appellant”) has filed an appeal (no. 91 of 2011) before the Sub Divisional Officer, Maval against our Company and others (the “Respondents”) challenging an order passed by the Tahsildar in relation to a dispute on the rights of co-owners over the property situated at survey no. 25/1/2 of village Bhoini. The Appellant is claiming ownership over an area admeasuring 05 hectares 36 ars in the said property. The matter is currently pending.
2. Maruti Padwal and others (the “Appellants”) have filed an appeal (no. 504 of 2013) before the Sub Divisional Officer, Bhore against our Company and others in relation to a property bearing gat no. 185 in village Saiv, Taluka Velhe. The matter is currently pending.
3. Mukatabai Ganu Shedage and others (the “Appellants”) have filed an appeal (no. 83 of 2011) before the Sub Divisional Officer, Maval against Sakham Laxman Kadu, our Company and others, challenging the certification of mutation entry no 182 and 414 for the property bearing survey no. 15/1, 15/5, 16/3A, 27/2, 28/2 and 51/1 of village Wadawali. The matter is currently pending.
4. Noshiye Marfatiya and others (the “Applicants”) have filed an application (no. 413 of 2012) before the Sub Divisional Officer, Maval against our Company and others (the “Respondents”) in relation to a property admeasuring 03 hectares 9.36 ars out of the property bearing survey no. 15/1A of village Padalghar. The Applicants are alleging that they had previously purchased part of said property by registered sale deed but their names were not recorded in revenue records and by taking undue advantage of said situation, the then sellers caused resold the said property to our Company. The Applicants have prayed to record their name in revenue records of the said property. The matter is currently pending.
5. Prajakata Deshmukh and another (the “Appellants”) have filed appeals (no. 757 of 2011 and 760 of 2011) before the Sub Divisional Officer, Maval against our Company and others to get their names mutated for properties admeasuring approximately 03 hectares 69.5 ars out of the property bearing survey nos. 17/1, 20/1 and 22/1 of village Bembatmal. The Appellants have alleged that said properties are their ancestral properties and their right in said property was not considered by their father at the time of selling said properties. The Applicants have alleged that while certifying mutation entry in favour of the initial buyer and subsequently in favour of our Company, the circle officer did not follow the due procedure of law. Hence, the Appellants have prayed that their names be entered in the revenue records for the said property. The matter is currently pending.
6. Radhabai Pasalkar (the “Applicant”) has filed appeals (no. 80 of 2011 and 81 of 2011) before the Sub Divisional Officer, Maval against our Company and others (the “Respondents”) challenging an order

passed by the Tahsildar in relation to properties admeasuring 1 hectare 05 ars out of the property bearing survey nos. 45/1, 58/7, 82/3, 118/2 and 136/8 of village Dhamanohol. While the said property was sold by the son of the Applicant to Mr. Jagtap who subsequently sold it to our Company, the Applicant has prayed to get her name entered in the revenue records. The matter is currently pending.

7. Rama Kamalu Maragale has filed an appeal (no. 694 of 2011) before the Sub Divisional Officer, Maval against our Company and others challenging the certification of the name of our Company in the revenue records of the subject properties bearing survey no. 74/2 and 3/2/1+2 of village Dasave. The matter is currently pending.
8. Shashikant Deshpande has filed an appeal (no. 759 of 2011) before the Sub Divisional Officer, Maval against our Company and others to get the mutation of his name for an area admeasuring 00 hectares 78 ars in properties bearing survey no. 17/1, 20/1 and 22/1 of village Bembatmal. The matter is currently pending.
9. Narayan Ganu Polekar (the “Appellant”) has filed a second appeal (no. 418 of 2012) against our Company and others. This appeal has been filed against an order of Sub Divisional Officer, Maval. An area admeasuring 01 hectare in property bearing survey no. 39/1 of village Gadale is the suit property. An earlier appeal (no. 39 of 2010) was decided on December 17, 2011, wherein the Appellant alleged that other respondents i.e. his brothers have sold the said property to other respondent and they had sold the same to our Company. The Appellant has alleged that he was member of joint family and his right was not considered by his family members while selling said property. The matter is currently pending.
10. Ashok Dwarkanath Deshpande (the “Applicant”) has filed an application (no. 144 of 2013) before the Tahsildar, Mulshi under Section 155 of the Maharashtra Land Revenue Code, 1966 against Bhagwant G Deshpande, our Company and others (the “Respondents”) in relation to the property bearing survey no. 44/1/1+2 of village Dasve. The Applicant has alleged that his father was a co-owner of said the aforementioned property but that the name of his father was unlawfully deleted from the revenue records of the said property and the names of Bhagwant G. Deshpande, Dattatray G. Deshpande and Rajaram G. Deshpande were recorded. The Applicant has further alleged that said Bhagwant G. Deshpande sold the property to our Company. The Applicant has prayed that his name be recorded in the revenue records of the said property as owner of said property. The matter is currently pending.
11. Kundlik Kashinath Kale has filed an application (no. 108 of 2012) before the Tahsildar, Mulshi against our Company and others as co-owners for defining its share in property bearing survey no. 136/7 of Dhamanohol. The matter is currently pending.
12. Sagubai Margale has filed an application under Section 155 of the Maharashtra Land Revenue Code, 1966. This proceeding is numbered as SR/55/2013 and is pending before the Tahsildar, Mulshi. Properties bearing survey no. 29/1, 30/1 and 41/1 of village Bhoini are the subject properties. One Bhagu Bhau Zore was the original owner of the said properties, after his demise the said property was recorded in the names of Dhaku Bhagu Zore and others. Dhaku Bhau Zore and others sold the said properties to our Company. The Applicant has alleged that she is one of the legal heir of Late Bhagu Bhau Zore and has applied to mutate her name in revenue records as co-owner of the said properties.. The matter is currently pending.
13. Kondu Sagu Margale (the “Applicant”) has filed a revision application (no. 652 of 2009) before the Sub Divisional Officer, Maval against our Company. Our Company had purchased property admeasuring 06 hectares 73 ars bearing survey no. 30 hissa no.3 of village Mugaon. The Applicant has alleged that his name was not recorded in 7/12 extract. The Applicant has prayed against certifying mutation entries as being illegal and the same to be cancelled and the name of the Applicant be recorded in record of rights of survey no. 30 hissa no. 3. The matter is currently pending.
14. Laxman Sagu Margale (the “Applicant”) has filed a revision application (no. 644 of 2009) before the Sub Divisional Officer, Maval against our Company. Our Company had purchased property admeasuring 06 hectares 73 ars bearing survey no. 30 hissa no. 2 of Village Mugaon. The Applicant has alleged that his name was not recorded in 7/12 extract. The Applicant has prayed against certifying mutation entries numbers as being illegal and the same to be cancelled and the name of the Applicant be recorded in record of rights of Survey No. 30 Hissa no. 2. The matter is currently pending.
15. Prakash Nathu Dabade and others (the “Applicants”) have filed an appeal (no. 210 of 2010) before the

- Sub Divisional Officer, Maval against Dattu Nathu Dabade, our Company and others (the “Respondents”), challenging the certification of mutation entry no. 422 in respect of a property admeasuring 03 hectares 97.5 ars bearing survey no. 25/1/2 (part), 26/1/2 (part), 45/1/2 (part), 56/1/2 (part), 72/3/2 (part) and 73/1/2 (part) of village Bhoini, Taluka Mulshi, which was purchased by our Company. The matter is currently pending.
16. Vitthal Dagdu Pandit and others (the “Applicants”) have filed a revision application (no. 9 of 2009) before the Sub Divisional Officer, Maval against our Company. The Applicant has alleged that our Company has illegally bought lands at village Bhoini, Taluka Mulshi, District Pune bearing survey no. 62 by a sale deed dated October 3, 2002, which was thereafter illegally mutated vide mutation no. 502. The Applicants have sought a declaration that the order of mutation no. 502 be declared illegal. The matter is currently pending.
 17. Govind Gupta has filed an appeal (no. 239 of 2010) before the Additional Collector, Pune against Laxman Nana Jambhle, Property bearing survey no. 2/3 of village Koloshi. While our Company is a formal party to the suit, the subject matter of the litigation is between Govind Gupta and Laxman Nana Jambhale. Our Company is a co-owner of subject property, but the present litigation does not affect our Company’s share in the said property. The matter is currently pending.
 18. Arjun Damgude (the “Appellant”) has filed an appeal (no. 94 of 2010) before the Sub Divisional Officer, Maval against our Company and others (the “Respondents”), challenging the certification of mutation entry no. 556 in respect of an area admeasuring 00 hectares 43 ars at survey no. 60/9 of village Palse, which was purchased by our Company. In 2009, our Company had purchased the said property from some of the other Respondents. The Appellant has alleged that in the year 2006 he had purchased the said property but because of technical problems his name is not appearing in revenue records. Therefore, the Appellant has prayed that the mutation in the name of our Company be cancelled and that his name be entered in the revenue records by way of mutation. The matter is currently pending.
 19. Ashok D. Deshpande and others (the “Appellants”) have filed an appeal (no. 188 of 2010) before the Sub Divisional Officer, Maval against our Company and others (the “Respondents”) challenging the certification of mutation entry nos. 496, 567, 837 and 863 of village Mugaon, Taluka Mulshi, District Pune in relation to an area admeasuring 00 hectares 98 ars out of the property bearing survey no. 74/1 of village Mugaon. Our Company has purchased the said property from Aniruddha Sevalekar, who had, in turn, purchased it from one Nitin Takle. Initially, Nitin Takle had purchased said property from father of Ashok D. Deshpande. The Appellants have alleged that the sale deed in favor of Nitin Takle is bogus as the father of Ashok D. Deshpande had demised prior to the execution date of sale deed. Therefore, the Appellants have prayed for the cancellation of the mutations of all the Respondents with respect to all the subsequent transactions. The matter is currently pending.
 20. Ashok Patil (the “Appellant”) has filed this appeal (no. 443 of 2012) before the Sub Divisional Officer, Maval against our Company and others challenging the certification of mutation of our Company’s name in the revenue record in relation to an area admeasuring 00 hectares 40 ars in the property bearing survey no. 37/7 at village Pathrshet. The Appellant has alleged that he had previously purchased part of said property by registered sale deed but his name was not recorded in revenue records and by taking undue advantage of said situation the then sellers caused to resale said property. The Appellant has prayed to record his name in the revenue records for the said property. The matter is currently pending.
 21. Bhagwan Maruti Shedge (the “Applicant”) has filed an appeal (no. 17 of 2010) before the Sub Divisional Officer, Maval against our Company and others (the “Respondents”) challenging the certification of mutation entry no. 163, 164 and 438 in relation to an area admeasuring 03 hectares 15 ars out of the property bearing survey no. 115/1b of village Dhamanohol. Our Company has purchased the said property from Respondent no. 2 and in accordance with the said purchase, by way of mutation entry no. 438, the name of our Company was recorded in the revenue records. The land was originally in the name of Applicant’s family and as per provisions of Maharashtra Agricultural Land (Ceiling on Holdings) Act, the said land was acquired and then allotted by State Government. The Applicant has challenged the said procedure and also alleging that prior permission was not obtained to transfer the said land. The matter is currently pending.
 22. Dhondiba Bhaguji Margale and others (the “Appellants”) have filed an appeal (no. 264 of 2010)

against our Company and others (the “Respondents”) before the Sub Divisional Officer, Maval challenging the certification of mutation entry no. 799 in relation to an area admeasuring 05 hectares 87 ars in the property bearing survey no. 35/1 at village Dhamanohol. Our Company had purchased the said property from Prakash Salunkhe and Suresh Jain in 2006 and from Ramchandra Ubhe in the year 2009, respectively. The Appellants have alleged that they had purchased said property in the year 1984 but had applied for mutation in the year 2010. The Appellants have alleged that the sale transaction by Bhagabai K. Bavdhane and others in favour of Prakash Salunkhe, Suresh Jain and Ramchandra Ubhe is illegal and the subsequent the transaction in favour of our Company is illegal as well. Therefore, the Appellants have prayed for cancellation of the mutations in the name of the Respondents. The matter is currently pending.

23. Aba Dhondu Margale (the “Appellant”) has filed an appeal (no. 676 of 2013) before the Sub Divisional Officer, Maval against our Company and others challenging the certification of mutation entry no. 429 by virtue of which the name of our Company was recorded as the owner of the property bearing survey no. 55/1 in village Bhoini. An area admeasuring 5 hectares 91 ars out of the said property is the subject property. The Appellant has argued that he is the legal heir of Dhondu Kondu Margale, who the Appellant alleges is the original owner of the property. The matter is currently pending.
24. Nandkumar Agarwal has filed an appeal (no. 30 of 2014) before the Sub Divisional Officer, Maval against our Company in relation to a property bearing survey no. 60 in village Mugaon. Our Company has recently received a notice of the matter. The matter is currently pending.
25. Shantidevi Agarwal has filed an appeal (no. 31 of 2014) before the Sub Divisional Officer, Maval against our Company in relation to a property bearing survey no. 60 in village Mugaon. Our Company has recently received a notice of the matter. The matter is currently pending.
26. Anil Agarwal has filed an appeal (no. 33 of 2014) before the Sub Divisional Officer, Maval against our Company in relation to a property bearing survey no. 60 in village Mugaon. Our Company has recently received a notice of the matter. The matter is currently pending.
27. Nareshkumar Agarwal has filed an appeal (no. 35 of 2014) before the Sub Divisional Officer, Maval against our Company in relation to a property bearing survey no. 60 in village Mugaon. Our Company has recently received a notice of the matter. The matter is currently pending.
28. Rajkumar Agarwal has filed an appeal (no. 36 of 2014) before the Sub Divisional Officer, Maval against our Company in relation to a property bearing survey no. 60 in village Mugaon. Our Company has recently received a notice of the matter. The matter is currently pending.
29. Vinodkumar Agarwal has filed an appeal (no. 37 of 2014) before the Sub Divisional Officer, Maval against our Company in relation to a property bearing survey no. 60 in village Mugaon. Our Company has recently received a notice of the matter. The matter is currently pending.
30. The State of Maharashtra, through the Sub Divisional Officer, Bhore, has initiated a *suo motu* revenue inquiry (no. KAVI 972 of 2011) against our Company alleging that our Company has not paid the nazrana on the purchase of certain Class II lands. Our Company has been asked to pay 75 percent of the current market price as nazrana. The matter is currently pending.
31. Bamabai Margale and others (the “Applicants”) have filed a revenue case (no. 43 of 2013) before the Tahsildar, Mulshi against our Company and others in relation to the property admeasuring 06 hectares 73 ars at survey no. 30/4 in village Mugaon. The Applicants have alleged that the said land was allotted to them under the provisions of the Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961. The matter is currently pending.
32. Zima Rama Margale and others (the “Applicants”) have filed a revenue case (no. 41 of 2014) before the Tahsildar, Mulshi against our Company and others in relation to the property admeasuring 06 hectares 73 ars at survey no. 30/1 in village Mugaon. The Applicants have alleged that the said land was allotted to them under the provisions of the Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961. The matter is currently pending.
33. Kisan Baburao Pasalkar (the “Appellant”) has filed an appeal (no. 68 of 2011) before the Sub Divisional Officer, Bhore against our Company and others (the “Respondents”) challenging the certification of mutation entry no. 878 in relation to an area admeasuring 01 hectares 41.3 ars the

property bearing gat no. 213 of village Saiv. Our Company has purchased the said property from the other Respondents, and the Appellant has alleged that while transferring the said property, the share of the Appellant was not considered. Hence, the Appellant has prayed that the mutation in the name of our Company be rejected, and that the name of our Company be deleted from the revenue records. The matter is currently pending.

34. The Sub Divisional Officer, Maval has initiated a *suo moto* enquiry (no. Ceiling/SR/1/2011) as per the directions of the Collector, Pune under Section 29(3) of the Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961 (the "Act") against our Company. The revenue department is alleging that our Company has purchased the property at survey no. 55/2 at village Dhamnohol without following the due procedure laid down in the Act. The matter is currently pending.
35. The Sub Divisional Officer, Maval has initiated a *suo moto* enquiry (no. Ceiling/SR/2/2011) as per the directions of the Collector, Pune under Section 29(3) of the Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961 (the "Act") against our Company. The revenue department is alleging that our Company has purchased the property at survey no. 129/2 at village Dhamnohol without following the due procedure laid down in the Act. The matter is currently pending.
36. The Sub Divisional Officer, Maval has initiated a *suo moto* enquiry (no. Ceiling/SR/10/2011) as per the directions of the Collector, Pune under Section 29(3) of the Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961 (the "Act") against our Company. The revenue department is alleging that our Company has purchased the property at survey no. 50/6 at village Mugaon without following the due procedure laid down in the Act. The matter is currently pending.
37. The Sub Divisional Officer, Maval has initiated a *suo moto* enquiry (no. Ceiling/SR/14/2011) as per the directions of the Collector, Pune under Section 29(3) of the Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961 (the "Act") against our Company. The revenue department is alleging that our Company has purchased the property at survey no. 8/2/2 at village Mugaon without following the due procedure laid down in the Act. The matter is currently pending.
38. The Sub Divisional Officer, Maval has initiated a *suo moto* enquiry (no. Ceiling/SR/29/2011) as per the directions of the Collector, Pune under Section 29(3) of the Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961 (the "Act") against our Company. The revenue department is alleging that our Company has purchased the property at survey no. 81/1/2 at village Dasve without following the due procedure laid down in the Act. The matter is currently pending.
39. The Sub Divisional Officer, Maval has initiated a *suo moto* enquiry (no. Ceiling/SR/30/2011) as per the directions of the Collector, Pune under Section 29(3) of the Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961 (the "Act") against our Company. The revenue department is alleging that our Company has purchased the property at survey no. 99/1/1 at village Dasve without following the due procedure laid down in the Act. The matter is currently pending.
40. The Sub Divisional Officer, Maval has initiated a *suo moto* enquiry (no. Ceiling/SR/32/2011) as per the directions of the Collector, Pune under Section 29(3) of the Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961 (the "Act") against our Company. The revenue department is alleging that our Company has purchased the property at survey no. 105/1/1 at village Dasve without following the due procedure laid down in the Act. The matter is currently pending.
41. The Sub Divisional Officer, Maval has initiated a *suo moto* enquiry (no. Ceiling/SR/34/2011) as per the directions of the Collector, Pune under Section 29(3) of the Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961 (the "Act") against our Company. The revenue department is alleging that our Company has purchased the property at survey no. 126/1/1+2 at village Dasve without following the due procedure laid down in the Act. The matter is currently pending.
42. The Sub Divisional Officer, Maval has initiated a *suo moto* enquiry (no. Ceiling/SR/35/2011) as per the directions of the Collector, Pune under Section 29(3) of the Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961 (the "Act") against our Company. The revenue department is alleging that our Company has purchased the property at survey no. 102/1/1 at village Dasve without following the due procedure laid down in the Act. The matter is currently pending.
43. The Sub Divisional Officer, Maval has initiated a *suo moto* enquiry (no. Ceiling/SR/36/2011) as per the

directions of the Collector, Pune under Section 29(3) of the Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961 (the “Act”) against our Company. The revenue department is alleging that our Company has purchased the property at survey no. 81/1/3 at village Dasve without following the due procedure laid down in the Act. The matter is currently pending.

44. The Sub Divisional Officer, Maval has initiated a *suo moto* enquiry (no. Ceiling/SR/45/2011) as per the directions of the Collector, Pune under Section 29(3) of the Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961 (the “Act”) against our Company. The revenue department is alleging that our Company has purchased the property at survey no. 57/4 at village Gadale without following the due procedure laid down in the Act. The matter is currently pending.

Letters from Gram Panchayat

1. Group Gram Panchayat, Mugaon sent a letter dated May 21, 2013 to our Company in relation to alleged mining and construction activities being conducted by our Company within the limits of the Gram Panchayat, without obtaining prior consent. Hence, our Company was directed to provide requisite documents to the Gram Panchayat, failing which the construction would be considered illegal.
2. Group Gram Panchayat, Mugaon has issued a letter dated October 28, 2013 to our Company in relation to the documentary compliance of a company and the construction of a weir at village Mugaon without obtaining permission for the same from the Gram Panchayat. Our Company has replied to the same by way of a letter dated November 18, 2013.
3. Group Gram Panchayat, Mugaon sent a letter dated October 28, 2013 to our Company in relation to the construction of a labour colony at village Mugaon without obtaining prior permission from the Gram Panchayat and not filing any application for recording such colony in the records of the Gram Panchayat. Our Company accordingly has been directed to record the construction of the colony and pay taxes to the Gram Panchayat. Our Company has replied to the same by way of a letter dated November 18, 2013.
4. Group Gram Panchayat, Mugaon has sent a letter dated October 28, 2013 to our Company alleging that our Company was undertaking mining and construction activities within the limits of the Gram Panchayat without obtaining prior permission from the Gram Panchayat. Our Company has replied to the same by way of a letter dated November 18, 2013.
5. Group Gram Panchayat, Bhoyani has sent a letter dated July 11, 2013 to our Company in relation to the operation of a stone machine, a petrol pump, a concrete plant and a garbage plant within the limits of the Gram Panchayat without obtaining permission. Our Company has replied to the same by way of a letter dated October 17, 2013.
6. Group Gram Panchayat, Bhoyani has sent a letter dated July 11, 2013 to our Company informing that the sewage generated from the labour colony in Gram Panchayat Bhoyani has been taken out in an open area and that the same is getting discharged into Warasgaon dam, which is used as a source of drinking water. It is stated that such discharge of sewage could cause danger to the health of the residents. Therefore, our Company has been directed to inform the Gram Panchayat of the plans prepared to dispose off the waste from our projects.

Arbitration Proceedings

1. Jenjon Retail & Services Private Limited (“Claimant”) has invoked an arbitration proceeding against our Company in relation to the non-renewal of an agreement dated March 22, 2010 between the Claimant and our Company (“Agreement”). By virtue of the Agreement, the Claimant was appointed to operate the ‘Brewberry Coffee Café’ business on premises owned by our Company in Lavasa. The Agreement was valid for a period of three years effective from April 1, 2010 until March 31, 2013, upon which our Company took back possession of the premises. The Claimant alleged that the same had been undertaken without due notice and against the procedure of law, and invoked the arbitration clause under the Agreement. Despite our Company having appointed Justice Kochar as the sole arbitrator, the Claimant has not filed a statement of claim and has made an application for termination of the arbitration. Our Company has filed its statement of facts and counter claim in the said matter and the same is currently pending.
2. Capri Global Advisory Services Private Limited (“Claimant”) has initiated arbitration proceedings

against our Company and M/s Green Hills Residences Limited (the “Respondents”) in relation to the termination by our Company of the share purchase, share subscription and shareholders’ agreement dated May 24, 2010 (the “Agreement”). Pursuant to the Agreement, our Company and the Claimant owned 60 percent and 40 percent of the shareholding, respectively, in M/s Green Hills Residences Limited. Subsequently, our Company terminated the Agreement on account of failure of the Claimant to infuse capital. The Claimant has argued that the termination of the Agreement was without basis and that our Company has deprived the Claimant of its rights under the Agreement. The Claimant has prayed, inter alia, that the termination of the Agreement by our Company be set aside or our Company be directed to pay the Claimant ₹ 42.28 million towards the value of its investment in M/s Green Hills Residences Limited. The Claimant has filed an application for interim reliefs before the sole arbitrator on March 7, 2014. The arbitral tribunal has passed an order that the Respondents would not be permitted to alter the share capital of M/s Green Hills Residences Limited, without providing prior notice to the Claimant. Our Company is in the process of filing its say in the matter. The matter is currently pending.

Consumer Proceedings

1. Yasmin Salim Jagmag and Thomas Poldervaat (“Complainants”) have filed two consumer complaints (no. 382 of 2011 and 383 of 2011) before the Consumer Disputes Redressal Forum, Mumbai Suburban District, Mumbai (the “Forum”) against our Company. The Complainants allege that they booked two apartments in Lavasa based upon the representations of our Company, and paid 10% of the total amount as part payment. Subsequently, the Complainants decided to cancel their booking. It is argued by the Complainants that the representations made by our Company were untrue and that our Company acted in contravention of the Maharashtra Ownership of Flats Act, 1963, amounting to deficiency of service and unfair trade practices. Further, the Complainants have argued that our Company’s cancellation policy of retaining part of the booking amount constituted an unfair trade practise, and have claimed a refund of the booking amount of ₹ 630,255, in addition to compensation of ₹ 400,000 and legal expenses of ₹100,000. Our Company, in its written statement, has argued that the allegations of the Complaints were baseless and that the Forum lacked the jurisdiction to entertain the matter under the Consumer Protection Act, 1986. The matter is currently pending.

Past Penalties

1. Maharashtra Krishna Valley Development Corporation imposed penalties on our Company aggregating to ₹ 124,103 on March 22, 2013 and March 7, 2013 towards non-payment of water bills on the due date.
2. The Sub Divisional Officer, Maval has imposed an aggregate penalty of approximately ₹ 118.80 million on our Company pursuant to a *suo moto* inquiry initiated under Section 29 of the Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961 in relation to properties in villages Mugaon and Gadale over the years 2012 and 2013.
3. The Collector, Pune imposed a penalty of ₹ 84,000 on our Company in relation to the notice dated (no. KKA/Kavi/508/10) dated September 6, 2010.
4. Our Company received two notices in relation to non-compliance with the Legal Metrology Act, 2009 from the Government of Haryana and the Government of Karnataka, dated November 30, 2012 and October 28, 2013, respectively. Our Company paid a compounding fine amounting to ₹ 20,000 in respect of each notice.
5. The Sales Tax Department imposed penalties on our Company for late filing of value added tax returns for fiscal year 2009-10 aggregating to ₹ 10,000, in relation to luxury tax for fiscal year 2007-08, fiscal year 2008-09, fiscal year 2009-10 and fiscal year 2010-11 aggregating to ₹ 10,160 and in relation to profession tax for fiscal year 2009-10 aggregating to ₹ 60.
6. The Service Tax Department imposed penalties on our Company in relation to late filing of service tax returns for fiscal year 2009-10 and fiscal year 2010-11 aggregating to ₹ 4,000 and ₹ 515,480 in relation to non-payment of service tax dues September 4, 2009.

Notices from statutory and regulatory authorities

1. The Tahsildar, Mulshi has issued three show cause notices to our Company in the year 2010 alleging that our Company was engaged in the illegal excavation of muroom over land parcels in villages Dasve and Mugaon. Our Company has replied to the said notices.
2. The Sub Divisional Officer, Bhore has issued a show cause notice to our Company regarding the non payment of nazrana in relation to the purchase of 66 land parcels in villages Saiv, Warasgaon and Mose. Our Company has replied to the said notice.
3. The Income Tax Department has issued notices to our Company in relation to delay in furnishing of annual information return for FY 2009-10 and 2010-11 and concealment of income or furnishing of inaccurate particulars of income or disallowance of expenses for A.Y. 2007-08, A.Y. 2008-09, A.Y. 2009-10, A.Y. 2010-11, A.Y. 2011-12.
4. The Service Tax Department has issued a show cause cum demand notice to our Company on November 8, 2011 imposing a penalty.

Outstanding payments of statutory dues

1. The Tahsildar, Mulshi has imposed dues amounting to ₹104.18 million in relation to non-agricultural tax over the years 2008, 2009 and 2010. Our Company has made an ad hoc payment of ₹ 38.89 million until the matter is resolved.
2. The Tahsildar, Mulshi has imposed dues in relation to royalty on muroom on our Company amounting to approximately ₹ 179.24 million in the year 2010.
3. Maharashtra Krishna Valley Development Corporation has imposed dues on our Company in relation to lease rent amounting to ₹ 96.42 million.
4. The Sub Registrar, Velha has imposed dues amounting to approximately ₹ 0.98 million on our Company in relation to payment of insufficient stamp duty and registration fees on various sale deeds in relation to properties in villages Mose and Saiv.

Inquiries, inspections or investigations under Companies Act

1. The Registrar of Companies, Maharashtra by way of a letter dated January 1, 2013 had sought clarifications as to whether our Company was in compliance with the provisions of Sections 67(3) and 73 of the Companies Act, 1956. It was alleged that our Company had more than 50 debenture holders as per its annual returns for fiscal years 2011-12 and 2012-13. Our Company, by a reply dated January 8, 2013, clarified that, during the aforesaid period, the debentures were allotted to eight debenture holders.
2. The Company Law Board, Mumbai by an order dated September 9, 2008, directed the payment of fees amounting to ₹ 15,000 in relation to the voluntary compounding of the offence of delay in appointment of managerial personnel of our Company under Section 269 of the Companies Act, 1956. The said fees have been duly paid by our Company.
3. Our Company filed a petition before the Company Law Board, Mumbai pursuant to Section 141 of the Companies Act, 1956, for condoning the delay of one day in the filing of particulars of satisfaction of charge created in favour of GE Capital Services India dated December 16, 2009, with the Registrar of Companies, Maharashtra. The Company Law Board, by an order dated March 18, 2010 condoned the delay in filing the charge documents.

Defaults in payment of loans to banks and financial institutions

Our Company has defaulted in the payment of loans due to banks and financial institutions. For details, see “Risk Factors – We are subject to restrictive covenants in debt facilities provided to us by our lenders which may limit our strategic decisions and operations and we may not be able to service our debt or make repayments on a timely basis or at all thereunder which may materially and adversely affect our business, results of operations, financial condition and prospects” on page 23.

Material Frauds

Nil

Litigation by our Company

Criminal Proceedings

1. Our Company has filed a criminal complaint (no. 3260 of 2010) against Baban Dhondu Dalvi and 17 others (the “Accused”) before the Judicial Magistrate, First Class, Pune under Sections 425, 427, 465, 471, 447, 504 and 506 read with Sections 120B and 34 of the Indian Penal Code, 1860. Our Company has alleged that the Accused have committed forgery of title documents purporting to be owners of the property owned by our Company. Further, our Company has charged the Accused with criminal trespass of property owned by our Company and criminal intimidation. Our Company has sought that the Court of Judicial Magistrate issue summons to the Accused or, in the alternative, order an investigation into the offence. The matter is currently pending.
2. Our Company has filed a criminal revision application, along with a condonation delay application (no. 2320 of 2013) before the Sessions Court, Mumbai (the “Court”) against Crimson Hospitality Services Private Limited and the State of Maharashtra. The Metropolitan Magistrate Court, Vikhroli, passed an order dated April 4, 2013 in criminal complaint no. 3400127 of 2010, taking cognizance of alleged offences under Section 420 of the Indian Penal Code, 1860 and issuing process against our Company and others in relation to the same (the “Order”). Our Company has argued that the complaint in no. 3400127 of 2010 is malafide and devoid of substance, and hence, the Order be quashed and set aside. The matter is currently pending.
3. Our Company has filed a criminal complaint (no. 1159 of 2013) before the Judicial Magistrate, First Class, Pune against Reji Thomas (the “Accused”) in relation to false and malicious statements about our Company and the project being circulated by the Accused by way of email. Our Company has argued that such statements have caused significant loss in reputation and resources of our Company, amounted to defamation under Section 500 of the Indian Penal Code, 1860 (“IPC”), and were further punishable under Section 66A of the Information Technology Act, 2000 and Sections 384 and 385 of the IPC. Our Company has prayed that process be issued in the matter and a police investigation be ordered. The matter is currently pending.
4. Our Company has filed a criminal revision application (no. 378 of 2014) before the District and Sessions Judge, Pune against Reji Thomas and another (the “Respondents”) challenging the issuance of process by the Judicial Magistrate, First Class, Pune in RCC no. 3557 of 2013 filed by Reji Thomas. The said Reji Thomas was operating and managing a coffee shop on premises owned by our Company by virtue of an agreement with our Company. Upon the expiry of the agreement, our Company recovered possession of the premises, against which the Respondents have alleged that they have been forcefully dispossessed of the premises and their belonging. The matter is currently pending.

Civil Proceedings

1. Our Company has filed a writ petition (no. 9448 of 2010) before the Bombay High Court against the Ministry of Environment and Forests, Union of India (“MoEF”); the Ministry of Environment, State of Maharashtra; and two others, challenging the validity of the show cause notice dated November 25, 2010 issued by the MoEF (“MoEF Notice”). Under the MoEF Notice, our Company had been directed to show cause as to why the unauthorised structures, erected without an environmental clearance from the MoEF, should not be removed. Further, our Company had been directed to maintain status quo in relation to construction and development of the hill station project on the grounds that our Company had not obtained environmental clearance from the MoEF under the EIA Notifications. Subsequently, the MoEF issued an order dated December 14, 2010 directing that status quo be maintained on the project land. Our Company has challenged the constitutional validity of the EIA Notifications. Our Company has argued that the EIA Notification, 1994 was not applicable and the EIA Notification, 2006 also was not applicable to the extent of the land admeasuring 2,000 hectares for which an environmental clearance dated March 18, 2004 had been obtained from the Government of Maharashtra. Our Company has sought that the MoEF Notice and the subsequent order by the MoEF dated December 14, 2010 be quashed and set aside, and that the EIA Notifications be held *ultra vires* the Constitution of India and the Environment (Protection) Act, 1986. Further, our Company has

prayed that pending the final disposal of the present petition, the impugned MoEF Notice and order dated December 14, 2010, be stayed. The Bombay High Court by an order dated December 22, 2010, while admitting the writ petition, observed that it was satisfied that the issue raised by our Company regarding applicability of the EIA Notifications is required to be considered. The matter is currently pending.

2. Our Company has filed a writ petition (no. 811 of 2011) before the Bombay High Court against the Ministry of Environment and Forests, Union of India (“MoEF”); the Ministry of Environment, State of Maharashtra; and three others, challenging the order dated January 17, 2011 issued by the MoEF. The order, *inter alia*, held that our Company had undertaken the development of the hill station project without obtaining the necessary environmental clearance from the MoEF as required under the EIA Notifications. Our Company has submitted in the writ petition that the impugned order dated January 17, 2011 is without jurisdiction and in breach of the principles of natural justice. Further, our Company has submitted that the EIA Notifications are not applicable to the extent of the land admeasuring 2,000 hectares for which an environmental clearance has been obtained from the Government of Maharashtra. Our Company has sought the order dated January 17, 2011 be quashed and set aside. The matter is currently pending.
3. Our Company has filed a writ petition (no. 7276 of 2011) before the Bombay High Court against the Ministry of Environment and Forests, Union of India (“MoEF”); the Ministry of Environment, State of Maharashtra; and others, for a declaration that our Company had been granted or has deemed to have been granted an environmental clearance to the extent of 2000 hectares for the project on the basis of the recommendations of the Expert Appraisal Committee of the MoEF, which were accepted by MoEF. Certain preconditions in relation to the project were intimated to our Company vide MoEF’s letter dated June 27, 2011. Our Company has argued that since it has complied with the preconditions set out by the MoEF, the status-quo imposed by the MoEF be vacated and a formal environmental approval be granted to the project. Subsequently, the MoEF on November 9, 2011 granted an environmental clearance to the extent of 2000 hectares for the project. The matter is currently pending.
4. Our Company has filed an appeal (no. 36 of 2011) before the National Green Tribunal, New Delhi against the Ministry of Environment and Forests, Union of India (“MoEF”) and the Ministry of Environment, State of Maharashtra, challenging some of the conditions prescribed in the environmental clearance order dated November 9, 2011 issued by the MoEF (the “EC Order”), which were based upon the report of the K.T. Ravindran Committee dated October 25, 2011. Our Company has argued that some of the conditions laid out in the EC Order, including one pertaining to provision of five percent of the total project cost for corporate social responsibility activities, are of a vague and indeterminate nature. Further, it has been argued that the K.T. Ravindran Committee, on whose report the MoEF has relied, went beyond its mandate in assessing the environmental sustainability of the project. Hence, it is prayed that all references and findings of the report of the K. T. Ravindran Committee be expunged and the impugned conditions in the EC Order be quashed and set aside. In its reply, the MoEF has stated that no extraneous conditions beyond the scope of the Environment (Protection) Act, 1986 have been sought to be imposed in the EC Order. The matter is currently pending.
5. Our Company has filed a transfer petition (no. 1326 of 2012) before the Supreme Court under Article 139A of the Constitution of India against Dyaneshwar Vishnu Shedge; the Ministry of Environment and Forests, Union of India (“MoEF”) and the Maharashtra Pollution Control Board (“MPCB”), seeking transfer of an appeal (no. 9 of 2012) filed by one Dyaneshwar Vishnu Shedge (the “Appeal”) before the National Green Tribunal, New Delhi (“NGT”) to the Supreme Court. Our Company has argued that the principal issue in the said appeal, namely the interpretation of the term ‘person aggrieved’ under Section 16 of the National Green Tribunal Act, 2010, is currently pending before the Supreme Court in another matter not involving our Company and the Appeal may be heard alongside the same to avoid a conflict of decisions. By an order dated October 19, 2012, the Supreme Court imposed a stay on any further proceedings before the NGT in connection to the Appeal. Dyaneshwar Vishnu Shedge has sought that the petition be dismissed. The matter is currently pending.
6. Our Company has filed a civil appeal (no. 4280 of 2013) before the Supreme Court against Dynaeshwar Vishnu Shedge; the Ministry of Environment and Forests, Union of India (“MoEF”); and the Maharashtra Pollution Control Board (“MPCB”). Our Company has filed this appeal being aggrieved by an order passed by the National Green Tribunal, New Delhi (“NGT”) dated April 23, 2013 (the “Order”) in appeal no. 9 of 2012 filed by Dyaneshwar Vishnu Shedge (the “NGT Appeal”).

By virtue of an order passed in transfer petition 1326 of 2012, the Supreme Court had stayed 'further proceedings' before the NGT in relation to the NGT Appeal. The NGT, however, observed in the Order that the stay order imposed would not affect the continuance of 'interim proceedings' in the NGT Appeal. Our Company has submitted that the NGT cannot proceed with any interim proceedings in the NGT Appeal by bifurcating the Supreme Court order, and has prayed that the impugned NGT order dated April 23, 2013 be set aside. The matter is currently pending.

7. Our Company has filed a contempt petition (no. 203 of 2013) before the Supreme Court against Dyaneshwar Vishnu Shedge (the "Respondent") alleging an intentional breach of the stay order of the Supreme Court dated October 19, 2012 in transfer petition no. 1326 of 2012. It is argued by our Company that in terms of the order of the Supreme Court, it was incumbent upon the Respondent to ensure that the proceedings before the National Green Tribunal, New Delhi ("NGT") in appeal no. 9 of 2012 were stayed. Despite the same, the Respondent approached the NGT for interim relief, and subsequently the NGT passed an order dated April 23, 2013, observing that the stay order of the Supreme Court would not apply to 'interim proceedings'. Our Company has prayed that contempt proceedings be initiated against the Respondent for deliberate and wilful disobedience of the order of the Supreme Court dated October 19, 2012. The matter is currently pending.
8. Our Company has filed a suit (no. 786 of 2013) before the Delhi High Court ("High Court") against Krest Infrastructure Private Limited and seven others ("Defendants") in relation to infringement of our Company's intellectual property rights in the trademark 'Lavasa'. Our Company has argued that the Defendants have copied the trademark in respect of an identical product and hence have sought to profit by name and the goodwill of our Company. It has been submitted that the phrase 'Lavasa' is a coined term and is hence distinctive and exclusively associated with our Company. Our Company has sought a permanent injunction against the Defendants restraining them from infringing upon the trademark 'Lavasa' and damages to the amount of ₹ 2.2 million. The High Court, by an order dated April 29, 2013, has issued an interim injunction restraining the Defendants from using the trademark 'Lavasa'. The matter is currently pending.
9. Our Company has filed two writ petitions (no. 5255 of 2010 and 6463 of 2010) before the Bombay High Court against the State of Maharashtra and others (the "Respondents") seeking cancellation of demand notices issued by the Tahsildar, taluka Mulshi, for village Dasve and Mugaon. The Respondents have demanded the amount of ₹ 116.09 million and ₹ 61.45 million respectively, from our Company as royalty and penalty on the material excavated from the surface of the land for the purpose of construction of roads and pathways, under Section 48 of the Maharashtra Land Revenue Code, 1966. Our Company has argued that the levy of such royalty is unconstitutional and illegal and Section 48 of the Maharashtra Land Revenue Code, 1966 is not applicable to our Company. Our Company has prayed that the order of the Tahsildar be set aside and for a declaration that the Tahsildar does not have any authority to levy and demand such royalty from our Company. The writ petitions have been admitted and a stay has been granted by orders dated July 8, 2010 and August 16, 2010 respectively, against the Respondents from taking any coercive steps to recover penalty and royalty. The matter is currently pending.
10. Our Company has filed a special civil suit (no. 631 of 2013) before the Civil Judge, Senior Division, Pune against Reji Thomas and another (the "Defendants") in relation to false and malicious statements being made by the Defendants by way of e-mail. Our Company has submitted that the Defendants are making such statements in order to coerce our Company into extending an agreement with the Defendants to operate a coffee bar, which has expired on March 31, 2013. Our Company has prayed for exemplary damages of ₹ 1,000 million with interest, for the loss to our reputation, and an order of permanent injunction restraining the Defendants from making or circulating any defamatory statements about our Company. In their written statement, the Defendants have denied that the content of the statements made about our Company was false or malicious. The matter is currently pending.
11. Our Company has filed a special civil suit (no. 2337 of 2010) before the Civil Judge, Senior Division, Pune against Associated Broadcasting Company Private Limited and six others (the "Defendants") in relation to news programmes that were broadcast that had targeted our Company and the project, and had consequently caused damage to the reputation and financial prospects of our Company. Hence, our Company has prayed for damages of ₹ 3,045 million with interest, and a permanent injunction restraining the Defendants from circulating or publishing any defamatory information about our Company without giving it a full and proper opportunity to present its views on the news programmes. The matter is currently pending.

Revenue proceedings

1. Our Company has filed an appeal (no. 10 of 2011) before the Sub Divisional Officer, Maval against Ashok Deshpande and others (the “Respondents”) challenging an order passed by the Tahsildar in relation to an area admeasuring 07 hectares 85 ars in the properties bearing survey no. 33/2, 40/1 and 49/2 of village Sakhari, Taluka Mulshi. Bhagwandas Thakkar and others sold the said properties to our Company and accordingly by mutation entry no. 302, the name of our Company was recorded in the revenue records. The Respondents have alleged that they also are the legal heirs of one of the original owners of the property, and have therefore prayed for mutation of their names in the revenue records. The matter is currently pending.
2. Our Company has filed an appeal (no. 11 of 2011) before the Sub Divisional Officer, Maval against Yenubai Vitthal Ubhe and others (the “Respondents”) challenging an order passed by the Tahsildar in relation to an area admeasuring 04 hectares 35 ars in the properties bearing survey no. 38/1 of village Dasve. The Respondents had moved an application in before the Tahsildar and alleged that they were the legal heirs of the original owner of said property, and that the revenue department in a mala fide manner had recorded the name of another. Our Company purchased the said property from the current owner and accordingly the name of our Company is recorded in revenue records. An application filed by the Respondents in this regard was allowed by the Tahsildar, upon which the present appeal was filed. The matter is currently pending.
3. Our Company filed an appeal (no. 73 of 2011) before the Sub Divisional Officer, Maval against Baban Sonu Shedge and others (the “Respondents”) challenging an order passed by the Tahsildar in relation to properties bearing survey no. 5/1, 11/1, 26/2, 43/1, 52/1+2+3, 73/3/1, 73/4, 88/3, 93/1, 119/1, 125/1 and 74/1 of village Dhamanohol. The Respondents had preferred an application before the Tahsildar, for review of the order certification of mutation entry no.157 by which name of Vithal Hari Shedge was entered as manager of a joint family and legal heir of late Hari Shripati Shedge. The Tahsildar had allowed the application of the Respondents, subsequent to which this appeal was filed. The matter is currently pending.
4. Our Company has filed an appeal (no. 538 of 2011) before the Sub Divisional Officer, Maval against Ganpat Maruti Kadu and others (the “Respondents”), challenging an order passed by the Tahsildar in relation to an area admeasuring 01 hectare 96 ars in the property bearing survey nos. 8/10 of village Wadawali. The Respondents have alleged that said property belongs to them but by mistake name of one Ganpat Barku Kadu was recorded in the revenue records and therefore the Respondents asked to record their name in revenue records, upon which, the Tahsildar passed order in favor of the Respondents, subsequent to which this appeal was filed. The matter is currently pending.
5. Our Company has filed an appeal (no. 554 of 2011) before the Sub Divisional Officer, Maval against Shadu Chapa Dabade and others (the “Respondents”) challenging an order passed by the Tahsildar in relation to the property bearing survey no. 74/1 of village Bhoini. In case before the Tahsildar, the Respondents had asked to record an area of 5.66 hectares in their name but our Company had purchased an area admeasuring 05.74.84 hectares out of the said property from various vendors. The Respondents have prayed to record an area admeasuring 5.66 hectares to be recorded in their name. The matter is currently pending.
6. Our Company has filed an appeal (no. 699 of 2012) before the Sub Divisional Officer, Maval against Shrirang Bahirat and others (the “Respondents”) challenging an order of denial of recording of the name of the Respondents in revenue records for an area admeasuring 00 hectare 41 ars in the property bearing survey no. 70/1 of village Mugaon. Our Company had purchased the property from one Shrirang Bahirat and the name of our Company was not recorded in the revenue records. The matter is currently pending.
7. Our Company has filed an application (no. 697 of 2012) before the Sub Divisional Officer, Maval against Tanaji Pasalkar and others (the “Respondents”) to mutate its name in revenue records for an area admeasuring 01 hectares 24 ars in property bearing survey no. 7/1 of village Mugaon. Our Company had purchased said the property from father of Tanaji Pasalkar but before mutating name of our Company, the concerned vendor demised and therefore our Company’s name was not recorded in the revenue records of said property. The matter is currently pending.
8. Our Company has filed an appeal (no. 825 of 2011) before the Sub Divisional Officer, Maval against

Suman Kale and others (the “Respondents”), challenging an order of the Tahsildar in relation to an area admeasuring 03 hectares 39 ars in the property bearing survey no. 35/1 in village Dasave. The Tahsildar by way of its order, directed the mutation of the names of the Respondents in the revenue records. The matter is currently pending.

9. Our Company has filed an appeal (no. 119 of 2010) before the Sub Divisional Officer, Maval against Janabai Pawale and other (the “Respondents”) challenging an order of the Tahsildar in relation to an area admeasuring 03 hectares 39 ars in the property bearing survey no. 7/1 of village Padalghar. It is alleged by the Respondent no. 1 that the said property is her ancestral property that was fraudulently sold to our Company. The matter is currently pending.
10. Our Company has filed an appeal (no. 137 of 2013) before the Sub Divisional Officer, Maval against Baban Bavdhane and others (the “Respondents”) challenging an order of the Tahsildar in relation to an area admeasuring 03 hectares in the property bearing survey no. 35/1/3/ of village Gadale. The Respondent no. 1 had alleged that as per the provisions of the Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1948, the said land was allotted to his father, but due to some oversight it had been recorded in the name of another, resulting in our Company purchasing the property. The matter is currently pending.
11. Our Company filed an appeal before the Sub Divisional Officer, Maval against Kisan Gopal Polekar and others, challenging an order of the Tahsildar in relation to an area admeasuring 07 hectares 93 ars in the property bearing survey no. 39/1 of village Gadale. The matter is currently pending and has not yet been numbered by the revenue department.
12. Our Company has filed an appeal before the Sub Divisional Officer, Maval against Manik Bhorade and others, challenging an order of the circle officer to refuse certification of mutation entries of our Company’s purchase an area admeasuring 01 hectares 61 ars in the properties bearing survey nos. 17/3, 29/11, 30/4 and 29/5 of village Koloshi. The matter is currently pending and has not yet been numbered by the revenue department..
13. Our Company has filed an appeal (no. 553 of 2011) before the Sub Divisional Officer, Maval against Samir Warghade and others (the “Respondents”) challenging an order of the Tahsildar in relation to a property bearing survey no. 80/1 of village Dasve. The Respondents had purchased a part in the said property, but their names were recorded in the incorrect column in the revenue records. The matter is currently pending.
14. Our Company has filed an appeal (no. 294 of 2011) before the Additional Collector, Pune against Kisan Gopal Polekar (the “Respondent”) in relation to a property at survey no. 39/1 in village Gadale. The Respondent and others had challenged the transfer of the said property to our Company, among others, arguing that the said property was his ancestral property. The Sub Divisional Officer, Maval passed an order in favour of the Respondent, subsequent to which our Company has filed the present appeal. The matter is currently pending.

Arbitration Proceedings

1. Our Company has invoked arbitration proceedings against Capri Global Capital Limited (“Capri Global”) in relation to a dispute arising out of engagement letters dated August 4, 2008 and November 17, 2008, respectively. Our Company has stated that the services provided by Capri Global were unsatisfactory and that it did not fulfil its obligations under the said engagement letters. Thus, our Company has sought to reclaim the amounts paid to Capri Global and to initiate arbitration proceedings before the sole arbitrator, Justice B.N. Srikrishna. The matter is currently pending.

Electricity related matters

1. Maharashtra State Electricity Distribution Company Limited (“MSEDCL”) had served a notice (no. SE/PRC/A/cs/HT/CONF/267) dated May 26, 2008, to our Company for finalizing tariff for the year 2008-2009 and directed our Company to pay ₹ 31.2 million as electricity charges, as applicable for construction activity. Our Company filed a petition (no. 34 of 2008) before the Maharashtra Electricity Regulatory Commission (“MERC”) seeking a separate tariff classification as our Company is in the process of developing a hill station. MSEDCL prayed that the petition was not maintainable and by an order dated December 19, 2008, the MERC dismissed the petition on the grounds that the policy of the

Government of Maharashtra has no bearing on the categorization and tariffs determined by the commission under the Electricity Act, 2003. Our Company filed an appeal (no. 105 of 2009) before the Appellate Tribunal for Electricity, New Delhi challenging the order of the MERC contending that MERC gave its orders on merits of the case without hearing our Company. The Appellate Tribunal for Electricity has, by its order dated May 7, 2010, held that our Company had not been heard on merits and set aside the order of the MERC and remanded the matter back to MERC to be heard on merits. The matter is currently pending.

2. Our Company had entered into an agreement with the Maharashtra State Electricity Distribution Company Limited (“MSEDCL”) under which MSEDCL was supplying power to our Company for commercial purposes at its premises situated at Lavasa. After a spot inspection dated May 7, 2008 of our Company’s project site, MSEDCL observed that the power supplied to our Company was being used for construction activities and by an assessment order (no. SE/PRC/A/cs/HT/CONF/267) dated May 26, 2008 sought our Company to pay ₹ 31.2 million as electricity charges. Aggrieved by the assessment order, our Company has filed an appeal (no. 170 of 2009) before the Appellate Authority under Section 127 of the Electricity Act, 2003 for setting aside of the aforementioned assessment order. The matter is currently pending.

Miscellaneous

1. The name of our Company and certain of our Directors has appeared on the Credit Information Bureau Limited as a defaulting company for default in payment of loan facilities to our consortium lenders in the year 2013. Our account was classified as a non-performing asset on March 31, 2013.
2. The Central Bureau of Investigation (“CBI”) by way of an order dated November 23, 2011, directed our Company to produce certain documents in relation to the financing and investment facilities of our Company with Central Bank of India, handled by Money Matters (India) Private Limited and other public financial institutions and banks and processed by Money Matters (India) Private Limited or otherwise in fiscal year 2009-2010. Our Company replied to the CBI by way of its letter dated November 27, 2011, and submitted the necessary documents.

Our Company may, from time to time, be served with notices by Gram Panchayats for payment of tax liability in relation to certain of our properties.

Litigation involving our Subsidiaries

Litigation involving Green Hills Residences Limited

1. Capri Global Advisory Services Limited (“CGASL”) (Formally known as Money Matters Advisory Services Ltd.) has filed arbitration proceedings before Justice B. N. Srikrishna (Retd.) on March 29, 2014 against our Company and Green Hills Residences Limited (“Respondents”). CGASL has challenged the termination of the joint venture agreement between CGASL and our Company, by our Company on account of failure of CGASL to infuse capital as required under the aforementioned joint venture agreement. In its interim application, CGASL has prayed for stay of the termination of aforementioned joint venture agreement and status quo be maintained in respect of shares held by CGASL. The arbitral tribunal has passed an order that Respondents would not alter the share capital of Green Hills Residences Limited without giving prior notice to CGASL. The arbitration is currently pending.

Litigation involving Lakeview Clubs Limited

1. Lakeview Clubs Limited (the “Plaintiff”) has filed a regular civil suit (no. 106 of 2013) before the Civil Judge, Junior Division, Pune against Jayesh C. Mirani (the “Defendant”) to recover dues relating to hospitality services availed by the Defendant. The cheque issued by the Defendant against the bills raised was dishonoured, giving rise to the present claim. The Plaintiff has claimed ₹ 275,938.20 for the outstanding amount of the bills with interest. The matter is currently pending.

Litigation involving our Directors

A. Litigation involving Ajit Gulabchand

Litigation against Ajit Gulabchand

1. The Central Bureau of Investigation (the “Complainant”) has filed a calendar case (no. 26 of 2003) before the Additional Special Judge for CBI Cases, Chennai against HCC represented by Ajit Gulabchand in his capacity as the chairman and managing director of HCC (now represented by the company secretary) and others. The Complainant has alleged that HCC and others had entered into a criminal conspiracy to cheat the Ennore Port Trust by filing false claims of ₹ 146.3 million in relation to work done by HCC during the years 1999 and 2000 for the Ennore Port Project. The matter is currently pending.
2. Jenjon Retails & Services Private Limited (the “Plaintiff”) has filed a civil suit (no. 1635 of 2013) before the Civil Judge, Junior Division, Pune, against our Company, Ajit Gulabchand and others. The Plaintiff has alleged that upon expiry of the agreement between our Company and the Plaintiff, our Company has resumed possession of the suit premises without due notice to the Plaintiff and without following the procedure of law. The Plaintiff has prayed that the Plaintiff ought not to be dispossessed from the suit premises without recourse to the process of law and that no third party right and/or interest in the suit premises may be created unless possession of the suit premises is recovered from the Plaintiff with recourse to the process of law. No order has been passed by the court. The matter is currently pending.
3. The Directorate General of Foreign Trade has passed an order against Ajit Gulabchand, in his capacity as a director in Poysha Industrial Trading Company Limited (“PITC”) regarding non filing of papers for fulfillment of export obligations under four export licenses against which PITC had availed of advanced authorizations from the Government of India. The resignation of Ajit Gulabchand from the said company was not notified by the said company by filing of form 32 with the Registrar of Companies. The aforementioned order has been passed in four review applications filed by Ajit Gulabchand, and a challenge to the abovementioned order is under process since it is alleged that the order has been passed without taking into consideration the grounds mentioned in the review applications and without giving a chance for personal hearing. Further, a demand notice has been received from the DGFT in respect of the sixteen licenses, including the above four licenses. The matter is currently pending.
4. Reji Thomas (the “Complainant”) has filed a regular criminal case (no. 3557 of 2013) before the Judicial Magistrate, First Class, Pune (“Judicial Magistrate”) against our Company, State of Maharashtra, Ajit Gulabchand and certain other individuals, including our Directors. The Judicial Magistrate, by its order dated April 23, 2014 (“Order”) dismissed the complaint against the directors and has issued process against our Company and one individual. Aggrieved by the Order, the Complainant has filed a criminal revision application (no. 371 of 2014) before the Sessions Judge, Pune and has sought that the Order be set aside and process be issued against the other accused. The matter is currently pending.

Litigation by Ajit Gulabchand

1. Ajit Gulabchand (the “Plaintiff”) has filed a civil suit (no. 199 of 2009) before the Civil Judge, Alibaug against the State of Maharashtra and others. The Plaintiff has purchased the properties at gat no., 783/A, 783/B and 783/C at village Kihim. As the said properties are Class – II lands, the selling party is required to obtain permission for the sale upon the payment of a ‘nazrana’. The Comptroller and Auditor General, in its government audit, remarkeded that the nazrana collected in relation to the said property in the past three transactions was less than the applicable amount. The Government of Maharashtra has directed the Plaintiff to deposit the deficient nazrana in the government treasury, against which the present suit has been filed. The matter is currently pending.

B. Litigation involving Gautam Thapar

Litigation against Gautam Thapar

1. Jenjon Retails & Services Private Limited (the “Plaintiff”) has filed a civil suit (no. 1635 of 2013) before the Civil Judge, Junior Division, Pune, against our Company, Gautam Thapar and others. The Plaintiff has alleged that upon expiry of the agreement between our Company and the Plaintiff, our Company has resumed possession of the suit premises without due notice to the Plaintiff and without following the procedure of law. The Plaintiff has prayed that the Plaintiff ought not to be dispossessed from the suit premises without recourse to the process of law and that no third party right and/or interest in the suit premises may be created unless possession of the suit premises is recovered from the

Plaintiff with recourse to the process of law. No order has been passed by the court. The matter is currently pending.

2. The Maharashtra Pollution Control Board (“MPCB”) has filed a criminal complaint (no. 4671 of 2011) before the Chief Judicial Magistrate, Pune against the Company and others under Sections 15 and 16 of the Environment (Protection) Act, 1986 (“Act”) for alleged violations of the Act read with the EIA Notifications. The magistrate passed an order of issuance of process dated November 24, 2011. A criminal application (no. 150 of 2012) has been filed before the Bombay High Court for quashing the aforementioned order. The Bombay High Court has granted a stay in the matter.
3. Reji Thomas (the “Complainant”) has filed a regular criminal case (no. 3557 of 2013) before the Judicial Magistrate, First Class, Pune (“Judicial Magistrate”) against our Company, State of Maharashtra, Gautam Thapar and certain other individuals, including our Directors. The Judicial Magistrate, by its order dated April 23, 2014 (“Order”) dismissed the complaint against the directors and has issued process against our Company and one individual. Aggrieved by the Order, the Complainant has filed a criminal revision application (no. 371 of 2014) before the Sessions Judge, Pune and has sought that the Order be set aside and process be issued against the other accused. The matter is currently pending.

Litigation by Gautam Thapar

1. Gautam Thapar has filed a criminal application (no. 150 of 2012) before the Bombay High Court against the State of Maharashtra another to quash and set aside the order of issuance of process passed by the Chief Judicial Magistrate, Pune in criminal complaint. 4671 of 2011 in relation to an alleged violation of Sections 15 and 16 of the Environment (Protection) Act, 1986 (“EPA”) for alleged violations of the EPA read with the EIA Notifications. A stay has been granted in the matter by the Bombay High Court. The matter is currently pending.
2. Gautam Thapar (the “Appellant”) has filed an appeal (no. 15 of 2012) before the Appellate Tribunal for Foreign Exchange against the Special Director of Enforcement, challenging an order dated February 28, 2011 imposing a penalty of ₹ 10 million in relation to an allegation of ‘round tripping’. The matter is currently pending.

C. Litigation involving Anuradha Jitendra Desai

Litigation against Anuradha Jitendra Desai

1. Jenjon Retails & Services Private Limited (the “Plaintiff”) has filed a civil suit (no. 1635 of 2013) before the Civil Judge, Junior Division, Pune against our Company, Anuradha Jitendra Desai and others. The Plaintiff has alleged that upon expiry of the agreement between our Company and the Plaintiff, our Company has resumed possession of the suit premises without due notice to the Plaintiff and without following the procedure of law. The Plaintiff has prayed that the Plaintiff ought not be dispossessed from the suit premises without recourse to the process of law and that no third party rights and/or interest in the suit premises unless possession of the suit premises is recovered from the Plaintiff with recourse to the process of law. The matter is currently pending.
2. The Maharashtra Pollution Control Board (“MPCB”) has filed a criminal complaint (no.4671 of 2011) before the Chief Judicial Magistrate, Pune against the Company, Anuradha Jitendra Desai and others under Sections 15 and 16 of the Environment (Protection) Act, 1986 (“Act”) for alleged violations of the Act read with the EIA Notifications. The Magistrate passed an order of issuance of process dated November 24, 2011. A writ petition (no. 1417 of 2012) has been filed before the Bombay High Court for quashing of the aforementioned order. The Bombay High Court has granted a stay in the matter.
3. Reji Thomas (the “Complainant”) has filed a regular criminal case (no. 3557 of 2013) before the Judicial Magistrate, First Class, Pune (“Judicial Magistrate”) against our Company, State of Maharashtra, Anuradha Jitendra Desai and certain other individuals, including our Directors. The Judicial Magistrate, by its order dated April 23, 2014 (“Order”) dismissed the complaint against the directors and has issued process against our Company and one individual. Aggrieved by the Order, the Complainant has filed a criminal revision application (no. 371 of 2014) before the Sessions Judge, Pune and has sought that the Order be set aside and process be issued against the other accused. The matter is currently pending.

Litigation by Anuradha Jitendra Desai

1. Anuradha Jitendra Desai has filed a criminal writ petition (no. 1417 of 2012) before the Bombay High Court against the State of Maharashtra and another, to quash and set aside the order of issuance of process passed by the Chief Judicial Magistrate, Pune in RCC no. 4671 of 2011 in relation to an alleged violation of Sections 15 and 16 of the Environment (Protection) Act, 1986 (“EPA”) for alleged violations of the EPA read with the EIA Notifications. A stay has been granted in the matter by the Bombay High Court. The matter is currently pending.

D. Litigation involving Vithal Maniar

Litigation against Vithal Maniar

1. Jenjon Retails & Services Private Limited (the “Plaintiff”) has filed a civil suit (no. 1635 of 2013) before the Civil Judge, Junior Division, Pune, against our Company, Vithal Maniar and others. The Plaintiff has alleged that upon expiry of the agreement between our Company and the Plaintiff, our Company has resumed possession of the suit premises without due notice to the Plaintiff and without following the procedure of law. The Plaintiff has prayed that the Plaintiff ought not to be dispossessed from the suit premises without recourse to the process of law and also that no third party right and/or interest in the suit premises may be created unless possession of the suit premises is recovered from the Plaintiff with recourse to the process of law. No order has been passed by the court. The matter is currently pending.
2. The Maharashtra Pollution Control Board (“MPCB”) has filed a criminal case (no. 4671 of 2011) before the Chief Judicial Magistrate, Pune against the Company, Vithal Maniar and others under Sections 15 and 16 of the Environment (Protection) Act, 1986 (“Act”) for alleged violations of the Act read with the EIA Notifications. The Magistrate passed an order of issuance of process dated November 24, 2011. A criminal Application (no. 151 of 2012) has been filed before the Bombay High Court for quashing of the aforementioned order. The Bombay High Court has granted a stay in the matter.
3. Vikram Avinash Deshpande (the “Complainant”) has filed a criminal complaint (no. 633 of 2012) before the Judicial Magistrate First Class, Pune against our Company, Vithal Maniar and others under Sections 405, 406, 408, 416, 420, 465, 468 and 471, read with Section 34 of the Indian Penal Code, 1860. The Complainant has alleged that our Company has illegally purchased properties bearing survey no. 79/2/4/2, 79/3/1 and other properties of village Dasve from the predecessors of the Complainant. The complaint is currently pending.
4. Reji Thomas (the “Complainant”) has filed a regular criminal case (no. 3557 of 2013) before the Judicial Magistrate, First Class, Pune (“Judicial Magistrate”) against our Company, State of Maharashtra, Vithal Maniar and certain other individuals, including our Directors. The Judicial Magistrate, by its order dated April 23, 2014 (“Order”) dismissed the complaint against the directors and has issued process against our Company and one individual. Aggrieved by the Order, the Complainant has filed a criminal revision application (no. 371 of 2014) before the Sessions Judge, Pune and has sought that the Order be set aside and process be issued against the other accused. The matter is currently pending.

Litigation by Vithal Maniar

1. Vithal Maniar has filed a criminal application (no. 151 of 2012) before the Bombay High Court against the State of Maharashtra another to quash and set aside the order of issuance of process passed by the Chief Judicial Magistrate, Pune in RCC no. 4671 of 2011 in relation to an alleged violation of Sections 15 and 16 of the Environment (Protection) Act, 1986 (“EPA”) for alleged violations of the EPA read with the EIA Notifications. A stay has been granted in the matter by the Bombay High Court. The matter is currently pending.

E. Litigation involving Shalaka Gulabchand Dhawan

Litigation against Shalaka Gulabchand Dhawan

1. Jenjon Retails & Services Private Limited (the “Plaintiff”) has filed a civil suit (no. 1635 of 2013) before the Civil Judge, Junior Division, Pune, against our Company, Shalaka Gulabchand Dhawan and others. The Plaintiff has alleged that upon expiry of the agreement between our Company and the

Plaintiff, our Company has resumed possession of the suit premises without due notice to the Plaintiff and without following the procedure of law. The Plaintiff has prayed that the Plaintiff ought not to be dispossessed from the suit premises without recourse to the process of law and that no third party right and/or interest in the suit premises may be created unless possession of the suit premises is recovered from the Plaintiff with recourse to the process of law. No order has been passed by the court. The matter is currently pending.

2. The Maharashtra Pollution Control Board (“MPCB”) has filed a criminal complaint (no. 4671 of 2011) before the Chief Judicial Magistrate, Pune against the Company, Shalaka Gulabchand Dhawan and others under Sections 15 and 16 of the Environment (Protection) Act, 1986 (“EPA”) for alleged violations of the EPA read with the EIA Notifications. The Magistrate passed an order of issuance of process dated November 24, 2011. A criminal application (no. 149 of 2012) has been filed before the Bombay High Court for quashing of the aforementioned order. The Bombay High Court has granted a stay in the matter.
3. Reji Thomas (the “Complainant”) has filed a regular criminal case (no. 3557 of 2013) before the Judicial Magistrate, First Class, Pune (“Judicial Magistrate”) against our Company, State of Maharashtra, Shalaka Gulabchand Dhawan and certain other individuals, including our Directors. The Judicial Magistrate, by its order dated April 23, 2014 (“Order”) dismissed the complaint against the directors and has issued process against our Company and one individual. Aggrieved by the Order, the Complainant has filed a criminal revision application (no. 371 of 2014) before the Sessions Judge, Pune and has sought that the Order be set aside and process be issued against the other accused. The matter is currently pending.

Litigation by Shalaka Gulabchand Dhawan

1. Shalaka Gulabchand Dhawan has filed a criminal application (no. 149 of 2012) before the Bombay High Court against the State of Maharashtra another to quash and set aside the order of issuance of process passed by the Chief Judicial Magistrate, Pune in RCC no. 4671 of 2011 in relation to an alleged violation of Sections 15 and 16 of the Environment (Protection) Act, 1986 (“EPA”) for alleged violations of the EPA read with the Environmental Impact Assessment Notifications of 1994 and 2004 as amended in 2006. A stay has been granted in the matter by the Bombay High Court. The matter is currently pending.

F. Litigation involving His Highness Gaj Singh

1. Jenjon Retails & Services Private Limited (the “Plaintiff”) has filed a civil suit (no. 1635 of 2013) before the Civil Judge, Junior Division, Pune against our Company, His Highness Gaj Singh and others. The Plaintiff has alledged that upon expiry of the agreement between our Company and the Plaintiff, our Company has resumed possession of the suit premises without due notice to the Plaintiff and without following the procedure of law. The Plaintiff has prayed that the Plaintiff ought not to be dispossessed from the suit premises without recourse to the process of law and that no third party rights and/or interest in the suit premises unless possession of the suit premises is recovered from the Plaintiff with recourse to the process of law. No order has been passed by the court. The matter is currently pending.
2. Reji Thomas (the “Complainant”) has filed a regular criminal case (no. 3557 of 2013) before the Judicial Magistrate, First Class, Pune (“Judicial Magistrate”) against our Company, State of Maharashtra, His Highness Gaj Singh and certain other individuals, including our Directors. The Judicial Magistrate, by its order dated April 23, 2014 (“Order”) dismissed the complaint against the directors and has issued process against our Company and one individual. Aggrieved by the Order, the Complainant has filed a criminal revision application (no. 371 of 2014) before the Sessions Judge, Pune and has sought that the Order be set aside and process be issued against the other accused. The matter is currently pending.

G. Litigation involving Ram P. Gandhi

1. Jenjon Retails & Services Private Limited (the “Plaintiff”) has filed a civil suit (no. 1635 of 2013) before the Civil Judge, Junior Division, Pune against our Company, Ram Gandhi and others. The Plaintiff has alledged that upon expiry of the agreement between our Company and the Plaintiff, our Company has resumed possession of the suit premises without due notice to the Plaintiff and without

following the procedure of law. The Plaintiff has prayed that the Plaintiff ought not be dispossessed from the suit premises without recourse to the process of law and that no third party rights and/or interest in the suit premises unless possession of the suit premises is recovered from the Plaintiff with recourse to the process of law. The matter is currently pending.

2. Reji Thomas (the “Complainant”) has filed a regular criminal case (no. 3557 of 2013) before the Judicial Magistrate, First Class, Pune (“Judicial Magistrate”) against our Company, State of Maharashtra, Ram P. Gandhi and certain other individuals, including our Directors. The Judicial Magistrate, by its order dated April 23, 2014 (“Order”) dismissed the complaint against the directors and has issued process against our Company and one individual. Aggrieved by the Order, the Complainant has filed a criminal revision application (no. 371 of 2014) before the Sessions Judge, Pune and has sought that the Order be set aside and process be issued against the other accused. The matter is currently pending.

H. Litigation involving Sharad M. Kulkarni

Litigation against Sharad M. Kulkarni

1. Jenjon Retails & Services Private Limited (the “Plaintiff”) has filed a civil suit (no. 1635 of 2013) before the Civil Judge, Junior Division, Pune against our Company, Sharad M. Kulkarni and others. The Plaintiff has alleged that upon expiry of the agreement between our Company and the Plaintiff, our Company has resumed possession of the suit premises without due notice to the Plaintiff and without following the procedure of law. The Plaintiff has prayed that the Plaintiff ought not be dispossessed from the suit premises without recourse to the process of law and that no third party rights and/or interest in the suit premises unless possession of the suit premises is recovered from the Plaintiff with recourse to the process of law. The matter is currently pending.
2. The Maharashtra Pollution Control Board (“MPCB”) has filed a criminal complaint (RCC no. 4671 of 2011) before the Chief Judicial Magistrate, Pune against our Company, Sharad M. Kulkarni and others under Sections 15 and 16 of the Environment (Protection) Act, 1986 (“EPA”) for alleged violations of the EPA read with the Environmental Impact Assessment Notifications of 1994 and 2004 as amended in 2006. The Magistrate passed an order of issuance of process dated November 24, 2011. A criminal revision application (no. 71 of 2012) has been filed before the Sessions Court, Pune for quashing of the aforementioned order. The matter is currently pending.
3. Reji Thomas (the “Complainant”) has filed a regular criminal case (no. 3557 of 2013) before the Judicial Magistrate, First Class, Pune (“Judicial Magistrate”) against our Company, State of Maharashtra, Sharad M. Kulkarni and certain other individuals, including our Directors. The Judicial Magistrate, by its order dated April 23, 2014 (“Order”) dismissed the complaint against the directors and has issued process against our Company and one individual. Aggrieved by the Order, the Complainant has filed a criminal revision application (no. 371 of 2014) before the Sessions Judge, Pune and has sought that the Order be set aside and process be issued against the other accused. The matter is currently pending.

Litigation by Sharad M. Kulkarni

1. Sharad M. Kulkarni has filed a criminal revision application (no. 71 of 2012) before the Sessions Court, Pune against the State of Maharashtra and another to quash and set aside the order of issuance of process passed by the Chief Judicial Magistrate, Pune in RCC no. 4671 of 2011 in relation to an alleged violation of Sections 15 and 16 of the Environment (Protection) Act, 1986 (“EPA”) for alleged violations of the EPA read with the Environmental Impact Assessment Notifications of 1994 and 2004 as amended in 2006. The matter is currently pending.

Litigation involving our Promoters

Litigation against HCC

Criminal Proceedings

1. Central Bureau of Investigation (the “Complainant”) has filed a calendar case (no. 26 of 2003) before the Additional Special Judge for CBI Cases, Chennai against HCC, represented by Ajit Gulabchand in his capacity as the chairman and managing director of HCC (now represented by the company

secretary); and others. The Complainant has alleged that HCC and the others had entered into a criminal conspiracy to cheat the Ennore Port Trust by filing false claims of ₹ 146.3 million in relation to work done by HCC during the years 1999 and 2000 for the Ennore Port Project. The matter is currently pending.

2. The State of Uttar Pradesh has filed a case (no.1383 of 2009) before the Additional Chief Judicial Magistrate, Lucknow against Ulhas Bhattacharya and two others (the “Accused”), under Sections 288, 337, 338, 304-A and 427 of the Indian Penal Code, 1860. The Accused have been charged with negligently carrying out construction work and for grossly violating safety measures at the Lucknow to Muzzafarabad National Highway site leading to an accident at the site. The matter is currently at trial stage and is currently pending.

Civil Proceedings

1. Zitron (India) Private Limited has filed a winding up petition (no. 360 of 2014) against HCC before the Bombay High Court for the recovery of outstanding dues for supply and repair of machines amounting to ₹ 6 million, with interest. The matter is currently pending.
2. Kirloskar Brothers Limited (“KBL”) has filed a writ petition (no. 1066 of 2006) before the Andhra Pradesh High Court (“High Court”) against HCC and others praying for cancellation of the award of the Godavari Lift Irrigation Scheme – Package II (“GLIS-II”) to the joint venture of HCC and Nagarjuna Construction Company Limited. The High Court held that since KBL had not participated in the tender, the civil court should be approached. KBL contended that the petition was in the nature of a public interest litigation. The High Court has directed KBL to place the matter before the appropriate court dealing with public interest litigations in view of its assertion to that effect. The matter is currently pending.
3. Uday Bhan Singh and others (the “Complainants”) have filed a consumer complaint (no. 107 of 2005) before the State Consumer Dispute Redressal Commission, New Delhi (“Commission”) against the Army Navy Housing Board and HCC (“Opposite Parties”), alleging defects in construction of a building in Navi Mumbai. The Complainants have sought a direction for the repair or renovation of the building under the supervision of the Commission, or, in the alternative, that the Opposite Parties be directed to jointly and severally pay an amount of ₹ 3.7 million. HCC has filed its reply stating that the Complainants are not consumers of HCC and there is no privity of contract between the Complainants and HCC. The matter is currently pending.
4. G.K. Construction has filed a suit for permanent injunction (no. 78 of 2009) before the Principal Junior Civil Judge, Kovvur, to restrain one of the sub-contractors of HCC from receiving bills from HCC. HCC has, through its project manager, filed a counter statement stating that HCC is not concerned with the dispute between G.K Construction and the concerned sub contractor. The matter is currently pending.
5. The Kerala State Electricity Board (“KSEB”) and another have filed writ appeals (no. 197 of 2008 and 205 of 2008) before a Division Bench of the Kerala High Court against a writ petition (no. 31044 of 2007) filed by HCC. KSEB had called for re-tendering for a project where HCC and Bharat Heavy Electricals Limited were selected. HCC challenged this decision of the KSEB before the Kerala High Court which gave a decision in favour of HCC by a judgement dated January 1, 2008. The matter is currently pending.
6. The Kerala Public Works Department (“KPWD”) has filed an arbitration appeal (no. 35 of 2011) before the Kerala High Court against a judgement dated March 16, 2011 of the District Court, Ernakulam in an arbitration petition (no. 64 of 2007), dismissing a petition against an arbitral award dated November 15, 2006 made in favour of HCC for an amount of ₹ 4.1 million. The matter is currently pending.
7. The Brihanmumbai Municipal Corporation vide an arbitration petition (no. 982 of 2009) before the Bombay High Court has challenged two arbitral awards dated May 3, 2009 made in favour of HCC for an amount of ₹ 30 million with interest, in respect of reimbursement of additional costs incurred on dewatering during the stoppage of work, and reimbursement of additional cost of 1% on account of increase in the Works Contract Tax leviable due to enactment of the legislation subsequent to the submission of the tender. The matter is admitted and is currently pending.

8. The Brihanmumbai Municipal Corporation has vide an arbitration petition (no. 867 of 2013) before the Bombay High Court challenged an arbitral award dated March 2, 2013 in favour of HCC for ₹ 21.8 million with interest, in respect of claims for compensation on account of adverse geological conditions and breakdown of machinery. The matter is currently pending.
9. Director General of Naval Projects (“DGNP”) has filed an arbitration petition (no. 493 of 2013) before the Bombay High Court against an award dated March 9, 2013 for ₹ 30.6 million with interest, in respect of a claim made by the DGNP against a pre arbitral decision dated July 20, 2011 of the Deputy Director General and Chief Engineer holding that HCC was entitled to receive an octroi exemption certificate from the employer, but only for the quantities certified by the engineer to be incorporated in permanent works of dry dock and wharves. The matter is currently pending.
10. Maxworth Enterprises, a sub-contractor for transportation work, has filed a suit (C.S. no. 375 of 2013) against HCC before the Calcutta High Court for a decree for ₹ 8.48 million with interest pertaining to the work done for the Lucknow - Muzaffarpur Road Project - WB-1. The matter is currently pending.
11. Sandip Bagaria, the proprietor of M/s Diesel Spare Supplies filed a suit against HCC (no. 81 of 2014) before the Calcutta High Court for a decree of ₹ 1.16 million. The matter is currently pending.
12. Urmilaben Narayanlalji Gupta, mother of a deceased employee Birendrakumar Gupta, who was working at the Lakhtar camp site as a site engineer, has filed a civil suit (no. 75 of 2005) against HCC before the Surendranagar District Court, claiming compensation of ₹ 4 million with interest for the death of Birendrakumar Gupta due to alleged negligence. The matter is currently pending.
13. Ennore Port Limited has filed an original petition (no. 284 of 2010) before the Single Judge, Madras High Court challenging an award dated August 24, 2009 passed by an arbitral tribunal for an amount of ₹ 55 million towards non-payment of certified bills in relation to a contract for construction of a new port at Ennore and a contract for quarrying and transportation. The matter has been disposed off by the Single Judge by a judgement dated June 2, 2014 and the execution petition is being prepared..
14. Ennore Port Limited has filed an appeal (no. 155 of 2008) against HCC, before the Madras High Court, challenging a judgment dated November 13, 2006 in original side appeal (no. 79 of 2010) which had challenged an award dated April 27, 2002 passed by an arbitral tribunal for an amount of ₹ 19 million towards payment of variation orders in a contract for construction, quarrying and transportation.. The matter is currently pending final hearing.
15. Ennore Port Limited has filed an original petition (no. 464 of 2012) before the Single Judge, Madras High Court challenging an award dated March 12, 2010 passed by an arbitral tribunal for an amount of ₹ 12 million towards release of bank guarantee charges for extension beyond contractual completion dates in C1 Contract. The matter is currently pending final hearing.
16. Ennore Port Limited has filed an original petition (no. 427 of 2005) before the Single Judge, Madras High Court against HCC challenging an award passed by the arbitral tribunal consisting of Jagman Singh and Dharm Vir, rejecting the claim of Ennore Port Limited towards wagon charges amounting to ₹ 99.9 million. The matter is currently pending.
17. Ennore Port Limited has filed an original petition (no. 259 of 2005) before the Single Judge, Madras High Court against HCC challenging an award passed by the arbitral tribunal consisting of Jagman Singh, R. Rajagopalan and Dharm Vir, awarding a recovery of ₹ 12.4 million. The matter is currently pending.
18. Ennore Port Limited has filed an appeal (no. 234 of 2010) before the Division Bench, Madras High Court against a judgement dated December 22, 2008 passed in original petition (no. 247 of 2004) by a single judge upholding an award dated October 31, 2003 passed by the arbitral tribunal consisting of V. Subramanian, A. Ananthakrishnan and T.V. Ranganathan awarding ₹ 26.8 million towards engineers’ review of a variation order. The appeal is currently pending.
19. HCC has filed an appeal (no. 320 of 2008) before the Division Bench, Madras High Court against Ennore Port Limited challenging an order of a single judge setting aside an award dated October 21, 2004 passed in favour of HCC by the arbitral tribunal consisting of M. Velu, M.C Bhide and O.P. Goel awarding ₹ 17.5 million towards increase in specific density of rock. The matter is currently pending.

20. Ennore Port Limited has filed an appeal (no. 256 of 2011) before Division Bench, Madras High Court against HCC challenging the judgment dated March 22, 2010 of a single judge in original petition (no. 260 of 2005) upholding an award dated November 28, 2004 passed by the arbitral tribunal consisting of M. Velu, M. C. Bhide and O. P. Goel of ₹ 12 million towards rocks method of measurement. The matter is currently pending.
21. Ennore Port Limited has filed an appeal (no. 461 of 2009) before the Division Bench, Madras High Court against HCC challenging an order dated September 26, 2008 passed by a single judge upholding an award dated July 27, 2004 passed by the arbitral tribunal consisting of M. Velu, M. C. Bhide and O.P. Goel for an amount of ₹ 21.6 million towards release of retention money. The matter is currently pending.
22. Ennore Port Limited has filed an appeal (no. 165 of 2010) in original petition (no. 325 of 2005) before a Division Bench of the Madras High Court against HCC, challenging a judgement of a single judge dated April 3, 2004, reducing the rate of interest in an award passed by the arbitral tribunal consisting of M. Velu, M.C. Bhide and O.P. Goel for an amount of ₹ 17.5 million providing release of retention money and bank guarantee in excess of 50 %. The matter is currently pending as HCC has filed a review petition (no. 113 of 2010) which is pending before the Division Bench.
23. Ennore Port Limited has filed an original petition (no. 356 of 2010) before the Madras High Court against HCC challenging an award dated November 28, 2007 passed by the arbitral tribunal consisting of Subramaniam, Jagman Singh and K Dharmalingam providing for ₹ 21 million, USD 15,062 and Euro 14,003 towards bank guarantee charges. The matter is currently pending.
24. Ennore Port Limited has filed an original petition (no. 348 of 2004) before the Madras High Court against HCC challenging an award dated October 10, 2003 passed by the arbitral tribunal consisting of O.P. Goel and M.C. Bhide rejecting the counter claim amount of the Ennore Port Limited of ₹ 87.20 million on rock escalation. The matter is currently pending.
25. Ennore Port Limited has filed original petition (no. 303 of 2010) before the Single Judge, Madras High Court challenging an award dated April 26, 2009 passed by the arbitral tribunal consisting of Jagman Singh, V. Subramaniam and K. Dharmalingam for ₹ 71 million towards claim on sales tax on rock. The matter is currently pending.
26. Ennore Port Limited has filed original petition (no. 304 of 2010) before the Single Judge, Madras High Court against HCC challenging an award dated December 10, 2008 passed by the arbitral tribunal for ₹ 8 million towards claim on sales tax on “accropode” rock. The matter is currently pending.
27. Ennore Port Limited has filed an original petition (no. 656 of 2010) before the Single Judge, Madras High Court against HCC challenging an award dated May 15, 2010 passed by an arbitral tribunal for ₹ 10 million towards claim on interest on delayed payment of monthly bills. The matter is currently pending.
28. Ennore Port Limited has filed an original petition (no. 444 of 2012) before the Single Judge, Madras High Court challenging an award dated June 5, 2009 passed by an arbitral tribunal for ₹ 37 million towards a claim on payment for the balance management and supervision charges. The matter is currently pending.
29. Ennore Port Limited has filed an original petition (no. 747 of 2010) before the Single Judge, Madras High Court challenging an award dated June 19, 2010 passed by the arbitral tribunal for ₹ 4 million towards claim on taking over of contractor’s site facilities and engineer’s site facilities. The matter is currently pending.
30. Ennore Port Limited has filed an original petition (no. 214 of 2012) before the Single Judge, Madras High Court challenging an award dated March 31, 2011 passed by the arbitral tribunal of G.N. Rao, V Subramaniam and K Dharmalingam for ₹ 220 million towards claim on bulk density of rock. The matter is currently pending.
31. Ennore Port Limited filed an original petition (no. 7 of 2012) before the Single Judge, Madras High Court challenging an award dated August 14, 2011 passed by an arbitral tribunal for ₹ 13 million towards claim on reduction of rate of progress of work and suspension of works. The matter is

currently pending.

32. The National Highway Authority of India has filed an original petition (no. 474 of 2007) before the Delhi High Court against HCC challenging an award passed by the arbitral tribunal consisting of K.K Madan, D.C Nautiyal and N.N Singhal awarding an amount of ₹ 5.94 million towards tree cutting and loss of overheads and profit on account of omission of bill of quantity arising out of the West Bengal NH 6 project. The matter is currently pending.
33. The National Highways Authority of India has filed a civil appeal (no. 2785 of 2012) and HCC has filed a civil appeal (no. 2788 of 2012) before the Supreme Court challenging the judgment dated September 22, 2011 of the Division Bench of the Calcutta High Court partially upholding an award dated September 29, 2008 pertaining to the West Bengal Road project NH 6 for an amount of ₹ 1090 million on several claims including extension of time costs. The matter is currently pending.
34. The National Highways Authority of India has filed an arbitration application (no. 782 of 2012) under before the Delhi High Court, challenging an award dated March 21, 2012 for an amount of ₹ 20 million on claims of additional costs in piling works and subsequent legislations pertaining to Chennai Bypass 2 project. The matter is pending for final hearing. An execution petition challenging excess amount of ₹ 19 million was withdrawn by HCC through execution is pending before the execution court of the Single Judge.
35. The National Highways Authority of India has filed a civil appeal (no. 5162 of 2012) before the Supreme Court challenging the judgment dated October 14, 2011 of a single judge of the Delhi High Court upholding an award dated June 12, 2010 for an amount of ₹ 77 million on claims of subsequent legislations on royalty on minor minerals pertaining to Paradip Ports Road NH 54 project. The matter is currently pending.
36. The Paradip Port Road Company Limited has filed an arbitration application (no. 152 of 2014) before the Delhi High Court challenging an award dated August 12, 2013 by an arbitral tribunal consisting of Sree Rama Murthy, K.B. Lal Singhal and A.B, Desai for an amount of ₹ 100 million on additional costs due to change in riverbed levels pertaining to Paradip Ports Road NH 54 project. The petition is being contested and an execution petition (no. 167 of 2014) has been filed. The matter is currently pending.
37. The Paradip Port Road Company Limited has filed a special leave petition (no. 10701 of 2013) before the Supreme Court challenging the judgment dated November 8, 2012 of the Division Bench, Delhi High Court upholding the award dated March 30, 2010 for an amount of ₹ 10 million on claims of additional costs for the Naini toll bridge and subsequent legislations on transportation of goods pertaining to the Allahabad Bypass project. The matter is currently pending.
38. The National Highways Authority of India has filed a special leave petition (no. 12897 of 2013) before the Supreme Court challenging the judgment dated November 22, 2012 of the Division Bench, Delhi High Court upholding the award dated March 30, 2010 for an amount of ₹ 180 million on claims of increase of royalty on sales tax, costs for initial stripping of embankment etc. pertaining to Allahabad Bypass project. The matter is currently pending.
39. The National Highways Authority of India has filed a special leave petition (no. 11891 of 2013) before the Supreme Court challenging the judgment dated November 8, 2012 of the Division Bench, Delhi High Court upholding the award dated February 25, 2012 for an amount of ₹ 4.5 million on claims of increase in rates for royalty on minor minerals due to subsequent legislations pertaining to the Rajasthan Road project. The matter is currently pending.
40. HCC has filed an arbitration appeals (nos. 791 of 2010 and 792 of 2010) before the Punjab and Haryana High Court against the order dated December 14, 2009 of the District Court setting aside an award passed in favour of HCC by the arbitral tribunal consisting of Justice K Rama Moorthy, Jagman Singh and Mahendra Pratap providing ₹ 28.1 million towards extended stay costs. The matter is currently pending.
41. The Irrigation Department, Government of Haryana has filed an arbitration appeal (no. 2008 of 2008) before the Punjab and Haryana High Court against HCC, challenging the order dated December 14, 2009 of the District Court upholding an award passed in favour of HCC providing Rs 2 million towards

refund of recovery of liquidated damages and ₹ 9.47 million towards adjustment in rate of concrete. The matter is currently pending.

42. The Irrigation Department, Government of Haryana has filed an arbitration appeal (no. 2009 of 2008) before the Punjab and Haryana High Court against HCC, challenging the order of the District Court upholding an award passed in favour of HCC providing ₹ 1.4 million and ₹ 10.1 million towards varied rate for the work executed. The matter is currently pending.
43. The Tamil Nadu Electricity Board has filed an original petition (no. 425 of 2000) before the Madras High Court against HCC, challenging an award of ₹ 2.39 million granted in favour of HCC for the construction of barrages for Lower Mettur hydro electric project. The matter is currently pending.
44. Tirumala Tirupathi Devasthanam has filed an appeal before the Andhra Pradesh High Court against the order of the Principal Subordinate Judge, Tirupathi which confirmed an award of ₹ 4.80 million in favour of HCC for the construction of Papavinasanam Dam. The High Court has remanded the matter to the lower court. The matter is currently pending.
45. Anjanabai H. Sonawane and others (the “Plaintiffs”) have filed a suit (no. 2688 of 2008) against HCC before the Bombay High Court in relation to certain property at Vikhroli (East). The Plaintiffs have sought to be declared as the lessees of the property under the indenture of lease. The matter is currently pending.
46. Jagannath H. Sonawane and others have filed an appeal (no. 723 of 2012) before the Bombay High Court against HCC challenging an order dated May 11, 2012 passed by a single judge in writ petition (no. 2488 of 2011) in relation to a property in Vikhroli (East), Mumbai being declared as a slum rehabilitation area under Section 3(C)(1) of the Maharashtra Slum Area (Improvement, Clearance and Redevelopment) Act, 1971 (the “Slum Act”). In the said order, the single judge had remitted the matter back to the special tribunal constituted under the Slum Act for determination. The matter is currently pending.
47. Rash Builders Private Limited, a sub contractor engaged by HCC in the Mughal Road project filed a claim before a sole arbitrator raising a claim against HCC for ₹ 1540 million. HCC is contesting the claim and has also filed a counter claim for ₹ 1000 million. The defence of HCC has been filed and the proceedings are at the stage of hearing on production and discovery of documents.
48. Karam Chand Thapar & Brothers (Coal Sales) Limited (“KCT”), a subcontractor of HCC in the limbdi branch canal (“LBC”) project awarded to HCC by the Sardar Sarovar Narmada Nigam Limited (“SSNNL”) has initiated an arbitration proceeding against HCC before an arbitral tribunal consisting of former Justice R. C. Lahoti., Justice G. Bikshapathy and Justice J. D. Kapoor on the basis of termination of HCC’s contract by SSNNL. HCC had challenged constitution of arbitral tribunal by filing an application under Section 16 of Arbitration and Conciliation Act, 1996. The same was rejected. KCT filed an application to get interim reliefs under Section 17 of Arbitration and Conciliation Act, 1996. The claim filed by KCT is for ₹ 433.6 million. HCC has also filed a counter claim for ₹ 545.8 million. The arbitration is currently pending.
49. HCC filed an arbitration petition (no. 11 of 2014) before the Bombay High Court for setting aside the order passed an application of Karam Chand Thapar & Brothers (Coal Sales) Limited (“KCT”) granting interim reliefs in favour of KCT. No interim reliefs have been granted in the said petition. KCT also filed an application before the Bombay High Court (lodging no. 360 of 2014) for enforcement of order passed in the application praying for passing of orders in terms of orders passed by the arbitral tribunal. Both the proceedings are pending for hearing.
50. M/s Bhatia Auto Sales has filed a civil suit (no. 66 of 2014) against HCC before the District Court at Tis Hazari, New Delhi for recovery of an amount of ₹ 1.812 million alongwith interest at 24% from January 4, 2014 towards cost of goods supplied i.e. spares of machinery parts and motor parts to Teesta Lot II and Teesta Lot IV sites. The matter is currently pending.
51. National Highways Authority of India has filed an original miscellaneous petition (no. 633 of 2012) before the Delhi High Court against HCC challenging an award passed by the arbitral tribunal consisting of S. S. Juneja, D. Sree Ramamurthy and N. C. Saxena for ₹ 1490.7 million along with pendent-lite interest at 12% compounded monthly and future interest at 12% compounded monthly

towards additional costs payable for extended period of contract. The matter is currently pending.

52. National Highways Authority of India has filed an original miscellaneous petition (no. 918 of 2013) before the Delhi High Court against HCC challenging an award passed by the arbitral tribunal consisting of P. Sridharan, D. Sree Ramamurthy and Pawan Kumar for ₹ 1505.3 million along with pendent lite at 10% simple interest and at 15% future simple interest towards additional costs payable for extended period of contract. The matter is currently pending.
53. NTPC Limited has filed an original miscellaneous petition (no. 1148 of 2012) before the Delhi High Court against HCC challenging an award passed by the arbitral tribunal consisting of G. Bikshapathy, N. N. Singhal and D. Datta for ₹ 504.2 million along with pendent lite at 12% simple interest and at 18% future simple interest. The matter is currently pending.
54. National Hydroelectric Power Corporation Limited has filed a special leave petition (no. 886670 of 2012) challenging the order of Delhi High Court dated November 4, 2011 in favour of HCC. This pertains to the award dated December 21, 1996 against HCC on material mark-up claim, which was set aside by the Delhi High Court directing arbitral tribunal for passing a fresh award on merit. The matter is currently pending.
55. State of Uttar Pradesh has filed a first appeal from order (no. 978 and 1012 of 2012) challenging an order of the Additional Civil Judge, Raebareli, which delivered an award dated August 21, 2000 for ₹ 19.9 million along with six percent simple interest as a decree. The matter is currently pending.
56. State of Uttar Pradesh has filed a first appeal from order (no. 141 of 1993) before the Allahabad High Court challenging an award in favour of HCC dated January 21, 1987 for ₹ 0.46 million and 12% interest. The matter is currently pending.
57. M/s Khanday Construction Company has filed an a petition against HCC before the Principal District and Sessions Judge at District Shopian in the State of Jammu & Kashmir in respect of claims for work of slips and slides, R. A. Bill no. 46 and work of diversions. The claim amount is ₹ 228.794 million. The matter is currently pending.
58. S K Projects. S A Projects and Tariq Hussain Sheikh have filed a writ petition (OWP 584 of 2014, CMA 792 of 2014 therein) against HCC before the Jammu and Kashmir High Court. By an order dated May 12, 2014 the High Court has restrained the Chief Engineer, PWD (R&B) Mughal Road Project from releasing payments to HCC. The matter is currently pending.
59. NTPC Limited has filed an original miscellaneous petition (no. 626 of 2014) before the Delhi High Court against HCC challenging an award dated September 29, 2013 passed by the Arbitral Tribunal consisting of G. Bikshapathy, N. N. Singhal and D. Datta for ₹ 372.1 million along with pendent lite at 12% simple interest and at 18 percent future simple interest. The matter is currently pending
60. Sunita and others have filed a civil suit (no. 53489 of 2014) before the Civil Judge (Junior Division), Faridabad in 2010 against HCC and two others (the “Defendants”) for seeking permanent injunction against Defendants in order to restrain them from demolishing any part of suit property being the shops situated at Delhi, Mathura Road, Sarai Khawaja, Faridabad. The matter is currently pending.
61. HCC has been served a notice by the United States Bankruptcy Court (the “Bankruptcy Court”) in relation to reversal of transactions entered into by Hawker Beechcraft Corporation (“Hawker”). HCC had purchased an aircraft from Hawker, and in terms of the agreement, had received an amount of USD 200,504.07 for a subsequent delay by Hawker in servicing the said aircraft. Thereafter, Hawker went into liquidation and the Bankruptcy Court reversed the transactions entered into by Hawker within a specific period of time, including that with HCC. The objections filed by HCC were rejected by the Bankruptcy Court, and the same were rejected. Hence, HCC may receive a notice for payment of the amount received from Hawker. The matter is currently pending.

Industrial and Labour Proceedings

1. The legal heir of late Virendra Kumar Gupta has filed a suit (no. 15 of 2005) before the Civil Court, Senior Division, Surendranagar, Gujarat against HCC claiming compensation to the tune of ₹ 4 million on account of the death of Virendra Kumar Gupta, who died of a heart attack, alleging that the same

was caused by stress and carelessness in the treatment given by HCC. The matter is currently pending.

2. A.S. Kothari has filed a petition (no. 3024 of 2003) before the Bombay High Court against HCC seeking incremental benefits and reinstatement with back wages of ₹ 0.58 million. The matter is currently pending.
3. J. N. Agnihotri has filed case (no. 25811 of 2007) before the Madras High Court (the “High Court”) against HCC against the impugned order passed by the presiding officer of the Labour Court, Chennai, in claim petition (no. 572 of 2002) requesting the High Court to direct the presiding officer to call for the records of the above mentioned claim petition and quash the same. The matter is currently pending.
4. J. N. Agnihotri and another (the “Plaintiffs”) have filed a suit (no. 1235 of 2010) before the Principal City Civil Court, Chennai against HCC, the Presiding Officer, Labour Court, Chennai and others (the “Defendants”). It has been alleged that the Defendants conspired against the Plaintiffs and entered into a secret understanding in relation to signing documents. The matter is currently pending.
5. J.N. Agnihotri (the “Petitioner”) has filed a writ petition (no. 27687 of 2007) before the Madras High Court against HCC and another challenging an order of the Presiding Officer, Principal Labour Court, Chennai in passed in a claim petition (no. 297 of 2000) wherein the Petitioner was denied interest on the claim amount. The matter is currently pending. .
6. Nagammal has filed a workmen’s compensation case (no. 223 of 2010) before the Commissioner of Workmen’s Compensation – II, Tamil Nadu against HCC and two others for a claim of ₹ 500,000 in relation to the death of Annamalai at an HCC site due to electric shock. The matter is currently pending.
7. R. Raju has filed a case (no. 4186 of 2012) before the III SCC Motor Accident Claims Tribunal, Chennai against HCC and New India Assurance Company Limited in relation to an injury sustained due to an accident involving a lorry owned by HCC. The matter is currently pending.
8. Ramamurthy and another have filed a case (no. 262 of 2011 and 263 of 2011) against HCC and another before the Motor Accidents Claims Tribunal, Ponneri, in relation to an accident involving a crane belonging to HCC that was stranded on the road. The claim amount is ₹ 300,000 by each of the applicants. The matter is currently pending.
9. Rajendran and another have filed a criminal case (no. 50 of 2009) before the Court of the District Munsif cum Judicial Magistrate, Sriperumbudur against HCC and another in relation to a fatality caused by an HCC employee while driving a hydra.
10. Ashraf has filed a case (no. 6 of 2006) before the Assistant Labour Commissioner, Doda, Jammu & Kashmir against HCC seeking workmen compensation to the tune of ₹ 1 million. HCC has submitted objections. The matter is currently pending.
11. T. Aji Dora has filed a case (no. 3 of 2007) before the Sub Divisional Judicial Magistrate Court, Behrampur, Orissa against HCC regarding compensation under Payment of Wages Act, 1936 to the tune of ₹ 0.6 million. HCC has filed its written statements. The matter is currently pending.
12. Mehran Mirza has filed an application (no. 121 of 2012) before the District Court, Poonch, against HCC for compensation for injury sustained during blasting at a site in 2009. The matter is currently pending.
13. The heir of Raja Singh Khalasi has filed a workmen compensation claim (no. CFC/35/12 and 2638/19.11.2012) before the Labour Court, Amritsar against HCC in relation to the death of Ranjit Singh Khalasi at the site. The matter is currently pending.
14. Haji Sarwar has filed a writ petition (no. 6058 of 2013) before the Jammu and Kashmir High Court against HCC for non reliable claims amounting to ₹ 9.5 million. The matter is currently pending.
15. Ghulam Ahmad Ganai (the “Plaintiff”) has filed a suit before the Principle District Judge, Bandipora against HCC through the Project Manager, KGHEP, Bandipora, Jammu and Kashmir for declaration and mandatory injunction with relief of damages, and compensation or rent to be paid for 7 marlas of land under survey no. 173/14 at ₹ 24,500 at Pethakote by HCC. It is alleged by the Plaintiff that due to

blasting by HCC at the project site, the debris from the same damaged his land. The matter currently pending.

16. HC Workers Union, Bandipora has filed a case before the Chief Judicial Magistrate, Bandipora against HCC and others for a declaration, and mandatory and perpetual injunction to stay the election process and the declaration of the result by a parallel group of executives to the worker's union. The matter is currently pending.
17. The State of Jammu and Kashmir has filed a criminal complaint against Mohd. Amin Shah and others before the Chief Judicial Magistrate, Bandipora in relation to an assault by the said Mohd. Amin Shah on Kishor Attari, with both being employees of HCC. The matter is currently pending.
18. Khursheed Ahmad Khan has filed a writ petition (no. 480 of 2013) before the Jammu and Kashmir High Court against HCC and others, praying that an inquiry by the CBI be conducted in relation to the death of his son Khalid Asra Khan at a site operated by HCC. The matter is currently pending.
19. HCC has filed a criminal complaint before the Chief Judicial Magistrate, Bandipora against Mustaq Ahmad Tantray in relation to theft of tyres from a yard owned by HCC. The matter is currently pending.
20. The State of Jammu and Kashmir has filed a criminal complaint before the Chief Judicial Magistrate, Bandipora against HCC and another in relation to the seizure of firewood from a yard owned by HCC. The matter is currently pending.
21. The State of Jammu and Kashmir has filed a criminal complaint before the Chief Judicial Magistrate, Bandipora against Bhagat Prakash in relation to the death of an employee, Asra Khan, due to the alleged negligence of Bhagat Prakash, while driving a loco at a site operated by HCC. The matter is currently pending.
22. Md. Ramzaan Ganai (the "Plaintiff") has filed a suit before the Sub-Judge, Bandipora against HCC and others for compensation and rent for the land at khasra no. 445 and 447 on which a power house is situated. Further, the Plaintiff has prayed for the stoppage of work due to non-payment of compensation.. The matter is currently pending.
23. A criminal complaint has been filed against Satinder Singh, an employee of HCC, before the Chief Judicial Magistrate, Bandipora for causing death by negligence. The accused has been bailed out by the orders of Chief Judicial Magistrate, Bandipora. The matter is currently pending.
24. Kousar Begum and others have filed a writ petition (no. 888 of 2012) before the Jammu and Kashmir High Court against HCC and others for compensation and employment in place of the husband of the said Kousar Begum, who died in an accident at a site operated by HCC. The matter is currently pending.
25. Md. Ramzaan Doom and others have filed a writ petition (no. 445 of 2010) before the Jammu and Kashmir High Court against HCC and others for rehabilitation and compensation for the land acquired by the NHPC. The matter is currently pending.
26. M/s F.F. Stone Products (the "Petitioner") has filed a writ petition (no. 800/11, CMP - 1288 -11) before High Court of Jammu and Kashmir against HCC and others, for appropriate orders or direction to the Fisheries Department, Government of Jammu and Kashmir and bank officials who had stopped the operation of the stone crusher plant operated by the Petitioner. The matter is currently pending.
27. Naseer Ahmad Mir has filed a writ petition (no. 441 of 2012, CMP no. 700/12) before the Jammu and Kashmir High Court against HCC and others for a prohibition order on the operation of a stone crusher plant at Kralpora, Bandipora, and Badvan Gurez. The matter is currently pending.
28. Bashir Ahmad Malik and others ("Petitioners") have filed a civil case (no. 969 of 2012) and writ petition (no 564 of 2012) for compensation against HCC and others in relation to damage caused to their house due to blasting by HCC near Kralpora. HCC has filed a review petition (no. 14 of 2012) before the High Court of Jammu and Kashmir against an order of the Jammu and Kashmir High Court in the above writ petition directing the collector cum land acquisition officer, Bandipora to release the compensation amount to the Petitioners. The matters are currently pending.

29. Imtiyaz Ahmad Tantrey and others (“Petitioners”) have filed a writ petition (no. 1658 of 2012; C.M.P. no. 2677 of 2012) before the Jammu and Kashmir High Court against HCC and others, challenging an order dated November 6, 2012 passed by Principal District Judge, Bandipora wherein the Petitioners were restrained to function as the elected representatives of the HCC Workers Union. The matter is currently pending.
30. Abdul Ahad Baba has filed a declaratory suit before the Chief Judicial Magistrate Court, Bandipora against HCC, claiming compensation for damage to land caused due to blasting by HCC. The matter is currently pending.
31. Kashmir Kaur and six others have filed a case before the Assistant Labour Commissioner, Jalandhar against HCC and others in relation to compensation under the Workmen’s Compensation Act, 1923 for an amount of ₹ 2 million. The matter is currently pending.
32. Aijaz Ahmed Khan and others have filed a case before the Assistant Labour Commissioner, Bandipora HCC and others in relation to non payment of wages. The matter is currently pending.
33. The State of Jammu and Kashmir has filed a complaint before the Judicial Magistrate, Gurez against Mohd. Shamim, an employee of HCC, and another in relation to an accident at a site operated by HCC due to his alleged rash and negligent driving. The matter is currently pending.
34. Azan Dar has filed a civil suit before the Additional District and Sessions Judge, Srinagar against HCC in relation to a non-payment of ₹ 2,778,713 towards supply of materials. The matter is currently pending.
35. Mariyam has filed a case against Commissioner Secretary Revenue and others before Munsiff cum Judicial Magistrate First Class, Bandipora against S. C. Rathi, an employee of HCC and others. The matter is currently pending.
36. The Inspector of Factories, Alipore has filed a complaint (no. 8999 of 2011) before the Chief Judicial Magistrate, Alipur against HCC for issuance of process under Section 47 of the Building and Other Construction Workers Act, 1996 for alleged contravention of the safety rules under the West Bengal Building and Other Construction Workers Services Rules in relation to the death of one Nirmal Singh Khalasi.
37. Mangat Ram has filed a case against HCC before Sub Judge, Ramban for permanent injunction to restrain HCC from interfering with or raising any construction on the property situated at Sumbar, and diverting any water for the same. The matter is currently pending.
38. Centre for Indian Trade Unions has filed a case before the Labour Tribunal, Dharamshala (No.11-599(Lab)/D/07 Chamba) regarding re-engagement of 156 workers. The matter is currently pending.
39. Ravi Dutt and five others have initiated proceedings (no. 2007-324-25) before the Central Government Industrial Tribunal, Labour Court - 2, Chandigarh for the re-engagement of six workmen who had been dismissed for their involvement in unrest at the Chamara project. The matter is currently pending.
40. Sushma Rani has filed a compensation application (no. 2147) for workmen’s compensation before the Workmen’s Compensation Commissioner, Mohali, Camp Ropar against HCC for ₹ 500,000 in relation to the death of her husband Ashok Kumar.
41. Ajit Singh has filed an application (no. 2 of 2001) before the Civil Judge, Senior Division, Chamba against HCC and another for the grant of compensation for ₹ 800,000. The matter is currently pending.
42. Lal Singh has filed a suit (no. 116 of 2009) before the Civil Judge, Senior Division, Chamba against HCC for a mandatory injunction and permanent prohibitory injunction to restrain HCC from using water from natural resources for its project. The matter is currently pending.
43. Lal Chand has filed a suit (no. 04 of 2013) before the Court of Civil Judge, Junior Division, Chamba against HCC and another for a permanent injunction to restrain HCC from throwing muck or malba on his land. The matter is currently pending.
44. Pratap Singh (the “Plaintiff”) has filed a suit (38 of 2009) before the Civil Judge, Senior Division,

- Chamba against HCC and another (the “Defendants”) for recovery of ₹ 184,285 on account of damage caused to the house and land of the Plaintiff due to the negligence of the defendants. The matter is currently pending.
45. Gurbachan has filed a suit (no. 960 of 2013) before the Civil Judge, Senior Division, Chamba against HCC and others for recovery of ₹ 81,768 for the damage caused to his house. The matter is currently pending.
 46. Fenchuram has filed a suit against HCC and others a suit for recovery of ₹ 154,030 for the damage caused to his house. The matter is currently pending.
 47. Brij Lal has filed a plaint (no. 152 of 2011) before the Civil Judge, Senior Division, Chamba against HCC and others for recovery of an amount of ₹ 47,420 towards damage caused to his house.
 48. Yudhbir has filed a suit (no. 151 of 2011) before the Civil Judge, Junior Division, Chamba against HCC and another for recovery of an amount of ₹ 480,000 with interest towards hiring an excavator and tipper on rent at a rate of ₹ 225,000 and ₹ 50,000 per month, respectively, as per an agreement dated December 11, 2009. The matter is currently pending.
 49. Leela Devi has filed an application in *forma pauperis* (no. 1 of 2012) before the Civil Judge, Junior Division, Chamba against HCC and another to sue as an indigent person for recovery of an amount of ₹ 1,331,123 for the damage caused to her residential house. The matter is currently pending.
 50. Desh Raj has filed a suit (no. 102 of 2009) before the Civil Judge, Senior Division, Chamba against HCC and others (the “Respondents”) for a permanent prohibitory injunction and mandatory injunction to restrain the Respondents from damaging his land. The matter is currently pending.
 51. V. Kuppan has filed an application (no. 25 of 2013) before the Labour Court Judge, Bhilwara against HCC, in relation to payment of an amount of ₹ 2,177,285 towards bonus to workmen under Section 33C (2) of the Industrial Disputes Act, 1947. The matter is currently pending.
 52. Ramchandra Hada has filed a case (no. 45 of 2012) before the Labour Court Judge, Bhilwara against HCC and others in relation to due wages and statement of benefit under Section 33C (2) of the Industrial Dispute Act, 1947. The matter is currently pending.
 53. Mohd Husain has filed a case (no. 22 of 2013) before the Labour Court Judge, Bhilwara against HCC and others in relation to due wages and statement of benefit under Section 33C (2) of the Industrial Dispute Act, 1947. The matter is currently pending.
 54. Sita Ram file has filed a case (no. 15 of 2013) before the Labour Court Judge, Bhilwara against HCC and others in relation to due wages and statement of benefit under Section 33C (2) of the Industrial Dispute Act, 1947. The matter is currently pending.
 55. Kalu Lal has filed a case (no. 14 of 2013) before the Labour Court Judge, Bhilwara against HCC and others in relation to due wages and statement of benefit under Section 33C (2) of the Industrial Disputes Act, 1947. The matter is currently pending.
 56. Durga Lal has filed a case (no. 09 of 2014) before the Labour Court Judge, Bhilwara against HCC and others in relation to due wages and statement of benefit under Section 33C (2) of the Industrial Disputes Act, 1947. The matter is currently pending.
 57. V. Kuppan has filed a case (no. 13 of 2014) before the Labour Court Judge, Bhilwara against HCC and another for due wages and statement for 38 sub-contract workers under Section 33C (2) of the Industrial Dispute Act, 1947. The matter is currently pending.
 58. Vinod Kumar has filed a case (no. 12 of 2014) before the Labour Court Judge, Bhilwara against HCC and two others for due wages and statement of benefit under Section 33C(2) of Industrial Dispute Act, 1947. The matter is currently pending.
 59. V. Kuppan has filed a case (no. 07 of 2014) before the Labour Court Judge, Bhilwara against HCC and another for due wages and statement of benefit for seven sub contractor workers under Section 33C(2) of Industrial Dispute Act, 1947. The matter is currently pending.

60. Sitaram Sahoo has filed a case (no. 08 of 2914) before the Labour Court Judge, Bhilwara against HCC and another for due wages and statement of benefit under Section 33C (2) of Industrial Dispute Act, 1947. The matter is currently pending.
61. Mohd. Zafar Ahmad has filed an application (no. 57 of 2013) before the Presiding Officer, Labour Court, Lucknow against HCC under Section 33C (2) of the Industrial Disputes Act, 1947 for payment of ₹ 971,475.46 for illegal termination of service as a medical officer on contract basis. The matter is currently pending.
62. Antony Adimai, site subcontractor, has filed an application under Payment of Wages Act for payment of arrears of salary. An ex-parte order was issued by the Deputy Labour Commissioner, Tirunelveli. An application has been filed by HCC for setting aside the ex-parte order. The matter is currently pending.
63. Manjoor Ahmad Wani has filed a compensation application for the death of his son Kifayat Ahmad Wani. The Commissioner has availed an amount of ₹ 1.28 million to Manjoor Ahmad Wani. HCC has filed an application before the Jammu and Kashmir High Court. The matter is currently pending.
64. CEU Construction Employees Union has filed a reference (II/no.) before the Industrial Tribunal, Mumbai in relation to the Charter of Demand raised by the Workers Union for enhancement of wages and better service conditions. The case is still pending.
65. Devendra Behera and 18 others have filed an application (no. 42 of 2013) before the Presiding Officer, Labour Court, Bhubaneswar, against HCC, Aditya Aluminium Project and Gopal Pradhan, for computation and determination of money benefits due to them. The matter is currently pending.
66. Dineshbhai Devda (the “Applicant”) has filed an application (no. 14 of 2007) before the Labour Court, Surendranagar against HCC for reinstatement of service. The Applicant was transferred to another site operated by HCC but refused to join and remained absent from duty. The matter is currently pending.
67. S. K. Roy (the “Applicant”) has filed an application (no. PGA/11/2011) before the Industrial Tribunal, Jalandhar against HCC claiming interest on delay in gratuity payment. The Plaintiff left service and demanded a gratuity payment until his date of retirement as against up to the period he rendered his services. The matter is currently pending.
68. Kishor Magar has filed a suit (no. 97 of 2011) before the Labour Court at Mumbai against HCC under the Unfair Labour Practice Act and has sought an injunction order restraining HCC from terminating his service. The matter is currently pending.

Share Related Proceedings

1. Sham Sunder B. Kukreja (the “Plaintiff”) has filed a civil suit (no. 6573 of 2007) before the Civil Judge, Bangalore against HCC and others (the “Defendants”). The Plaintiff has sought an injunction restraining the Defendants from claiming or transferring the shares and directing them to issue duplicate certificates or transfer 50% shares to the DMAT account of the Plaintiff alongwith benefits. HCC has filed a written statement. The matter is currently pending.
2. Arvind Vajpayee (the “Plaintiff”) has filed a civil suit (no. 2164 of 1996) before the City Civil Court, Calcutta against HCC and MCS Limited (the “Defendants”). The Plaintiff has sought an injunction restraining the Defendants from transferring the suit shares to any other person except the Plaintiff. The matter is currently pending.
3. Ameer Piyush Shah and Piyush Ramesh Shah (the “Plaintiffs”) have filed a civil suit (no. 1352 of 2005) before the Bombay High Court against HCC, and others (the “Defendants”), which has been transferred to City Civil Court, Bombay under suit no. 106342 of 2005. The Plaintiffs are claiming a title to the concerned shares, and HCC has filed Affidavit. The matter is currently pending.
4. Dr. Abha Saraf (the “Plaintiff”) has filed a civil suit (no. 1929 of 2007) before the City Civil Court, Calcutta against HCC and others (the “Defendants”). The Plaintiff has sought declaration of its title to the suit shares and for injunction restraining the Defendants from transferring the shares to any other person other than the Plaintiff. HCC has filed their written objections. The matter is currently pending.
5. Kalpana Kamlesh Shah (the “Plaintiff”) has filed a civil suit (no. 7 of 2006) before the Court of

Principal Senior Civil Judge, Gandevi against HCC and others (the “Defendants”). The Plaintiff has sought declaration for treating the transfer of shares by the Defendants lodged in favour of Sanjay Chaganlal Shah on October 18, 2005 as invalid, and for injunction restraining the Defendants from further transferring the shares. The matter is currently pending.

6. Sunanda Prakash Kajale and Prakash D Kajale (the “Plaintiffs”) have filed a civil suit (no. 147 of 2006) before the Civil Judge Senior Division, Pune against MCS Limited and Mahesh Waikar (the “Defendants”). The suit was dismissed vide an order dated February 29, 2008. The Plaintiffs have filed an application for restoration of the suit and accordingly vide a special civil suit (no. 146 of 2006), have sought for declaration of their title to the suit shares and injunction restraining the Defendants from issuing duplicate share. The matter is currently pending.
7. Mohkamsingh V. Sodhi (the “Plaintiff”) has filed a civil suit (no. 115 of 2006) before the Civil Judge, Junior Division, Ulhasnagar against HCC and others (the “Defendants”). The Plaintiff has sought for declaration of his title to the Suit shares and injunction restraining the Defendants from transferring the shares alongwith direction to HCC to deliver the shares alongwith accruals. HCC has filed its written statement and the matter is currently pending.
8. Siby Joseph (the “Plaintiff”) has filed an interlocutory application (no. 61 of 1995) before the District Court, Thiruvanthapuram against HCC and others (the “Defendants”). The Plaintiff has sought an injunction restraining the Defendants from transferring the shares without the written consent of the Plaintiff. The matter is currently pending.
9. Rikhab Chand (the “Plaintiff”) has filed a civil suit (no. 154 of 2000) before the Civil Judge, Junior Division, Arsikere against the Managing Director, HCC and others (the “Defendants”). The Plaintiff has sought for declaration of his title to the suit shares of HCC and an injunction restraining the Defendants from transferring the shares, and directions to HCC to transfer the shares in his favour. MCS has sent the written statement by registered post. The matter is currently pending.
10. Javaharbhai Punamchand Mehta (the “Plaintiff”) has filed a suit (no. 2546 of 2010) in the City Civil Court at Ahmedabad against HCC and others, stating that the properties inclusive of the above shares belong to the hindu undivided family property of late Punamchand Mehta and hence the Plaintiff is entitled to the shares as a co-parcener of the hindu undivided family. In the plaint, he has prayed that the companies be directed to transfer one-sixth of the shares held by late Punamchand Mehta in his favour alongwith all corporate benefits. The matter is currently pending.

Tax Proceedings

1. The Commissioner of Central Excise has filed an appeal (no. 434 of 2008) in the Madras High Court against the refund of ₹ 28.40 million granted by the CESTAT, Chennai. The matter is currently pending.
2. State of Haryana has filed special leave petitions (no. 18476 of 2005, 18477 of 2006 and 18478 of 2005) before the Supreme Court against orders of the Punjab and Haryana High Court at Chandigarh squashing re-assessment and demand of tax by the Joint Commissioner of ₹ 6.53 million for the period 1998-1999, ₹ 4.49 million tax for the period 1999-2000 and ₹ 0.37 million for the period 2000-2001. The matter is currently pending.

Arbitration Proceedings

1. M/s Engineering and Services (Design Consultant for GLIS-I Project) has initiated arbitration proceedings against HCC during the year 2010 and raised a claim of ₹ 94.2 million against HCC on account of incentives payments, additional work, loss of opportunity and interest on the claims. HCC has lodged counter claims amounting to ₹ 165 million. The matter is currently pending.
2. Sonai Construction, the subcontractor for the Polavaram Project, has initiated arbitration proceedings against HCC and lodged a claim of ₹ 75.9 million with an interest of ₹ 38.9 million against idle charges of machinery, additional expenditure on excavation, additional dewatering due to heavy rains, and additional charges for execution of extra concrete work (lining). A sole arbitrator has been appointed and the matter is currently pending.

3. Millenium Concrete Creations Private Limited, the subcontractor for the NH-34 Project, has initiated arbitration proceedings against HCC for non release of pending payments along with its interest thereof. The claim is for an amount of ₹ 8,009,602. The matter is now pending at the stage of appointment of new arbitrator. The matter is currently pending.
4. Ace Pipeline Contracts Private Limited, a subcontractor for the Kalol Mehsana Project, has initiated arbitration in 2010 for various claims amounting to ₹ 34.6 million. All the submissions in the matter are complete. Latest hearing in the matter was concluded on February 26, 2014 and HCC will file its written arguments in the matter shortly. The matter is currently pending.
5. M/s AZTES, the subcontractor for the NH-34 P 5, Sainj Project and Kishanganga Project has initiated arbitration in 2013. The preliminary hearing in the matter was conducted on September 2, 2013. AZTES filed its statement of claim for an amount of ₹ 46.4 million on March 31, 2014. The matter is currently pending.

Litigation by HCC

Criminal proceedings

1. HCC has filed a criminal appeal (no. 1145 of 2008) before the Bombay High Court against Good Value Marketing Company Limited and its Chairman Dilip S. Dhanukar. The appeal has been filed challenging an order of the Metropolitan Magistrates Court. The case pertains to Section 138 of the Negotiable Instruments Act, 1881 as the cheque issued by Good Value Marketing Company Limited for ₹ 10 million towards repayment of deposits bounced. The appeal has been admitted vide order dated March 4, 2009 and is currently pending before the Bombay High Court.
2. The State of Jammu and Kashmir has filed a criminal complaint, on a complaint made by HCC, before the Chief Judicial Magistrate, Bandipora against Ghulam Amhmad Parray and others in relation to mandhandling of police personnel by the said Gulam Ahmad Parray and other accomplices. The matter is currently pending.

Civil Proceedings

1. HCC has filed a suit (no. 4579 of 1990) against Alliance Capital Services Private Limited and others before the Bombay High Court for recovery of a sum of ₹ 14.05 million towards the principal amount of inter corporate deposit of ₹ 8 million together with interest thereon that matured on April 9, 1997. The matter is currently pending.
2. HCC has filed a writ petition (no. 26842 of 2005) before the Madras High Court against the Government of Tamil Nadu, J.N. Agnihotri and three others for obtaining ad-interim relief and an interim stay on an ex-parte order towards payment of provident fund amounting to ₹ 151,267.44. The matter is currently pending.
3. HCC has filed two writ petitions (no. 980 and 981 of 2006) before the Madras High Court against J.N. Agnihotri and another challenging a decision of the Presiding Officer, Labour Court rejecting an application for setting aside the ex-parte order (no. 91 of 2005) and another application for condonation of delay (no. 92 of 2005), respectively, passed in a computation petition (no. 675 of 2002) for computation of the provident fund amount. The matters are currently pending.
4. HCC has filed a petition (no. 34027/2001-A) before the Kerala High Court and has sought to restrain the Kerala State Electricity Board from invoking the bank guarantees of ₹ 4 million, or from receiving, realizing, adjusting and/or appropriating any amount under the bank guarantees. The High Court of Kerala has granted a stay on invoking of the bank guarantee. The matter is currently pending.
5. HCC has filed a civil suit (no. 27 of 2013) before the District Judge, Tis Hazari Court, Delhi against Harish Chandra (India) Limited (the “Defendant”) for recovery of an amount of ₹ 795,000 with interest in relation to services provided by HCC to the Defendant as specified in a purchase order dated May 8, 2009. The matter is currently pending.
6. HCC has instituted a suit (no. 248/297 of 2008) against the legal heirs and representatives of Fakira and Sonawane before the Small Causes Court, Mumbai and has sought eviction of the defendants and

possession of the property situated at Vikhroli (East), Mumbai. The matter is currently pending.

7. HCC has filed a suit (no. 8 of 2004) before the Joint Civil Judge, Senior Division, Panvel, against Khalil Dakhve and others for specific performance of an agreement for sale of property for the land bearing survey no. 19, village Tara, Taluka Panvel, district Raigad admeasuring about 24.95 acres. HCC had paid a sum of ₹ 0.25 million as part consideration. HCC has moved an application before the Joint Civil Judge, Senior Division to impede the new buyers of the land under the sale deed dated May 16, 2008 and the same was allowed. The matter is currently pending.
8. HCC has filed a suit (no. 670 of 1995) before the Delhi High Court against R. N. Mathur for the recovery of ₹ 2.25 million along with interest thereon. The suit was decreed on May 17, 2005. The matter is currently pending for execution.
9. HCC and Nuclear Power Corporation have filed a civil suit (no. 218 of 1993) before the Bombay High Court against West Coast Engineering Works for recovery of ₹ 0.59 million due to HCC in lieu of 38.85 metric tonnes of M.S. flats supplied. HCC has alleged that West Coast Engineering Works had dishonestly misappropriated and disposed off the flats erroneously delivered by the Nuclear Power Corporation and fraudulently converted the same to its own use. West Coast Engineering Works has filed a counter claim to the tune of ₹ 0.57 million and HCC has filed a written statement to the counter claim. The matter has been transferred to City Civil Court and is currently pending.
10. HCC has filed an appeal (no. 708 of 2012) before the Bombay High Court against Jagannath H. Sonawane and others, challenging an order dated May 11, 2012 passed by a single judge in writ petition (no. 2488 of 2011) in relation to a property in Vikhroli (East), Mumbai being declared as a slum rehabilitation area under Section 3(C)(1) of the Maharashtra Slum Area (Improvement, Clearance and Redevelopment) Act, 1971 (the “Slum Act”). In the said order, the single judge had remitted the matter back to the special tribunal constituted under the Slum Act for determination. The matter is currently pending.
11. HCC has filed an arbitration appeal (no. 391 of 2010) against Maharashtra State Road Development Corporation Limited against the order passed in arbitration petition no. 103 of 2007 challenging the favourable award dated November 28, 2006 passed by the sole arbitrator Mr. S.P. Upasani regarding Works Contract Tax. The matter is fixed for final hearing.
12. HCC has filed a writ petition (no. 39321 of 2012) before Karnataka High Court challenging the order of civil court in suit no. 7389 of 1996 which was filed by Bangalore Water Sewerage Board against HCC claiming additional losses for non performance of contract. The matter is currently pending
13. HCC has filed a writ petition (no. 7104 of 2014) before the Calcutta High Court against the Kolkata Metropolitan Development Authority (“KDMA”) and others challenging the unilateral and wrongful reduction of HCC’s scope of work by the KDMA and re-tendering of the same. By an order dated April 2, 2014, the Calcutta High Court stayed the re-tender notice issued by KMDA and considered that entrusting this work to a new contractor would prolong the project. Hence, the High Court directed that the balance work shall be executed by HCC at a lump sum amount of ₹ 2570 million and shall be completed by May 31, 2016. The matter is currently pending.
14. HCC has filed a writ petition (no. 2250 of 2014) against National Hydroelectric Power Corporation before the Delhi High Court challenging the allegedly unreasonable action of the National Hydroelectric Power Corporation Limited in en-cashing the bank guarantees provided by HCC during the pendency of the arbitration proceedings and in spite of failure to perform their reciprocal promises under contract. The matter is currently pending.
15. HCC has filed a writ petition (no. 20725 of 2014) against Uttar Pradesh Jal Nigam Limited before the High Court of Allahabad challenging unreasonable action of the Uttar Pradesh Jal Nigam Limited for non-consideration of HCC’s price bid on ground of long term financial unsoundness. The matter is currently pending.
16. HCC is in the process of filing an execution petition before the a Single Judge, Madras High Court against the chairman and managing director, Kamrajjar Ports Limited for executing an Award dated April 2, 2013 passed by an arbitral tribunal for ₹ 12 million towards claim on extra work of carrying out surveys and extra work of grabbing the C in toe. EPL has not yet filed challenge petition.

17. HCC has filed suit (no. 423 of 2004) before the City Civil Court, Bangalore, against Karnataka Power Corporation Limited ("KPCL") for recovery of a sum of ₹ 122.7 million towards the final bill together with interest thereon for the project completed by HCC under the contract agreements executed between KPCL and HCC on December 22, 1989 and the supplementary agreement dated December 7, 1994. The matter is currently pending.
18. HCC has filed an execution petition (no. 30 of 2005) before the District Court, Trivandrum to recover the balance decree debt amount of Rs 35.4 million out of the total amount of decreed amount of ₹ 221.6 million from Kerala State Electricity Board, as decreed in favour of HCC by the High Court of Kerala. The matter is pending.
19. HCC has challenged an arbitral award of ₹ 51.10 million awarded to HCC against a claim of ₹ 609.9 million before the Bombay High Court by an arbitration petition (no. 364 of 2008). The Maharashtra State Road Development Corporation Limited has also separately challenged the award in the Bombay High Court by an arbitration petition (no. 282 of 2008). The matters are currently pending.
20. HCC has filed an execution petition (no. 3 of 2010) before the Civil Judge, Senior Division, Lucknow for enforcement of the award against the Government of Uttar Pradesh for settling the dispute regarding the compensation for increase in price of other ancillary commodities. The Allahabad ordered the release of the full decreed amount. Currently, an amount of ₹ 53.7 million deposited by the Government of Uttar Pradesh has been withdrawn and a bank guarantee for an amount of Rs 26.9 million has been issued to the Registrar, Allahabad High Court. The matter is currently pending.
21. HCC has filed an execution petition (no. 273 of 2006) before the Delhi High Court for the enforcement of an arbitral award in favour of HCC, confirming that HCC is entitled to the total sum of ₹ 24.3 million from Malvika Steel Limited as outstanding dues. The matter is currently pending.
22. HCC has filed an execution petition in original suit (no. 288 and 289 of 2001) before the District Court of Dehra Dun for the enforcement of an arbitral award in favour of HCC, confirming that HCC is entitled to the total sum of ₹ 22.9 million as recovery of dam losses and flood losses from the State of Uttar Pradesh. HCC has already received a payment of ₹ 12.2 million. The matter is currently pending.
23. HCC has filed an execution petition in original suit (no. 836 of 2001) before the District Court of Dehra Dun Uttarakhand and caveat before the High Court of Uttarakhand for the enforcement of an arbitral award in favour of HCC, confirming that HCC is entitled to the total sum of ₹ 24.9 million as difference in payment variations of wages from. The High Court has directed the Government of Uttarakhand to deposit fifty percent of the decreed amount and the Government of Uttarakhand has deposited ₹ 22 million. HCC furnished security and withdrawn ₹ 22 million. The matter is currently pending.
24. HCC has filed an execution petition (no. 10 of 2007) before the Subordinate Judge, Jamshedpur for the enforcement of an arbitral award in favour of HCC, confirming that HCC is entitled to the total sum of ₹ 25 million from State of Jharkhand for losses, damages and loss of profit earning capacity during the seasons 1988-89 and 1989 -90 in the Chandil Dam Works project. The State of Jharkhand filed an appeal (no. 11 of 2007) challenging the award. It has also filed an application for stay of execution. The Jharkhand High Court directed the State of Jharkhand to make a payment to HCC on furnishing of a bank guarantee. Pursuant to an order of the Jharkhand High Court dated March 4, 2011, HCC has submitted security and withdrew ₹ 80.8 million. The matter is currently pending.
25. HCC has filed a writ petition (no. 3565 of 2004) before the Bombay High Court against the an order passed by the Industrial Tribunal, Mumbai awarding payment of full back wages from the date of discharge to the date of superannuation to S.M. Nayak. The matter is currently pending.
26. HCC has filed a suit (no. 4446 of 1993) before the Bombay High Court against Bangalore Water Supply and Sewerage Board ("BWSSB") and has sought recovery of ₹ 30.30 million for refusal to pay outstanding dues towards HCC and removal of the escalation ceiling amongst other breaches. BWSSB has filed a counter suit and has sought recovery of ₹ 37.80 million. The matter is currently pending.
27. HCC has filed an execution petition (151 of 2014) before the Delhi High Court against NTPC Limited for execution of an award passed by the arbitral tribunal consisting of G. Bikshapathy, N. N. Singhal and D. Datta for ₹ 369.1 million along with pendente at 12% simple interest and at 18% future simple

interest The matter is currently pending.

28. HCC has filed an original miscellaneous petition (no. 369 of 2014) before the Delhi High Court against National Hydroelectric Power Corporation Limited challenging part of an award passed by the arbitral tribunal consisting of Bal Mukand, E. Padmanabhan and A. B. Pawar for ₹ 24.1 million towards the labour cess and works contract tax. The matter is currently pending.
29. HCC has filed an appeal (no. 3126 of 2014) before the Gujarat High Court against the Roads and Buildings Division of Road and Transport Department of the State of Gujarat for sending a show cause notice for blacklisting HCC on an application made by Sardar Sarovar Narmada Nigam Limited on account of termination of an LBC Project contract by them. A stay order has been granted by the Gujarat High Court against the said Show cause Notice. The matter is currently pending.
30. HCC has filed an appeal (no. 4115 of 2014) before the Gujarat High Court against Sardar Sarovar Narmada Nigam Limited for terminating the LBC Project Contract and re-tendering the same at the risk and cost of HCC. The matter is currently pending.
31. HCC has challenged an award passed in favour of M/s Kumaraan Demolishers before the Bombay High Court by filing an arbitration petition (no. 867 of 2013) for a claim of ₹ 2.494 million with interest at 12% from January 12, 2009 and arbitration cost of ₹ 0.15 million against HCC on account of loss of hire charges and foreclosure of contract. The matter is currently pending.
32. HCC filed a special leave petition (no. 38162 of 2012) before the Supreme Court against National Highways Authority of India challenging the judgment dated November 8, 2012 of the Division Bench, Delhi High Court rejecting the Single Judge judgment in upholding Award dated March 30, 2010 for an amount of ₹ 420 million on claims of costs on constructing embankment with soil and pond ash pertaining to the Allahabad bypass 2 project. The matter is currently pending.. HCC has to repay ₹ 420 million in monthly instalment of ₹ 70 million per month for 6 months starting from 1.5.2014 upto November 1, 2014.
33. HCC filed a special leave petition (no. 38168 of 2012) before the Supreme Court against National Highways Authority of India challenging the judgment date. November 8, 2012 of the Division Bench, Delhi High Court rejecting the Single Judge judgment in upholding an award dated February 25, 2012 for an amount of ₹ 90 million on claims of costs on constructing embankment with soil and pond ash pertaining to a road project in Rajasthan. The matter is currently pending.
34. HCC filed a special leave petition (no. 20362 of 2013) against the State of Maharashtra before the Supreme Court challenging the judgment dated. February 1, 2013 by the Bombay High Court rejecting the award dated June 26, 2003 for variation and other costs for an amount of ₹ 130 million pertaining to Koyna dam project. The case is pending final hearing. HCC has given guarantee to repay the amount if called for in the hearing. State of Maharashtra also filed special leave petition (no. 841 of 2014) challenging the judgment dated April 4, 2013 of the Single Judge allowing a review petition against his judgement dated February 1, 2013, allowing a claim by HCC for an amount of ₹ 55.7 million. Both the special leave petitions are to be heard together and are currently pending.
35. Ennore Port Limited has filed an original petition (no. 964 of 2007) before the Single Judge, High Court of Madras against HCC challenging an award passed by the arbitral tribunal consisting of Jagman Singh, R Rajagopalan and Dharm Vir, directing the employer to pay ₹ 212.4 million towards operational delay payments. The matter is currently pending.
36. HCC has filed a writ petition (no. 14355 of 2011) against the Kolkata Metropolitan Development Authority and others before the Calcutta High Court the against unilateral deduction of an amount of ₹ 70 million without determining the license fee HCC was supposed to pay for using certain lands of KMDA in connection with the execution of the works. The writ has been admitted by an order dated 29 September, 2011 and the same is currently pending.
37. HCC filed a writ appeal (no. 28261 of 2014) before the Division Bench, Andhra Pradesh High Court against Infrastructure Development Corporation of Andhra Pradesh and another challenging the judgment dated January 2, 2014 of a single judge in a writ petition (no. 35787 of 2013) dismissing the writ petition challenging the clause in the tender restricting companies which are in CDR process from participating in the bidding process for the Chittoor water drinking project. The writ appeal has not

come up for admission. .

38. HCC filed a special leave petition (no. 12442 of 2014) before the Supreme Court against the State of Gujarat and two others challenging the judgment dated January 8, 2014 of the Division Bench of the Gujarat High Court in writ petitions (no. 18052 of 2013 and no. 18240 of 2013), dismissing the two writ petitions challenging the clause in the tender restricting companies who are in CDR process from participating in bidding. The project pertains to Narmada water resources for Sauni Yojana Project and Gujarat Water Infrastructure Limited for a bulk water transmission pipeline project. The special leave petition has not come up for admission.
39. HCC has initiated a suit (no. 3215 of 2010) before the Bombay High Court against HCC Health Care Consortium Private Limited, a company situated at Jaipur, Rajasthan for infringement of trade-marks, passing off and violation of other legal rights under the Trade Marks Act, 1999, wherein HCC has claimed suitable reliefs. The matter is currently pending.
40. HCC has made an application to the office of the Advocate General of Maharashtra and has sought that G.K. Sengupta, an ex-employee of HCC, be declared as a vexatious litigant. The Advocate General of Maharashtra has initiated proceedings in a civil application (no. 51 of 2002) before the Bombay High Court against G.K. Sengupta for declaring him a vexatious litigant. The Bombay High Court has granted interim reliefs in favour of HCC whereby the proceedings in five cases instituted by G.K. Sengupta have been stayed. G.K. Sengupta expired in March 2010 and the same is to be brought to the courts notice.
41. HCC has filed a writ petition (no. 15740 of 2014) against National Hydro Power Corporation Limited ("NHPC") before the Calcutta High Court, challenging a termination order dated May 20, 2014 in respect of Teesta Low Dam Project, Lot IV. The court, by its order dated June 4, 2014 directed NHPC to revisit its decision and report within a period of three weeks. It was also observed that the authorities could not take any drastic measures without the consent of the court. The matter is currently pending.
42. HCC has filed a writ petition (no. 1754 of 2012) before the Bombay High Court against the State of Maharashtra and others challenging an order of the Collector, Mumbai Suburban dated June 2, 2012 directing HCC to pay non-agricultural assessment at a commercial rate. The matter is currently pending.

Tax Proceedings

1. HCC has filed an appeal (no. 26 of 2005) before the Appellate Assistant Commissioner (Commercial Taxes) VI, Chennai against order of the Commercial Tax Officer levying additional sales tax amounting to ₹ 1.1 million on sub-contracting turnover for assessment year 2002-03. The matter is currently pending.
2. HCC has filed a revision petition (no. 32 and 33 of 2013) before the Madras High Court against the order of Appellate Tribunal for the year 1998-1999, 1999-2000 and 2000-01 in respect of tax liability on rock recovery confirmed by the Tamil Nadu Sales Tax Appellate Tribunal, (Additional Bench), Chennai amounting to ₹ 20.3 million, ₹ 19.1 million and ₹ 0.3 Million. The matter is currently pending.
3. HCC has filed a writ petition (no. 4294 of 2005) before the Madras High Court challenging provision of Additional Sales Tax on composite turnover taxable under the Tamil Nadu Goods and Sales Tax Act for the period from assessment year 2003-04 onward. The matter is currently pending and a stay has been granted on the same by the Madras High Court.
4. HCC has filed a revision petition before the Joint Commissioner, Bihar against the order passed by the Assistant Commissioner- Bagalpur for the year 2005-06, with the tax impact being ₹ 9.9 Million. The matter is currently pending
5. HCC has filed a revision petition before the Joint Commissioner, Bihar against the order passed by CTO; Munger for Assessment Year 2006-07, tax impact being ₹ 21.9 million.
6. HCC has filed a revision petition before the Joint Commissioner, Bihar against the Entry Tax Assessment Order passed by CTO Munger for assessment year 2006-07, with the tax impact being ₹

12.3 million. The matter is currently pending.

7. HCC has filed an appeal (no. STPR 229 of 2012-13) before the Joint Commissioner against the Entry Tax assessment order passed by CTO Patliputra for A.Y. 2010-11 in relation to an amount of ₹ 4.5 million. The matter is currently pending.
8. HCC has filed a writ petition (no. 18539 of 2004) in the High Court of Punjab and Haryana against the revision order passed by Joint Commissioner of Excise and Taxation of ₹ 8.63 million for the period 1997-98. The State of Haryana has filed a special leave petition (no. 10792 to 10794 of 2011) before the Supreme Court. The matter is currently pending.
9. HCC has filed an appeal against an assessment order passed by the Commercial Tax Officer, Yamuna Nagar demanding an amount of ₹ 2.7 million.
10. HCC Has filed an appeal (no. FBW/143/VAT) before the Joint Excise & Taxation Commissioner, Faridabad against the Assessment Order passed by the Commercial Tax Officer, Faridabad demanding an amount of ₹ 1.1 million for assessment year 2008-09.
11. HCC has filed an appeal (no. 104/DCJ/AP/ST/2011-12) before the Deputy Commissioner (Appeals), Jammu against the imposition of penalty of ₹ 2.7 million by check post authorities on seizure of drilling monitors. The equipments were released against a bank guarantee of ₹ 1.73 million. The matter is currently pending.
12. HCC has filed an appeal before the Joint Commissioner (Appeals), Bangalore against the order passed by Deputy Commissioner Audit for assessment year 2012-13, demanding a sum of ₹ 73.8 million, disallowing eligible deductions.
13. HCC Has filed an appeal (no. 1111 of 2001-02) before the Orissa Taxation Tribunal, Cuttack against the appeal order wherein turnover was reassessed on the basis of the order for the period 1996-97 disallowing labour deduction thereby resulting in additional demand of ₹ 43 million for the assessment years 1996-97 to 2000-01.
14. HCC has filed an appeal (AA/111/CUII 2006-07) before the Appellate Assistant Commissioner Cuttack, against an assessment order passed by the Sales Tax Officer Cuttack II Circle (AA no. 111 of 2006-07) for the year 2002-03 disallowing works contract tax TDS of ₹ 0.121 million. The matter is currently pending.
15. HCC has filed an appeal (no. AA/34/CU II/2009-09) before the Appellate Assistant Commissioner, Cuttack II, against the assessment order of the Sales Tax Officer, Cuttack II Circle of 2004-05 creating demand of ₹ 1.4 million by disallowing deductions. The matter is currently pending.
16. HCC has filed an appeal (no. AA/CU II/36/VAT/2008-09) for the period from April 2005 until September 2007 before the Appellate Assistant Commissioner Cuttack II, against an audit assessment order of ₹ 26.6 million by the Sales Tax Officer, Cuttack II Circle, under Orissa VAT for the period April 2005 to September 2007. The matter is currently pending.
17. HCC has filed an appeal for A.Y. 2005-06 before the Deputy Commissioner, Commercial Taxes for re-assessment of 20% profit margin and disallowances of benefit under Uttar Pradesh Trade Tax-Act. HCC has paid ₹ 3.9 million under protest against demand of ₹ 19.3 million. The matter is currently pending.
18. HCC has filed an appeal before the Additional Commissioner, Commercial Tax, Range –III, Lucknow against levy of interest of ₹ 7.9 million as per re-assessment order passed for assessment year 2006-07.
19. HCC has filed an appeal before the Additional Commissioner (Appeals), Lucknow against the orders passed disallowing composite turnover amounting to ₹ 243. 11 million for the period 2007-08 to 2010-11.
20. HCC has filed an appeal before the Additional Commissioner (Appeals), Lucknow against the Entry Tax Assessment Order passed demanding ₹ 28 million for 2010-11.

21. HCC has filed an appeal before the Additional Commissioner (Appeals) Lucknow against the best Judgment Assessment passed for CST demanding a sum of ₹ 6.8 million.
22. HCC has filed a writ petition (no. 8855 of 2010-11) before the Allahabad High Court against the Entry Tax demands amounting to ₹ 4.88 million raised in relation to assessment years 2009-10 and 2010-11 by the assessing officer.
23. HCC has filed appeals before the Additional Commissioner (Appeals) Lucknow against the Entry Tax orders amounting to ₹ 23.32 million passed in relation to assessment years 2007-08, 2008-09, 2009-10, 2010-11 by the Deputy Commissioner (Assessment).
24. HCC has filed an appeal (no. 35/MVET/2009-10) before the Appellate Board (Tribunal) against the Entry Tax Appeal Order passed by Deputy Commissioner (Appeals) Udaipur, with the amount involved being ₹ 2.5 million.
25. HCC has filed an appeal before the Additional Commissioner (Appeals), Kolkata against an assessment order passed wherein eligible deductions towards labour and other charges amounting to ₹ 204.94 million have been disallowed for the assessment years 2007-08, 2008-09, 2009-10 and 2010-11.
26. HCC has filed an appeal before the CESTAT, South Zonal Branch, Chennai vide (no. 27 of 2007) against an order by the Commissioner of Central Excise (Service Tax) Tirunelveli challenging the levy of penalty amounting to ₹ 1.31 million. The matter is currently pending.
27. HCC has filed an appeal (no. S/163/08) before the CESTAT, Chennai against an appeal order passed by Commissioner of Central Excise, Coimbatore for the period January 2004 to March 2008 raising demand of ₹ 28.7 million. The matter is currently pending.
28. HCC has filed an appeal (no. 165 of 2012) before the Commissioner (Appeals) against the penalty imposed by Additional Commissioner for payment of Service Tax on supply of materials subsequent to investigation by DGCEI (Lavasa Project), amount involving being ₹ 1.8 million. A stay has been granted by the Commissioner (Appeals). The matter is currently pending.
29. HCC has filed an appeal (no. ST/550/2011) before the CESTAT, Ahmedabad against the order passed by Deputy Commissioner of Central Excise, Kalol, wherein a sum of ₹ 1 million was demanded as Service Tax on Mobilisation Advance. The stay petition was heard by single member of CESTAT, Ahmedabad in March 2013 and the matter was referred to a division bench. The matter is currently pending.
30. HCC has filed an appeal (no. ST/85826/14-MUM) before the CESTAT, Mumbai against the order passed by Commissioner of Service Tax, Mumbai-II in respect of four show cause notices for the periods 2005 to 2009; 2009-10; 2010-11 & 2011-12. The amount of the demand is ₹ 7,425.1 million. The matter is currently pending.
31. HCC has filed an appeal (no. Co. 8103/M/10 & Dept. 8261/M/10) before the ITAT Mumbai filed against an order of the Commissioner (Appeals) order for assessment year. 2007-08 on various routine issues such as disallowances under Section 14A of the Income Tax Act, 1961, proportionate premium on foreign currency convertible debentures and corporate social responsibility expenses. The amount involved is ₹ 52.2 million. The matter is currently pending.
32. HCC has filed an appeal (no. 7396/M/11) before the ITAT, Mumbai, against the appellate order passed by Commissioner (Appeals) for A.Y. 2008-09. The main issue involved being addition of claim of ₹ 6480 million in both the estimated contract value as well as work done since inception. Due to the inclusion, the percentage completion of BWSL as per Tax Dept. computation went upto 84% instead of 44% as computed in the Accounts. On similar lines, the Assessing Officer, included for computing percentage completion for other projects, various escalation claims raised over and above original contract value. Amount considered as contingent liability Rs 121.80 million. The matter is currently pending.
33. HCC has filed an appeal before the Income Tax Appellate Tribunal, Mumbai for A.Y. 2009-10 against an assessment order passed on various routine issues with a contingent liability of ₹ 4.3 million. The matter is currently pending.

34. HCC has filed an appeal before the Income Tax Appellate Tribunal, Mumbai, against an order of Commissioner (Appeals) for A.Y. 2010-11 on various routine issues, with a contingent liability of ₹ 38.2 million. The matter is currently pending.
35. HCC has filed an appeal filed before the Income Tax Appellate Tribunal, Mumbai, against order of Commissioner (Appeals) for A.Y. 2006-07 on various routine issues involving a contingent liability of ₹ 38.7 million. The matter is currently pending.

Arbitration Proceedings

1. HCC has initiated arbitration proceedings before the arbitral panel consisting of Justice B N Srikrinha, Justice Sujata Manohar and Justice G.T Nanavati at Mumbai against Kirloskar Brothers Limited (“KBL”) claiming an amount of ₹ 416.2 million from KBL for settling the disputes regarding the expenses and deductions in the Saurashtra branch canal pumping scheme project. KBL had filed counterclaims worth ₹ 390.4 million and has reserved their right to claim further. HCC has filed its reply to the statement of defense and counter claim of KBL. The matter is currently pending.
2. HCC has initiated arbitration proceedings before the arbitral panel consisting of Justice R C Lahoti, Justice Jayasimha Babu and Justice G T Nanavati, against New Tirupur Area Development Corporation Limited (“NTADCL”) for settling the disputes in context to the EPC contracts, entered into by the parties for completion of the facilities for the purpose of extraction, treatment and supply of water. It is alleged by HCC that HCC had completed the contract and handed over the facility to NTADCL, however, NTADCL invoked a performance bank guarantees furnished by HCC to the tune of ₹ 270 million. HCC has sent a legal notice to NTADCL, claiming approximately ₹ 1,500 million. NTADCL has admitted HCC’s claim for ₹ 18 million towards variation and ₹ 64.5 million towards excise benefit, and in turn have claimed ₹ 200.8 million due after adjusting the amount realized on invoking the bank guarantees. The matter is currently pending.
3. HCC has initiated arbitration proceedings against the State of Uttar Pradesh for settling disputes arose pertaining to compensation for increase in price of other ancillary commodities in the Sai aqueduct works. The matter is currently pending.
4. HCC has referred the issue of delayed decision in wharf height in a project awarded by the Director General of Naval Projects (“DGNP”) to an arbitration panel consisting of. O.P. Goel, Ajit Pawar and R.K. Srivastava. At the preliminary meeting, in March 2014, the DGNP suggested that other issues related to wharves, which were at the pre arbitral stage of dispute resolution, should also be referred to the same Arbitral panel for adjudication. Thus, the DGNP and HCC have referred the issues of (i) delay in design and VO for wharves, claim for rock armors in access ramp; disposal of surplus material behind wharves; and encountering or presence of unforeseen conditions in vicinity of NW grid G0 to the same arbitral panel. The formal decision of the Panel is awaited and the matter is currently pending.
5. HCC initiated arbitration proceedings against NHPC Limited for resolution of disputes pertaining to Extension of Time and consequent additional cost before the arbitral tribunal comprising of Justice E Padmanabhan, Ajit B Pawar and Bal Mukand. In a majority award dated January 17, 2014 passed by the tribunal, HCC was awarded an amount of ₹ 2432.2 million and extension of time of 813 days. The award has been challenged by both HCC and NHPC Limited. The matter is currently pending.
6. HCC initiated arbitration proceedings against NHPC Limited for resolution of disputes pertaining to revision of rates of various items before the arbitral tribunal comprising of P.C. Markanada, H.C.S. Berry and. B. Ajit Pawar. The submission of pleadings is in process. The matter is currently pending.
7. HCC initiated arbitration proceedings against NHPC Limited for resolution of disputes pertaining to extension of time and consequent additional cost. HCC appointed Madan Mohan Sangal and NHPC has appointed Mrityunjay Sahoo as member arbitrators. The abitrators are yet to appoint presiding arbitrator and the constitution of tribunal is in process.
8. HCC initiated arbitration proceedings against NHPC Limited for resolution of disputes pertaining to Extension of Time and consequent additional cost before the arbitral tribunal comprising of Justice. Anil Dev Singh, H.L.Bajaj and Justice Arvind V Savant. The matter is currently pending.
9. HCC initiated arbitration proceedings against NHPC Limited for resolution of various disputes

pertaining to revision of rates, subsequent legislation etc. before the arbitral tribunal comprising of P.C. Markanada, K.K. Madan and R.G. Kulkarni. The written and oral submissions by the parties have concluded and internal sitting of the arbitrators are in progress. The matter is currently pending.

10. HCC has initiated arbitration proceedings against NHPC Limited for resolution of disputes pertaining to additional cost consequent to extended stay in project before the arbitral tribunal comprising of Justice Devinder Gupta, V.K.Malhotra and N.N.Singhal. The submission of pleadings is in process. The claimant had submitted his statement of claim on April 19, 2014. The matter is currently pending.
11. HCC initiated arbitration proceedings against NHPC Limited for resolution of disputes pertaining to extension of time and consequent additional cost before the arbitral tribunal comprising of T.N.C. Rangarajan, B.K. Mittal and D.G. Marathe. Pleadings are completed and final arguments by the parties are in process. The matter is currently pending.
12. HCC initiated arbitration proceedings against NHPC Limited for resolution of various disputes pertaining to revision of rates, subsequent legislation etc before the arbitral tribunal comprising of Justice Usha Mehra, Pradip Bhargava and R. G. Kulkarni. The pleadings are completed and final arguments by the parties are in process. The matter is currently pending.
13. HCC initiated arbitration proceedings against NHPC Limited for resolution of disputes pertaining to additional cost consequent to extended stay in project. HCC has appointed Ajit B. Pawar and NHPC Limited has appointed Rachel Chatterjee as member arbitrators. The arbitrators are yet to appoint presiding arbitrator and constitution of tribunal is in process.
14. HCC initiated arbitration proceedings against NHPC Limited for resolution of various disputes pertaining to additional cost consequent to extended stay in project, revision of rates, subsequent legislation, reduction in scope of work, compensation for use of ATF before the arbitral tribunal comprising of Justice E. Padmanabhan, V.K. Aggrawal and Shri. A. K. Mohanty. The pleadings are completed and final arguments by the parties are in process. The matter is currently pending.
15. HCC initiated arbitration proceedings against NHPC Limited for resolution of various disputes pertaining to additional cost consequent to extended stay in project, subsequent legislation, reduction in scope of work, compensation for use of ATF before the arbitral tribunal comprising of Devinder Gupta, D.P. Bajaj and Jayant T Nashikkar. The preliminary meeting was held on January 17, 2014. Pleadings are in process. HCC had submitted his statement of claim on February 14, 2014. The matter is currently pending.
16. HCC has initiated arbitration proceedings against M/s. NEEPCO Limited for resolution of disputes pertaining to additional cost consequent to underutilization of resources and other Claims including reimbursement of service tax and payment of reinforcement used in steel lagging before the arbitral tribunal comprising of N.N. Singhal. The preliminary meeting was held on January 24, 2014 and Pleadings are in process. HCC had submitted his statement of claim on February 15, 2014. The Respondent to submit his Counter by May 31, 2014. The matter is currently pending.
17. HCC had initiated arbitration proceedings in the year 1995 against State of Jharkhand and others for disputes pertaining to losses and damages due to infructuous overheads, infructuous expenses of equipments Charges, infructuous expenses on mobilization advance, infructuous expenses on nfrastructuresbuilt at site for execution of work, infructuous expenses for winding up and loss of profit. During arbitration proceedings, the State of Jharkhand filed a money suit in the before the Sub-Judge – I, Sareikela. HCC, prayed that the said money suit be stayed Tht court has imposed a stay on legal proceedings against HCC. The mater

The State of Jharkhand challenged the Learned Court of Sub-Judge – I, Sareikela directions by filing SLP in the Hon'ble Supreme Court of India. The Hon'ble Supreme Court of India gave its directions on Jnauary 10, 2013 stating that the arbitration proceedings which had commenced on February 15, 1995 remained inconclusive and therefore the same are referred to Justice S.B.Sinha. Further, the Supreme Court of India also referred the money suit no. 4 filed by State of Jharkhand for adjudication to Justice S.B.Sinha. Accordingly, on March 2, 2014 the Court has decided to take up the matter. The matter is currently pending.

18. HCC had initiated arbitration proceedings against NHPC Limited for adjudication of dispute pertaining

to labour markup. By an award dated November 7, 1994, the Sole Arbitrator Awarded ₹ 30.9 million. However, the Delhi High Court by its order dated October 7, 2010, referred back the matter to the Tribunal for adjudication on certain aspects, not deliberated in the Award. In the meantime the sole Arbitrator Justice Shanti Swarup has expired. The new sole arbitrator S. N. Phukan has been appointed. The matter is currently pending.

19. HCC has initiated arbitration proceedings against the National Hydroelectric Power Corporation Limited regarding the rate analysis of labour for the Chamera hydro-electric works project. An award is made in favour of HCC for an amount of approximately ₹ 30.3 million. The matter is currently pending at the stage of decree of award.
20. HCC has initiated arbitration proceedings against the State of Bihar (now Jharkhand) towards escalation, extra items and extra rate for variation in the Chandil dam works project. The State of Bihar (now Jharkhand) had challenged the jurisdiction of arbitral panel before the Court of Sub-Judge at Saraikella. This application was dismissed and the court has ordered for the resumption of arbitration proceedings. The matter is now pending at the stage of appointment of new arbitrator.
21. HCC has initiated arbitration proceedings against R.L. Sharma and others before the arbitration panel of D.R. Dhanuka in respect of dispute that arose between the parties towards payment of advance of Rs 70.80 million with interest. The hearings are in progress and the matter is currently pending.
22. HCC has referred to arbitration a claim against National Highways Authority of India in relation to the Lucknow road project amounting to ₹ 180.0 million which have arisen during the performance of the contract. The arbitration proceedings are in progress with the composition of the arbitral tribunal K. K. Madan, N. C. Saxena and G. Tawaramalani.
23. HCC has referred to arbitration a claim against National Highways Authority of India in relation to the Lucknow road project amounting to ₹ 1480 million which have arisen during the performance of the contract. The arbitration proceedings are in progress with the composition of the arbitral tribunal A. B. Pawar, A. B. Desai and G. Tawaramalani.
24. HCC has referred to arbitration a claim against National Highways Authority of India in relation to the Lucknow road project amounting to ₹ 1680 million which have arisen during the performance of the contract. The arbitration proceedings are in progress with the composition of the arbitral tribunal N. K. Bahri, P. Sridharan and J.P. Singhal.
25. HCC has referred to arbitration a claim against National Highways Authority of India in relation to the Lucknow road project amounting to ₹ 130 million which have arisen during the performance of the contract. The arbitration proceedings are in progress with the composition of the arbitral tribunal K. K. Madan, N. N. Singhal and M. P. Singh.
26. HCC has referred to arbitration a claim against National Highways Authority of India in relation to the Lucknow road project amounting to ₹ 1260 million which have arisen during the performance of the contract. The arbitration proceedings are in progress with the composition of the arbitral tribunal A. B. Desai, P. Sridharan and M. P. Singh.
27. HCC has referred to arbitration a claim against National Highways Authority of India in relation to the Lucknow road project amounting to ₹ 1830 million which have arisen during the performance of the contract. The arbitration proceedings are in progress with the composition of the arbitral tribunals as under P. Sridharan, V. K. Shrotriya and M. Venkatesan.
28. HCC has referred to arbitration a claim against National Highways Authority of India in relation to the Lucknow road project amounting to ₹ 540 million which have arisen during the performance of the contract. The arbitration proceedings are in progress with the composition of the arbitral tribunals as under P. Sridharan, S. Arunachalam and M. Venkatesan.
29. HCC has referred to arbitration a claim against National Highways Authority of India in relation to the Paradip roads project amounting to ₹ 1410 million crores which have arisen during the performance of the contract. The arbitration proceedings are in progress with the composition of the arbitral tribunals as under D. Sree Ramamurthy, A.B. Desai and K.B. Lal Singhal.

30. HCC has referred to arbitration a claim against National Highways Authority of India in relation to the Chennai bypass project which have arisen during the performance of the Contract amounting to ₹ 510 million. The arbitration proceedings are in progress with the composition of the arbitral tribunals as under D. Sree Ramamurthy, P. Sridharan and Pawan Kumar.
31. HCC has referred to arbitration a claim against the Government of Jammu and Kashmir in relation to the Mughal Roads project amounting to ₹ 1,700 million which have arisen during the performance of the contract. The arbitration proceedings are in progress with the composition of the arbitral tribunals as under R. P. Indoria, N.N. Singhal and J.S. Katoch.

Litigation against HREL

NIL

Litigation by HREL

Civil Proceedings

1. HREL has filed summary suit (no. 1344 of 2008) against Swati Enterprises for recovery of ₹ 2.59 million being the earnest money with interest. The suit has been decreed by the Bombay High Court and the chamber summons for disclosing of assets and properties was allowed by Bombay High Court on January 20, 2012. The proceedings were transferred to Bombay City Civil Court. Due to non compliance of the order of disclosure of assets and properties, a chamber summons (no. 1219 of 2012) for issuance of show cause notice and detaining the judgment debtors in civil prison has been filed. While the court ordered the payment of the decretal amount before May 20, 2014, the judgment debtors failed to deposit the same. Hence, the court passed an order detaining them in jail for a period of one month. The matter is currently pending.

Arbitration Proceedings

1. HREL has initiated an arbitration proceeding before the sole arbitrator Justice (Retd.) F.I. Rebello against Pundalik Waman Nayak (deceased), represented by his sole heir Pratima Pundalik Nayak in relation to the wrongful termination of a written memorandum of understanding ("MOU") dated June 1, 2006 granting HREL development rights with respect to a property at Powai, Mumbai. HREL has sought specific performance of the MOU and alternatively, claimed refund of ₹ 98 million for the amount paid or incurred as also compensation of ₹ 3,650 million for breach of the MOU. The other party has made a counter claim of ₹ 27,630 million as compensation. The matter is currently pending.

Criminal Proceedings

1. HREL entered into a memorandum of understanding ("MOU") dated June 1, 2006 and a supplementary MOU dated September 4, 2006 with M/s Gurukripa Realtors, then a partnership firm for procuring around 200 acres of land at village Kavesar, Ghodbunder Road, District Thane. However, even after a period of almost seven years, M/s Gurukripa Realtors have failed to put HREL in possession of any land in spite of HREL having made a payment of ₹ 322.7 million. As Gurukripa Realtors have misrepresented and induced the Company to pay such huge amount of money without acquiring and or transferring the lands as agreed in MOU and siphoned off the said money for their personal use, a criminal complaint (no.27 of 2012) has been lodged before 31st Metropolitan Magistrate, Vikroli against M/s Gurukripa Realtors and its partners. The magistrate issued direction to police to register a case as a complaint and to investigate the same under Section 156(3) of Code of Criminal Procedure, 1973. A first information report was accordingly registered on March 8, 2013 at Parksite Police Station, Vikroli. The police investigation is in process.

Tax Proceedings

1. HREL has filed appeals before the Income Tax Appellate Tribunal against orders passed disallowing the debit of pre-operational expenditure to the profit and loss account and requiring interest income to be shown as income from other sources / on various routine issues for A.Y. 2006-07 and A.Y. 2009-10 involving a contingent liability aggregating to ₹ 2.45 million. The matter is currently pending.
2. HREL has filed an appeal before the Income Tax Appellate Tribunal against the an order passed

disallowing expenses aggregating to ₹ 9.97 million, requiring interest income to be shown as income from other sources and on various routine issues for A.Y. 2007-08. The contingent liability involved is ₹ 0.05 million. The matter is currently pending.

3. HREL has filed appeals before the Commissioner (Appeals) against the assessment orders passed disallowing expenses on the basis of no business activity and exempt income for A.Y. 2010-11 and A.Y. 2011-12 involving a contingent liability aggregating to ₹ 1.34 million. The matter is currently pending.
4. HREL has filed appeals before the Assistant Commissioner, Income Tax, against the assessment orders passed disallowing expenses on the basis of no business activity for AY 2011 -12, involving a contingent liability aggregating to ₹ 96.96 million, against which HREL has filed a petition for stay of demand and the same has been rejected. The matters are currently pending.

Outstanding payment of statutory dues

1. The Income Tax Department has served six notices on HREL in A.Y. 2013-14 and 2014-15 with an aggregate demand of ₹ 1.12 million.

Litigation involving Group Companies

Litigation involving Steiner AG

Litigation against Steiner AG

1. Stockwerkeigentümergeinschaft Parzelle 2212 (the “Plaintiff”) has filed a conciliation request (no. 121 of 2010) before the Conciliation Authority of Maloja, St. Moritz against Steiner AG and AG post und Mercatorium, in relation to rectification of defects in the realization of the project ‘The Murrezan’. After having nominated an extra-ordinary conciliator by January 20, 2011, the procedure has been suspended. The Plaintiff and AG Post und Mercatorium are in negotiations for an amicable settlement. Steiner AG is not involved in the aforesaid negotiations. The matter is currently pending.
2. Marcel Bernasconi AG has filed a civil action (no. 1A1 13 24) before the District Court of Lucerne for a claim amounting to CHF 661,096.55 with respect to final accounts in relation to its work in the projects “Zuger Stadttor”, “Lakefront Center” and “Residence Tivoli”. Steiner AG has challenged the claim and has made a counter claim amounting to CHF 304,884.93 based on the corrected final invoice, with the parties not agreeing on the quality of works executed by Marcel Bernasconi AG. The matter is currently pending.
3. Schurig Stefan has filed a civil action (no. CG130046-L/Z03) before the District Court of Zurich (the “Court”) for damage compensation amounting to CHF 260,000 for damage caused by fire. Steiner AG has challenged the claim for damage compensation and has argued that the same is time barred. The Court, on March 3, 2014, permitted third parties to intervene in the proceeding. The matter is currently pending.
4. Skyguide Schweizerische Aktiengesellschaft (“Skyguide”) has filed a civil action (no. HG130112-O) before the Commercial Court of Zurich (the “Court”) against Steiner AG claiming an amount of CHF 1,200,000 in respect of replacement of fittings in sanitary installations. Steiner AG has challenged the claim made by Skyguide. Settlement negotiations under the supervision of the Court took place in March, 2014 and May 2014, respectively, wherein no result could be arrived at. The matter is currently pending.
5. Pozzi AG has filed a civil action (CG130008-H/Z1) before the District Court of Pfäffikon ZH against Canton Bank of Zurich and Steiner AG for a claim in relation to final account amounting to CHF 309,260.25 for work executed on the project “Moosburgstrasse”. The matter is currently pending.
6. Anliker AG Bauunternehmung (“Anliker”) has filed a civil action (no. HG140037-O) before the Commercial Court of Zurich against Steiner AG for a claim amounting to CHF 8,441,768 out of the final invoice in relation to final accounts and change orders. Steiner AG has challenged the claim and has put forth a counter-claim out of the corrected final invoice, with the parties not agreeing on the quantity of the works executed by Anliker.. The matter is currently pending.

7. Vincent Jordan and Myriam Crottet have filed a claim for monetary compensation (no. PT11.027530-vbi) before the Chambre Patrimoniale Cantonale, Canton de Vaud against Steiner AG claiming CHF 50,935 as compensation for works not properly carried out in relation to water leakages in the canalisations installed by a subcontractor of Steiner AG. Steiner AG has filed a counter-claim of CHF 268,000 in respect of renovation of 25 apartments in Laussane, Switzerland. The matter is currently pending.

Litigation by Steiner AG

1. Steiner AG has filed a claim (no. HG120223-O) before the Commercial Court of Zurich against MOKA Development AG and Kopitsis Bauphysik AG for damage compensation amounting to CHF 893,282.05 in relation to the deficient planning of a skywalk which caused damage to a natural stone floor. The matter is currently pending.
2. Steiner AG has filed a claim (no. HG140016-O) before the Commercial Court of Zurich against Löwenbräu-Kunst AG for a claim of CHF 6,574,000 in relation to final account for the construction works of part of the “Lowenbrau-Areal” project. The matter is currently pending.
3. Steiner AG has filed a default action (no. CO10.013636/XMD/nwr) before the Tribunal Cantonal du Canton de Vaud against Newton Industrie S.r.l. claiming compensation amounting to CHF 2,170,400.70 for damages consequent to a fire at a transformer station on June 9, 2008. The matter is currently pending.
4. Steiner AG has filed a claim for payment (no. 11.021.685-vbi) before the Chambre Patrimoniale Cantonale, Canton de Vaud against Philip Schaffner (“Defendant”) raising a claim of CHF 956,448.75 as payment for 130 change orders in relation to the Project La Grappe a’Azur for the construction of 10 apartments and a parking place in Lutry. The Defendant has submitted a counter claim of CHF 1,342,943.40 for late delivery and other issues including loss of income, fees and price reduction. The matter is currently pending.
5. Steiner AG has filed a claim (no. CG130064) before the District Court of Zurich against Fabian Neubauer (“Defendant”) for a claim of CHF 132,845.40 in relation to the final account for the renovation of a building. The Defendant has challenged the claim and filed a counter-claim for CHF 115,934.10 for partly signed yet contested change orders. The matter is currently pending.
6. Steiner AG has filed a civil action (no. CO08.030965/JCL) before the Civil Court of Laussane against GCI AG for payment of CHF 1,000,000 due under the provisions of the construction contract relating to the project “Les Grives”. GCI AG has, by way of a counterclaim, claimed loss of income in relation to two other projects. The matter is currently pending.

Litigation involving Charosa Wineries Limited

Litigation against Chrosa Wineries Limited

1. Shobhna Rajesh Patil has filed a suit (no. 833 of 2011) before the Civil Judge, Senior Division, Nashik against Charosa Wineries Limited and 17 others for specific performance of a contract and cancellation of sale deeds of the property at gat no. 193 at village Charosa. The matter is currently pending.
2. Rushiprasad Ramkrishna Dhage has filed a suit (no. 72 of 2012) before the Civil Judge, Senior Division, Nashik against Charosa Wineries Limited and 11 others for partition of the properties at gat no. 121 to 124 and 139 at village Charosa. The matter is currently pending.

Outstanding payment of statutory dues

1. The Income Tax Department has served three notices to M/s Charosa Wineries Limited in AY 2013-14 and AY 2014-15 with a demand aggregating to ₹ 34,420.

Litigation involving Pune Paud Toll Road Company Limited

Litigation by Pune Paud Toll Road Company

1. Pune Paud Toll Road Company Limited (“PPTRCL”) has filed an arbitration petition (no. 11982 of

2014) for seeking appointment of an arbitral tribunal before the Bombay High Court against the Public Works Department, Government of Maharashtra and another. PPTRCL has filed a claim with regard to shifting of a toll plaza location, delay in issuance of toll notification and refund of land acquisition cost. The matter is currently pending.

Litigation involving Dhule Palesner Tollway Limited

Litigation against Dhule Palesner Tollway Limited

1. Amit Jayawant Jain and others (the “Petitioners”) have filed a writ petition (no. 5356 of 2013) before the Bombay High Court against Dhule Palasner Tollway Limited others (the “Respondents”) for prohibiting the Respondents from establishing or running a toll plaza within ten kilometers of the local limits of Shirpur town in Dhule District and praying for an interim order restraining the Respondents from operating a toll plaza and from collecting any amount on account of toll from vehicles coming and going towards Shirpur and also from recovering toll at the increased rate by 50%. The matter is currently pending.
2. Salauddin Shaik (the “Petitioner”) has filed a petition (no. 657 of 2013), against Somnath Patil being a driver of Dhule Palasner Tollway Limited (“DPTL”), DPTL and The New India Assurance Company Limited (the “Respondents”) under the Motor Vehicles Act, 1988, (the “Act”) before the Motor Accident Claims Tribunal, Dhule. The Petitioner has allegedly claimed compensation under Sections 140 & 166 of the Act in respect of the accident of nature specified under Section 166 of the Act against the Respondents. The matter is pending before the Tribunal for submissions of written statement by the Respondents.
3. Dhanraj Ragho Patil (the “Petitioner”) has filed a petition (no., 633/2013) before the Motor Accident Claims Tribunal, Dhule against Somnath Patil being a driver of Dhule Palasner Tollway Limited (“DPTL”), DPTL and The New India Assurance Company Limited (the “Respondents”) under the Motor Vehicles Act, 1988 (the “Act”). The Petitioner has allegedly claimed compensation under Section 140 and 166 of the Act in respect of the accident of nature specified under Section 166 of the Act against the Respondents. The matter is pending before the Tribunal for submissions of written statement by the Respondents.

Litigation by Dhule Palesnar Tollway Limited

1. Dhule Palesnar Tollway Limited has filed an appeal with the Commissioner of Income Tax against the tax demand of ₹ 3.01 million for the A.Y. 2010-11. The matter is currently pending.

Past penalties

1. Dhule Palesnar Tollway Limited has paid ₹ 95,000 to the Reserve Bank of India in respect of compounding a contravention of the Foreign Exchange Management Act, 1999.

Litigation involving Badarpur Faridabad Tollway Limited

Litigation against Badarpur Faridabad Tollway Limited

1. Mohan Cooperative Industrial Estate Limited (the “Petitioner”) has filed a civil writ petition (no. 7693 of 2013) before the High Court of Delhi against the Union of India, Badarpur Faridabad Tollway Limited (“BFTL”) and others (the “Respondents”). The Petitioner has sought a direction to compel the Respondents to restore the width of service road of B-II block Mohan Cooperative Industrial Area as well as width of entry/exit point to be restored. The reply has been filed by BFTL and the matter is currently pending.

Litigation involving HCC Concessions Limited

Litigation against HCC Concessions Limited

1. Rahamat S.K. and others (the “Plaintiffs”) have filed a civil suit (no. 45 of 2013), against Safarul S.K., HCC Concessions Limited (“HCL”) and others (the “Defendants”) before the Court of Civil Judge Junior Division, at Jangipur (the “Court”). The Plaintiffs are the owner of a certain land parcel and has sought to restrain the Defendants from allegedly encroaching some portion of plot no. 152, and an

injunction for the same under Order 39 Rule 1 and 2 read with Section 151 of the Code of Civil Procedure, 1908. Though the injunction was granted by the Court since the parties were absent, an objection to the said injunction was raised by HCL and the court considering the said objections ordered the parties to maintain the status quo. The matter is currently pending.

Details of default in repayment of dues to financial institutions and banks

1. For the year ended March 31, 2014, HCC Concessions Limited has defaulted in repayment of dues to financial institution; the amount of principal unpaid as on March 31, 2014 is ₹138,999,283 and the amount of interest unpaid as on March 31, 2014 is ₹29,089,109 (net of tax deducted at source).

Details of remittance of statutory dues

1. As on March 31, 2014, the unpaid amount for tax deducted at source (non salary) is ₹2,924,102. This pertains to the overdue charges levied by SREI Infrastructure Finance Limited which have been protested by HCC Concessions Limited.

Litigation involving Nirmal BOT Limited

Litigation by Nirmal BOT Limited

1. Nirmal BOT Limited (the “Claimant”) has referred to arbitration a dispute in relation to payment of bonus for early completion of the project in terms of the concession agreement between the National Highways Authority of India (“NHAI”) and the Claimant. The Claimant being the concessionaire under the aforementioned concession agreement has claimed that it is entitled to receive bonus of ₹ 13,22,22,222 and has alleged that NHAI has failed to pay the aforementioned amount. The arbitral proceedings are currently pending.
2. Nirmal BOT Limited (the “Claimant”) has send notice of intention to commence arbitration to the National Highways Authority of India in relation to a dispute regarding the determination of the aggregate number of delays encountered in project works and payment of bonus. The Claimant has prayed for an amount of ₹ 394 million. The arbitral proceedings are currently pending.
3. Nirmal BOT Limited (the “Petitioner”) has filed a writ petition (no. 15464 of 2011) before the High Court of Andhra Pradesh (the “Court”) against the District Registrar, Adilabad District and the Inspector General of Stamps and Registration (“Respondents”). The Petitioner has sought to restrain the Respondents from demanding alleged stamp duty on the concession agreement entered into between the Petitioner and the National Highways Authority of India. The Court has passed a stay order on June 9, 2011, whereby the demand of stamp duty has been stayed by the Court. In the interim order, the court has directed the Petitioner to make payment of ₹ 0.5 million, while staying such demand of stamp duty. The matter is currently pending.
4. Nirmal BOT Limited has filed an appeal with the Commissioner of Income Tax against the tax demand of ₹ 5.06 million for the A.Y. 2011-12.. The matter is currently pending

Litigation involving Panchkutir Developers Limited

Litigation by Panchkutir Developers Limited

1. Panchkutir Developers Limited has filed an appeal before the ITAT, Mumbai against an order the Commissioner of Income Tax (Appeals) for A.Y. 2010-11 on, inter alia, disallowance of borrowing cost for an amount of ₹ 25.19 million.

Litigation against Panchkutir Developers Limited

1. Anjanabai H. Sonawane and others (the “Plaintiffs”) have instituted a suit (no. 2688 of 2008) against HCC before the Bombay High Court in relation to certain property at Vikhroli (East). The Plaintiffs have sought to be declared as the lessees of the property under the indenture of lease. The matter is currently pending. The Plaintiffs have taken ou a chamber summons for joining Panchkutir Developers Limited (“Panchkutir”) as a defendant. Panchkutir has filed its reply in the matter. The matter is currently pending.

Notices from statutory and regulatory authorities

1. The Income Tax Department has issued a notice (no. TDS/1213/260/D/100007032797) dated March 14, 2014 to Panchkutir Developers Limited for A.Y. 2014-15 for a demand of ₹ 830.

Litigation involving HRL (Thane) Real Estate Limited

Past penalties

1. HRL (Thane) Real Estate Limited has paid interest on delayed payment of statutory dues and penalties amounting to ₹ 130 for fiscal year 2010-11 and ₹ 386 for fiscal year 2013-14, respectively.

Litigation involving Hincan Finance Limited

Litigation by Hincan Finance Limited

1. Hincan Finance Limited has filed an appeal before the Commissioner of Income Tax (Appeals) for A.Y. 2011-12 in relation to routine disallowance under Section 14A of the Income Tax Act, 1961 amounting to approximately ₹ 0.66 million. The matter is currently pending.
2. Hincan Finance Limited has filed an appeal before the Income Tax Appellate Tribunal for A.Y. 2010-11 against a disallowance under Section 14A amounting to ₹ 0.67 million. The matter is currently pending.
3. Hincan Finance Limited has filed an appeal before the Income Tax Appellate for A.Y. 2009-10 in relation to routine disallowance under Section 14A amounting to ₹ 0.55 million. The matter is currently pending.

Litigation involving Hincan Holding Limited

Litigation by Hincan Holding Limited

1. Hincan Holding Limited has filed an appeal (no. 3592/M/2014) before the Income Tax Appellate Tribunal for AY 2010-11 in relation to routine disallowance of business expenses amounting to approximately ₹ 2.93 million. The matter is currently pending.

Litigation involving Highbar Technologies Limited

Litigation by Highbar Technologies Limited

1. Highbar Technologies Limited has filed an appeal before the Commissioner of Income Tax (Appeals) for A.Y. 2011-12 against various routine disallowances of business expenditure amounting to ₹ 5.92 million. The matter is currently pending.

Litigation involving Baharampore-Farakka Highways Limited

Litigation by Baharampore-Farakka Highways Limited

1. Berhampore-Farakka Highways Limited has filed an appeal before the Sales Tax Commissioner, Berhampore-Murshidabad against an order of the Joint Commissioner of Sales Tax, Behrampore imposing a charge amounting to approximately ₹ 173.82 million for bringing goods into West Bengal without way bills. The matter is currently pending.

Raiganj-Dalkhola Highways Limited

Default in repayment of dues to financial institutions and banks

1. For the year ended March 31, 2014, Raiganj-Dalkhola Highways Limited has defaulted in repayment of dues to financial institutions and banks in respect of interest liabilities as under:

Particulars	Delay upto 30 days	Delay between 31-60 days	Delay between 61-90 days

Particulars	Delay upto 30 days	Delay between 31-60 days	Delay between 61-90 days
Interest and overdue charges	₹37,129,535	₹12,487,196	₹184,382

Material Developments

For details of material developments, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 430.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government, various governmental agencies and other statutory and/or regulatory authorities required for carrying out its present hill station development activities and except as mentioned below, no further material approvals are required for carrying on our present hill station development activities. Certain approvals or licenses may have lapsed in their normal course and our Company has either made an application to the appropriate authorities for renewal of such licenses or approvals or is in the process of making such applications. Our Company undertakes to obtain all approvals and licenses and permissions required to operate our hill station development activities. Unless otherwise stated, these approvals or licenses are all valid as of the date of this Draft Red Herring Prospectus. For further details in connection with the applicable regulatory and legal frame work see the section “Regulations and Policies” at page 215

The approvals required to be obtained by our Company include the following:

1. Approvals for our Company

A. Incorporation details

1. Certificate of incorporation dated February 11, 2000 issued by the Registrar of Companies, Pune to Pearly Blue Lake Resorts Private Limited.
2. Fresh certificate of incorporation consequent upon change of name dated December 12, 2000 was issued by the Registrar of Companies, Pune to our Company on account of change of name from “Pearly Blue Lake Resorts Limited” to “The Lake City Corporation Private Limited”.
3. Certificate of change of name dated March 3, 2003 was issued by the Registrar of Companies, Pune to our Company on account of change of name from “The Lake City Corporation Private Limited” to “The Lake City Corporation Limited”.
4. Fresh certificate of incorporation consequent on change of name dated June 8, 2004 was issued by the Registrar of Companies, Pune to our Company on account of change of name from “The Lake City Corporation Limited” to “Lavasa Corporation Limited”.

B. RBI Clarification

1. The RBI has by its letter dated October 29, 2010 has clarified that FIIs are permitted to purchase shares of an Indian company under the portfolio investment scheme, including participation in the initial public offer of a company. For further details, see “Other Regulatory and Statutory Disclosures”.

C. Approvals and notifications in relation to the hill station

1. Notification (No. TPS – 1800/1004/CR-106/I/2000/UD-13) dated June 1, 2001 from the Urban Development Department, Government of Maharashtra declaring 18 villages, excluding forest lands, as a hill station.
2. In-principle sanction (No. TPS-1800/1004/C.R. 106-1/2000/UD-13) dated June 27, 2001 from the Urban Development Department, Government of Maharashtra, for the development of villages Bhode, Pathershet, Bembatmal, Palse, Admal, Padalghar, Dasve, Wadavali, Sakhari, Bhoini, Mugaon, Ugawali, Koloshi, Dhamanohol, Gadle, Mose (Budruk), Saiv (Budruk) and Warasgaon, declared as “Hill Station Area” for the purpose of tourist resorts and holiday homes. The in-principle sanction is subject to certain conditions which include, *inter alia*, that no development shall be undertaken in an area which is above 1,000 meters elevation and that the environment impact assessment report shall be approved by the Environment Department.
3. Notification (No. TPS-1808/449/CR-93/08/UD-13) dated June 12, 2008 from the Department of Urban Development, Government of Maharashtra appointing our Company as a Special Planning Authority (“SPA”) with respect to the land owned by our Company in 14 villages. The notification states that the SPA shall not have the power to acquire land. The SPA is required to follow the Development Control Regulations and the provisions of the sanctioned regional plan and the amendments made to it. The notification further provides that the SPA has no right to grant any relaxation in relation to the Development Control Regulations applicable to the notified area.

4. Permission (No. PMA/CR/2115/2001) dated July 4, 2001 from the Office of the Collector, Revenue Department, Pune for purchasing private land classified as “occupant class – I” in villages Bhode, Patharshet, Bembatmal, Palse, Admal, Padalghar, Dasve, Wadavali, Sakhari, Bhoini, Mugaon, Kaloshi, Ugawali, Dhamanohol, Gadle in taluka Mulshi and villages Mose (Budruk), Saiv (Budruk) and Warasgaon in taluka Velhe for hill station development. In accordance with the terms of this permission, forest land cannot be purchased without the prior permission of the competent authority. The permission further states that land notified for acquisition under the Land Acquisition Act, 1894 or the Maharashtra Industrial Development Act, 1961 or the land to be acquired as per the Road Plan 1981 – 2001 prepared by the Government cannot be purchased.
5. Permission (No. DI/Land/Permission/255/2002/C-16983) dated December 5, 2002 read with corrigendum (No. DI/Land/Permission/ 255/2002 /C- 17386) dated December 11, 2002 under the Bombay Tenancy and Agricultural Land Act, 1948, from the Development Commissioner (Industries), Government of Maharashtra to purchase 4,000 hectares of agricultural land for the development of a hill station. The permission provides that if the land to be purchased belongs to a person of a scheduled tribe, such purchase shall be subject to Sections 36 and 36A of the Maharashtra Land Revenue Code, 1966 and the Maharashtra Restoration of Lands to Scheduled Tribes Act, 1974.
6. Permission (No. PMA/NA/SR/262/2007) dated June 7, 2008 from the Office of the Collector, Revenue Department, Pune granting non agricultural permission for hill station development at village Dasve and Padalghar for a total area of 636.82 hectares. The permission provides approval for the layout of Dasve and Padalghar and that the use of land with the buildings thereon shall be used exclusively for the permission for which it is granted. The permission further provides that the buildings shall be constructed as per the sanctioned layout/building plan and no modifications shall be made without the prior permission of the Office of the Collector, Revenue Department. The permission also states that it does not cover the area under the jurisdiction of the Forest Department, land not in possession of our Company and land above the height of 1000 meters.
7. Certificate (No. MTDC/INCENTIVE/Certificate-19/2009) dated September 29, 2009 by the Maharashtra Tourism Development Corporation Limited granting exemption from stamp duty for the purchase of land in the following villages - Dasve, Dhamanohol, Gadle, Wadwali, Sakhari, Bhoini, Admal, Mugaon, Palse, Patharshet, Padalghar, Koloshi, Ugawali, Bembatmal, Bhode of taluka Mulshi and Mose (Budruk), Saiv (Budruk) and Warasgaon of taluka Velhe to promote the proposed tourism project of our Company. This certificate is valid till the Tourism Policy of Government of Maharashtra, 2006 is in force.
8. Grant of mega status (No. D.O. No. TDM 2010/7/CR 414 Tourism) dated July 14, 2010 from the Tourism and Cultural Affairs Department, Government of Maharashtra to the the tourism project at taluka Mulshi and Velhe.
9. Permission (No. TPS-1809/1987 C.R. 1950/09/UD-13) dated August 21, 2009 from the Urban Development Department, Government of Maharashtra. The permission provides that for research related usage (strictly non polluting/zero discharge of effluent) along with ancillary uses like laboratories and pilot plant in public/semi-public area will be permitted on 12% of the total land.
10. Approval (No. KIR/ADM/4891/2002) dated July 16, 2002 from the MKVDC, Khadakwasla Irrigation Region for construction of eight bandharas in the Mose valley.
11. Permission (No. PB-4/KID/91/2003) dated April 10, 2003 by Khadakwasla Irrigation Division to carry out preliminary works related to dam constructions at village Dasve.
12. Approval (No. CDO/MD-4/VETTING/DASVE DAM/546) dated December 9, 2003 by the Central Designs Organization, Nashik vetting the design and drawings in relation to the construction of storage structure at village Dasve.
13. Approval (No. CDO/GO-4/Lake City/93/289/2004 dated March 6, 2004 by the Central Designs Organisation vetting the design and drawings in relation to Godbole type automatic gates.
14. Permission (No. KPV/Prasha-1/1387/2014) dated February 20, 2014 from the Deputy Executive Engineer, Khadakwasla Irrigation Department, granting permission for bringing a 33 KV elevated electric line of about 600 meters through village Bhoyani and an electric line of about 900 meters

through village Mugaon. An agreement for taking the elevated electric line and for erecting an electric tower would be for a term of five years. For the purpose of the work and in lieu of the space of the Maharashtra Krishna Khore Vikas Mahamandal, an annual rent of ₹ 360,000 is required to be deposited. A further ₹ 500,000 is to be deposited until the elevated electrical lines continue from the surface of the affected areas.

15. No objection (No. KPV/Prasha – 1/6953/2013) dated October 22, 2013 from the Khadkwasla Irrigation Department for carrying out protective construction work on land owned by the Company at the edge of the Warasgaon backwater, namely survey no. 59, 61, 71, 74, 76 and 77 in village Mugaon. The terms of the no-objection require our Company to furnish an indemnity bond to the Government of Maharashtra and obtain the permission of the Irrigation Department for any construction in the affected area.
16. Permission (No. KPV/Prasha-1/3122/San 2010) dated April 5, 2010 from the Office of the Executive Engineer, Khadakwasla Irrigation Department for carrying out construction of a weir of a storage capacity of 4.17 MCF at village Mugaon.
17. Permission (No. Khanikarm/SR/Nu/01/2014) dated March 19, 2014 from the Mining Division, Collector Office, district Pune under the Maharashtra Minor Minerals Extraction (Development and Regulation) Rules, 2013 granting renewal of lease for mining of three hectares of land situated at survey no. 1/1/ at village Koloshi for a term of five years until June 30, 2018.
18. Permission (No. DI/Land/Permission/255(2002)/2010/C-12016) dated November 12, 2010 under the Bombay Tenancy and Agricultural Land Act, 1948, from the Development Commissioner (Industries), Government of Maharashtra, amending the earlier permission dated December 5, 2002 and corrigendum order dated December 11, 2002 to purchase additional agricultural land to the extent of 2,671.0633 hectares. Under the terms of the permission, the purchase of the land had to be completed within a period of two years. Further, if the land to be purchased belongs to a person of a scheduled tribe, such purchase shall be subject to Sections 36 and 36A of the Maharashtra Land Revenue Code, 1966 and the Maharashtra Restoration of Lands to Scheduled Tribes Act, 1974.
19. Permission (No. DI/Land/Permission/255(2002)/2013/B-11776) dated July 23, 2013 under the Bombay Tenancy and Agricultural Land Act, 1948 from the Development Commissioner (Industries), Government of Maharashtra, amending the order dated November 12, 2010 and permitting our Company to purchase the balance agricultural land admeasuring 2,502.2651 hectares for an extended period up to June 30, 2014. It is clarified herein that tribal land cannot be purchased without the prior approval of the Government of Maharashtra.
20. Waiver (No. 1428/6412-13/02) dated September 25, 2002 by the Joint Registrar, Class I and Stamps Collector, Pune of stamp duty and registration fees in relation to the development of the hill station project. The waiver is in pursuance of the notification of the Government of Maharashtra (No. TPS/1800/1004/CR 106/2000/UD-13) notifying the project land as a 'hill station' and notification (No. Stamps-200/4229/89-1064/M) waiving stamp duty and registration charges for new industries or development. The Government of Maharashtra had declared the development of a hill station as an industry by virtue of a notification dated April 7, 1999.
21. Sanction (No. TPD/ADM.2/RBR/2543) dated July 4, 2002 from the Deputy Executive Engineer, Temghar Project Division, Pune -1, for the construction of a road below the Temghar dam towards village Temghar on a social cause basis. As per the terms of the sanction, the road is to be open to the public and its ownership shall remain with the MKVDC.
22. No objection (No. 89.01/(18/2002)/U-5/3074) dated August 9, 2002 from the Chief Engineer, Irrigation Department, Pune for construction of two dams on the Kal river and storage of 160 million cubic feet water.
23. No objection (No. Gov/Land/3251/2003) dated June 10, 2003 from the MKVDC for constructing eight bunds in Mose valley and developing the villages in the area for commercial and tourism purposes. The no objection is subject to compliance with the conditions specified in the agreements dated September 2, 2002 and August 2, 2002 entered into between our Company and the Maharashtra Krishna Valley Development Corporation.

24. Permission (No. 89.01/(18/2002)/T-5/2675) dated July 21, 2003 from the Irrigation Department, Konkan Region for construction of two bunds in the Kaal river valley and storage of 160 million cubic feet water. The permission is subject to, *inter alia*, the setting up of a system for controlling pollution due to sewage water, approval of the design of the bunds by the Central Design Organisation and payment of annual water tax in advance.
25. Permission (No. P.M.A./N.A./SR/60/2006) dated August 31, 2006 from the Collector, Pune under Section 44A of the Maharashtra Land Revenue Code, 1966 to develop 585 hectares of land in villages Dasve, Padalghar and Bhoini for non-agricultural purposes subject to, *inter alia*, strict compliance with the approved layout plan and payment of ₹ 77,460 per annum as non-agricultural charges and compliance with the terms of the no objection certificate issued on December 13, 2002 by the Environment Department, Government of Maharashtra.
26. Order (No. Khanikarm/SR/Nu/02/2014) dated March 19, 2014 from the Collector, Pune under the Maharashtra Minor Minerals Extraction (Development and Regulation) Rules, 2013 granting renewal of lease for mining 4.05 hectares of land situated at survey no. 51/1 at village Mugaon, taluka Mulshi for a term of five years until June 30, 2017. In the terms of the order, a lease agreement of the said mining was to be executed within 60 days of this order.
27. Sanction (No. EE/Mul/MUL/1.3% Sup. Charges/2013-14/59) dated May 14, 2013 from the Maharashtra State Electricity Distribution Company Limited for the estimate for the L.T. extension work at village Mugaon, taluka Mulshi amounting to ₹ 339,525 with a 1.3 percent supplementary charge of ₹ 4,415.
28. Sanction (No. EE/Mul/Mul/1.3% Sup. Charges/2013-14/396) dated February 15, 2014 from the Maharashtra State Electricity Distribution Company Limited for the revised estimate for LT extension work at village Mugaon, taluka Mulshi amounting to ₹ 487,700 with a 1.3 percent supplementary charge of ₹ 6,330.
29. Permission (No. KID/Admin.1/12696) dated December 29, 2006 from the MKVDC for excavation and construction of foundation of weirs at Gadale.
30. Waiver (No. 55/614) dated March 5, 2004 from the Deputy Registrar, Collector of Stamps, Pune Rural granting exemption from stamp duty on sale deeds for purchase of lands for the hill station project.
31. Letter (No. PMA/KAVI/1180A/2002) dated August 12, 2002 from the Collector, Pune for payment of nazrana under the Bombay Tenancy and Agricultural Lands Act, 1948 for purchase of Class II land.
32. Permission (No. K-6/Land/690/2009-10) dated June 5, 2009 from the Conservator of Forests, Government of Maharashtra for laying a 110 KV electric transmission line through forest land in villages Tamhani and Mugaon. The permission provides that the forest land shall not be used for any purpose other than as specified in the proposal.
33. Letter (No. TPS-1808/449/CR-93/08/UD-13) dated April 7, 2008 from the Department of Urban Development, Government of Maharashtra granting concessions in the Special Development Control Regulations in relation to permitting a further height for construction, sector wise global floor space index and allowing service industries on an area to the extent of two percent of the developable land area.
34. No objection certificate dated February 7, 2002 from the Sarpanch and Gram Sevak, Gram Panchayat Dasve, for implementation and development of the hill station project in the villages of Vadavali and Dasve-Padalghar.
35. No objection certificate dated February 7, 2002 from the Sarpanch and Gram Sevak, Gram Panchayat Dhamanhol, for implementation and development of the hill station project in village Dhamanhol.
36. No objection certificate dated February 7, 2002 from the Sarpanch and Gram Sevak, Gram Panchayat Pathershet, for implementation of the hill station project in villages Palse, Bembatmal and Pathershet.
37. No objection certificate dated February 7, 2002 from the Sarpanch and Gram Sevak, Gram Panchayat Admal, for implementation and development of the hill station project in village Admal.

D. Environmental approvals

1. Environment clearance (No. 21-9/2011-IA.III) dated November 9, 2011 from the Ministry of Environment and Forests to develop a hill station in Mulshi and Velhe talukas, district Pune. The clearance is valid for 2,000 hectares (residential area: 618.24 hectares; commercial area: 33.74 hectares; hotels area: 72.77 hectares; institutional area: 207 hectares; open space: 908 hectares; and other activities: 209 hectares) within which the development activities are to be carried on. The environmental clearance is subject to certain conditions for construction phase and operation phase, including the following:

- Our Company must obtain consent for establishment from the Maharashtra Pollution Control Board under the Air Act and the Water Act;
- Further development and construction undertaken by our Company shall be undertaken after examining the environmental issues;
- At least five percent of the total cost of the project to be earmarked towards corporate social responsibility initiatives;
- The scale of development undertaken by our Company shall be in accordance with the Hill Station Regulations;
- Hazardous wastes shall be handled in accordance with the Hazardous Waste (Management and Handling) Rules, 2008 after obtaining authorizations from the Maharashtra Pollution Control Board;
- Our Company shall monitor the air quality on a six monthly basis and reports shall be sent to the MoEF and the Maharashtra Pollution Control Board;
- A verification and monitoring committee shall be constituted by the Government of Maharashtra in consultation with the MoEF, which shall, *inter alia*, examine and monitor whether the planning, construction and operation activities undertaken by our Company are in compliance with this environment clearance;
- Our Company shall submit a commitment to restore the environment and prepare an environment restoration plan and shall carry out the same under the supervision of the monitoring committee; and
- Our Company shall submit half yearly monitoring reports to the MoEF in relation to the compliance of conditions prescribed under the environmental clearance.

A copy of the abovementioned environmental clearance is available on the website of our Company at www.lavasa.com.

2. Environmental clearance (No. ENV/Cle/765/CR.105/TC.I) dated March 18, 2004 from the Environment Department, Government of Maharashtra, to develop a hill station in Mulshi and Velhe tehsil, district Pune. The clearance is valid for 2,000 hectares within which the development activities are to be carried on. The environmental clearance states that forest land shall be protected from the developmental activities of the hill station.
3. In principle approval (No. 6-MHC014/2010-BHO/1012) dated June 3, 2010 from the Ministry of Environment and Forests, Government of India, for diversion of 6.1868 hectares (2.5550 hectares open surface and 3.6318 hectares passage through a tunnel without breaking the top surface) reserved forest land for widening existing Mugaon Tamhini road, proposed approach road, via duct and tunnel. The approval states that the status of the forest land shall remain unchanged and the order for diversion of the forest land shall not be issued by the Government of Maharashtra till formal approval order is issued by the Ministry of Environment and Forests, Government of India.
4. In principle approval (No. 6-MHB160/2007-BHO/893) dated April 22, 2008 from the Ministry of Environment and Forests, Government of India for diversion of 4.9368 hectares of reserved forest land for laying of 110 KV KV LILO at LOC No. 19, Bhira-Khopoli. The approval states that the status of

the forest land shall remain unchanged and compensatory afforestation shall be undertaken over 4.9368 hectares of non forest land. Further, the order for non-forest use of the forest land shall not be issued by the Government of Maharashtra until a formal approval is issued by the Ministry of Environment and Forests, Government of India.

5. Approval (No. 6-MHB160/2007-BHO/742) dated March 23, 2009 from the Ministry of Environment and Forests, Government of India for diversion of 4.9368 hectares of reserved forest land for laying 110KV LILO at LOC No. 19, Bhira-Khopoli. The status of the forest land shall remain unchanged.
6. Approval (No. 8B/017/2001-FCW/920) dated April 16, 2009 from the Ministry of Environment and Forests, Government of India for diversion of 2.40 hectares of reserved forest and for up gradation of existing Mugaon Tamhini Road under the Pune Forest Division. The status of the forest land shall remain unchanged. The approval is given to the Executive Engineer, Public Works Department (North), Zilla Parishad, Pune.
7. No objection certificate (No. BO/TB/RO(HQ)PUNE-63/444) dated May 30, 2002 from the Maharashtra Pollution Control Board for developing land of 17 villages as a township in hill station type area on 6181.3743 hectares. The no objection certificate states that no objection is issued for developing the hill station and no industrial activity shall be commenced without the prior approval of the Maharashtra Pollution Control Board. The certificate also states that our Company shall not generate or handle any hazardous wastes.
8. Consent to operate (No. MPCB/12/01489) dated December 28, 2012 from the Maharashtra Pollution Control Board under Section 28 of the Water (Prevention & Control of Pollution Act), 1974 and under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and under Rule 5 of the Hazardous Wastes (Management, Handling & Transboundary Movement) Rules, 2008. The consent is valid for the manufacture of ready mix concrete of a maximum quantity of 60 M3/hr and is valid for the period up to December 31, 2015. The consent is subject to a restriction on the daily quantity of sewage effluent and compliance with the rules governing management of hazardous waste, among others.
9. No objection (No. B-Ward-3/Land/886/2002-03) dated July 15, 2002 from the Deputy Conservator of Forests, Government of Maharashtra for the execution of the hill station development project in Mose valley. The no objection applies to 17 villages in the area excluding the area of the survey numbers specified.
10. No objection (No. SEC-3/Land/3200/2001-2002) dated February 2, 2002 from the Deputy Conservator of Forests, Government of Maharashtra for construction of a road from village Dasve to village Temghar. The no objection provides that the construction of the road should commence after a physical measurement has been undertaken by the Regional Forest Officer.
11. Letter (No. Kaksh-6/Jamin/1783/2009-10) dated August 5, 2009 from the Conservator of Forests, Pune in respect of information of reserved forest and forest like areas in the hill station project in villages Admal, Dhamanohol, Saiv (Budruk), Bembatmal, Padalghar, Warasgaon, Mose (Budruk), Dasve, Sakhari, Patharshet, Bhoyani, Vadavali, Mugaon, Palse, Gadale, Ugavali and Bhode.

E. Other approvals obtained in relation to the activities of our Company

In addition to the approvals listed above, our Company requires certain other approvals and licenses for carrying out its present hill station development activities . The approvals and licenses typically obtained by our Company for undertaking the same include:

1. Lay out plan approval which is required for projects having more than one building. This gives approval to layout of design and zoning of various areas on plot like roads, recreation areas and buildings.
2. Commencement certificate which gives permission to commence the work on site.
3. No objection certificate required by the Office of the Fire Advisor. This no objection certificate is granted in respect of buildings which would exceed 15 metres of height.
4. Tree felling permission and tree plantation certificates from the Tree and Forest Range Officer granting permission for cutting and plantation of trees.

F. Tax related approvals

1. Permanent account number issued by the Income Tax Department to our Company is AABCT4435E.
2. Tax deduction account number issued by the Income Tax Department is MUML07279G.
3. Central sales tax number issued to our Company is 27320345383C.
4. Maharashtra value added tax number issued to our Company is 27320345383V.
5. Service tax number issued to our Company is AABCT4435ESD003.

G. Approvals applied for and pending receipt

1. Application dated October 14, 2008 to the Urban Development Department, Government of Maharashtra for relaxation of height for special structures, commercial structures, hotel and public buildings.
2. In terms of the MRTP Act, the SPA is required to, from time to time, submit its draft Planning Proposals and draft Development Control Regulations for the development of the land in the area as detailed in the SPA Notification, (being land either currently owned by our Company or land which is proposed to be purchased by our Company), to the Government of Maharashtra after having invited and considered suggestions and objections from the public. Currently, the draft Planning Proposals for land owned and proposed to be developed by us has been approved by the SPA. A submission dated July 25, 2011 to the Principal Secretary, Urban Development Department, Government of Maharashtra, with a copy to the Director of Town Planning, Government of Maharashtra, for sanction.
3. Application dated February 24, 2014 to the Maharashtra Pollution Control Board for renewal of the consent to operate for the hill station project at villages Dasve, Bhoini Patharshet, Mugaon Dhamanohol, Bembatmal Ugawli, Gadle, Sakhari, Wadavali Palase, Koloshi, Bhode, Admal, Padalghar in taluka Mulshi and Mose (Budruk), Saiv (Budruk) and Warasgaon in taluka Velhe of district Pune.
4. Application dated August 5, 2009 to the State Level Environment Impact Assessment Authority, Environment Department, Government of Maharashtra for grant of environmental clearance for the project area of 5,000 hectares at taluka Mulshi and taluka Velhe.
5. Application dated May 21, 2009 to the Conservator of Forest, Pune Forest Division, for diversion of forest land admeasuring 6.1868 hectares for non-forest use for widening of an existing road, approach road and via duct and construction of a tunnel on the Mugaon to Tamhini road.
6. Application dated June 30, 2003 to the Collector, district Pune for permanent allotment of lands situated at village Wadavali, taluka Mulshi, district Pune.
7. Application dated February 20, 2014 to the Maharashtra Pollution Control Board for renewal for the consent to operate the stone crusher plant at survey no. 20/1/1 at village Bhoini.
8. Application dated October 17, 2013 to the State Expert Appraisal Committee for environmental clearance for development of an additional area of 634 hectares for the hill station project.
9. Application (No. Lavasa SPA/Extn./21) dated March 25, 2013 to the Urban Development Department, Government of Maharashtra to extend the jurisdiction of the Lavasa Special Planning Authority to the additional lands purchased by our Company and the intervening government lands.
10. Application dated June 19, 2014 to the Deputy Conservator of Forests, Pune Division for clearance from the State Wildlife Board of the proposal for diversion of 6.186 hectares of forest land situated in the Tamhini wildlife sanctuary for non-forest use, in relation to widening of the existing district road, approach road via duct and tunnel between Mugaon and Tamhini.
11. Application dated June 4, 2014 to the Development Commissioner (Industry) for extension of the permission to purchase agricultural land for *bonafide* industrial use under Section 63-1A of the Bombay Tenancy and Agricultural Lands Act, 1948. Our Company has purchased 4,192.26 hectares of

a total permitted land area of 6671.06 hectares until April 30, 2014. Therefore, our Company has applied for the permission to purchase the outstanding 2,478.79 hectares of land to be extended until December 5, 2017.

12. Application dated June 22, 2009 to the MKVDC for amendment of the agreement between our Company and MKVDC dated September 23, 2009 to (a) permit construction of dam with a capacity of 152.52 million cubic feet at Mugaon in Warasgaon dam covered area; and (b) erect three dams of 24.22 million cubic feet at Mugaon in Warasgaon backwater area, within the sanctioned storage limit of 871 million cubic feet.

H. Approvals not applied for

Nil

2. Approvals required by our Subsidiaries

Our Subsidiaries operate across various business segments and are required to obtain approvals and licences for undertaking their business activities. Certain approvals or licenses may have lapsed in their normal course and our Subsidiaries have either made an application to the appropriate authorities for renewal of such licenses or approvals or are in the process of making such applications. We undertake that we shall obtain all approvals and licenses and permissions required to operate their business. The approvals and licenses typically obtained by our Subsidiaries for undertaking their business activities include:

A. Approvals in relation to hospitality business

Certain of our Subsidiaries, namely, Lavasa Hotel Limited, Dasve Convention Center Limited, Starlit Resort Limited, and Lakeview Clubs Limited, involved in the hotel business are required to obtain and have obtained government approvals and licenses including the following:

1. License to open or keep a place of public entertainment from the Sub – Divisional Magistrate, Pune for lodging and boarding.
2. Liquor licenses from the Collector, Pune for serving liquor in restaurants.
3. No objection certificates from the gram panchayats for lodging and boarding.
4. Licenses for the preparation and serving of food and beverages in the property from the Food and Drug Administration, Pune.
5. Health certificates for food preparation area and serving area of the restaurants from the taluka health officer.
6. Certificate of registration of the property as eating house from the Tahsildar.
7. Public performance license from the Phonographic Performance Limited to perform all sound recordings controlled by the Phonographic Performance Limited.

B. Approvals in relation to healthcare business

Our Subsidiary, Apollo Lavasa Health Corporation Limited, involved in the healthcare business is required to obtain and has obtained government approvals and licenses including the following:

1. Nursing home registrations from the District Health Officer, Pune.
2. Certificate of registration for ultra sound clinic and imaging centre from the Civil Surgeon, District Hospital, Pune.
3. License for the possession and use of spirit and rectified spirit in the hospital from the Collector, Pune.
4. License for preparation and serving of food and beverages in the hospital from the Food and Drug Administration, Pune.

5. Certificate of Registration of the hospital as eating house from the Tahsildar.
6. Authorization from the Maharashtra Pollution Control Board for generation, storage and disposal of bio-medical wastes.

C. *Approvals in relation to tourism and leisure business*

Our Subsidiary, Lakeshore Watersports Company Limited, involved in the tourism and leisure business is required to obtain and has obtained government approvals and licenses including the following:

1. Certificate permitting import and export from the Joint Director General of Foreign Trade, Government of India.
2. Public performance license to communicate music from the Phonographic Performance Limited.
3. License to operate water sports activities from the National Institute of Water Sports, Goa.

D. *Approvals in relation to retail and commercial business*

Our Subsidiary, Spotless Laundry Services Limited, involved in the retail and commercial business is required to obtain and has obtained government approvals and licenses including the following:

1. Certificate for use of boiler from the Directorate of Steam Boiler Department, Pune.
2. Certificate of fitness for transport vehicles from the Road Transport Officer, Pune.

E. *Approvals in relation to city management and infrastructure business*

Our Subsidiary, Whistling Thrush Facilities Services Limited, involved in the city management and infrastructure business is required to obtain and has obtained government approvals and licenses including the following:

1. License for employment of contract labour from the Assistant Commissioner of Labour, Pune.

F. *Certain other approvals obtained during the course of the business activities of our Subsidiaries*

In addition to the above, our Subsidiaries are also required to obtain the following government approvals and licenses:

1. Lay out plan approval which is required for projects having more than one building. This gives approval to layout of design and zoning of various areas on plot like roads, recreation areas and buildings.
2. Commencement certificate which gives permission to commence the work on site.
3. No objection certificate required by the Office of the Fire Advisor. This no objection certificate is granted in respect of buildings which would exceed 15 metres of height.
4. No objection certificates from gram panchayats for the implementation and development of the hill station project.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors has approved the Issue pursuant to the resolution passed at their meeting held on June 28, 2014 and our Shareholders have approved the Issue pursuant to a resolution passed at the EGM held on June 30, 2014.

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●] respectively.

The RBI has by its letter dated October 29, 2010 has clarified that FIIs are permitted to purchase shares of an Indian company under the portfolio investment scheme, including participation in the initial public offer of a company, subject to the terms and conditions of Schedule 2 of FEMA Regulations. It further provides that in terms of FEMA Notification no. 1 dated May 3, 2000, foreign investment in real estate business is prohibited in India. For the purposes thereof, “real estate business” shall not include development of townships, construction of residential / commercial premises, roads or bridges, educational institutions, recreational facilities, city and regional level infrastructure, townships. On January 7, 2014, SEBI has notified the SEBI FPI Regulations which has merged FIIs, sub-accounts and QFIs under a single investor class termed as “FPIs”. For further details, see “Issue Procedure” on page 548.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of the Promoter Group, the Group Companies, the persons in control of our Company, the natural persons in control of the Promoters, which are body corporates, have not been debarred from accessing or operating in the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

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

None of our Directors are associated in any manner with any entities which are engaged in securities market related business and are registered with SEBI for the same. There has been no action taken by SEBI against our Directors or any entity the Directors are involved in as promoters or directors.

Prohibition by RBI

Neither our Company, nor our Promoters, relatives of our Promoters, Directors nor 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 no such proceedings are pending against them.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with the Regulation 26(2) of the SEBI Regulations, which states as follows:

- (2) *“An issuer not satisfying the condition stipulated in sub-regulation (1) may make an initial public offer if the issue is made through the book-building process and the issuer undertakes to allot, at least seventy five percent of the net offer to public, to qualified institutional buyers and to refund full subscription money if it fails to make the said minimum allotment to qualified institutional buyers.”*

We are an unlisted company not complying with the conditions specified in Regulation 26(1) of the SEBI Regulations and are therefore required to meet the conditions detailed in Regulation 26(2) of the SEBI Regulations.

- We are complying with Regulation 26(2) of the SEBI Regulations and at least 75% of the Issue is proposed to be Allotted to QIBs and in the event we fail to do so, the full application monies shall be refunded to the Bidders.
- We are complying with Regulation 43(2) of the SEBI Regulations and Non-Institutional Bidders and Retail Individual Bidders will be allocated not more than 15% and 10% of the Issuer, respectively.

Hence, we are eligible for the Issue under Regulation 26(2) of the SEBI Regulations.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 failing which the entire application monies shall be refunded forthwith.

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 BOOK RUNNING LEAD MANAGERS, AXIS CAPITAL LIMITED, KOTAK MAHINDRA CAPITAL COMPANY LIMITED AND ICICI SECURITIES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (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 BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 30, 2014 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS 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 DOCUMENTS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**
 - (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, 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, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE “SEBI REGULATIONS”) AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE
5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTER’S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER’S 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 SECURITIES AND EXCHANGE BOARD OF INDIA 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 EQUITY SHARES 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. - NOTED FOR COMPLIANCE
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 SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS’ CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. NOT APPLICABLE
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY 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 COMPANY.

AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR

COMPLIANCE. ALL MONIES RECEIVED OUT OF THE ISSUE SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.

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. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE ISSUE HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.**
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
 - (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
 - (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI REGULATIONS WHILE MAKING THE ISSUE. **–NOTED FOR COMPLIANCE**
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI REGULATIONS, 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.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE)', AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRAFT RED HERRING PROSPECTUS.

The filing of this Draft Red Herring Prospectus does not, however, absolve any person who has authorised the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of Companies Act, 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the Issue. SEBI further reserves the right to take up at any point of time, with BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26 and 30 of the Companies Act, 2013.

Caution - Disclaimer from our Company and the BRLMs

Our Company, the Directors and BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website, www.lavasa.com, would be doing so at his or her own risk.

BRLMs accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by our Company 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.

None among our Company or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, 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 the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, 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 the Equity Shares in the Issue.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Price information of past issues handled by the BRLMs

1. Price information of past issues handled by Axis Capital:

Sr. No.	Issue Name	Issue Size (₹ in million)	Issue price ^(a) (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in price on listing date (Closing) vs. Issue Price	Benchmark index on listing date ^(b) (Closing)	Closing price as on 10 th calendar day from listing day	Benchmark index as on 10 th calendar day from listing day ^(b) (Closing)	Closing price as on 20 th calendar day from listing day	Benchmark index as on 20 th calendar day from listing day ^(b) (Closing)	Closing price as on 30 th calendar day from listing day	Benchmark index as on 30 th calendar day from listing day ^(b) (Closing)
1.	Bharti Infratel Limited ¹	41,727.6	220.00	December 28, 2012	200.00	191.65	-12.89%	5,908.35	207.4	5,988.4	204.65	6,039.2	208.8	6,055.75
2.	Tara Jewels Limited	2,200.0	230.00	December 6, 2012	242.00	229.9	-0.04%	5,930.90	230.25	5,857.9	223.75	5,905.6	234.15	5,988.4
3.	MT Educare Limited	990.0	80.00	April 12, 2012	86.05	90.35	12.94%	5,276.85	107.9	5,200.6	107.1	5,239.15	91.35	4,907.8
4.	NBCC Limited ²	1,249.7	106.00	April 12, 2012	101.00	96.95	-8.54%	5,276.85	96.35	5,200.6	94.75	5,239.15	85.5	4,907.8

Source: www.nseindia.com

⁽¹⁾ Price for retail individual bidders was 210.00 per equity share and for anchor investors was 230.00

⁽²⁾ Price for retail individual bidders and eligible employees was 100.70 per equity share

Notes:

a. The S&P CNX NIFTY is considered as the Benchmark Index.

b. Price on NSE is considered for all of the above calculations.

c. In case 10th/20th/30th day is not a trading day, closing price on NSE of the next trading day has been considered.

2. Summary statement of price information of past issues handled by Axis Capital:

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ in million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30 th calendar day from listing day			No. of IPOs trading at premium as on 30 th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
April 1, 2014 – June 30, 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2013-2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012-2013	4	46,167.3	0	0	3	0	0	1	0	0	2	0	0	2

Note: In the event that any day falls on a holiday, the price/ index of the next trading day has been considered. The information for each of the financial years is based on issues listed during such financial year.

3. Price information of past issues handled by Kotak:

Sr. No.	Issue Name	Issue Size (₹ in million)	Issue price ^(a) (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in price on listing date (Closing) vs. Issue Price	Benchmark index on listing date ^(b) (Closing)	Closing price as on 10 th calendar day from listing day	Benchmark index as on 10 th calendar day from listing day ^(b) (Closing)	Closing price as on 20 th calendar day from listing day	Benchmark index as on 20 th calendar day from listing day ^(b) (Closing)	Closing price as on 30 th calendar day from listing day	Benchmark index as on 30 th calendar day from listing day ^(b) (Closing)
1.	Bharti Infratel Limited ⁽¹⁾	41,727.60	220.00	December 28, 2012	200.00	191.65	-12.89%	5,908.35	207.40	5,988.40	204.40	6,001.85	210.30	6,074.80
2.	PC Jeweller Limited ⁽²⁾	6,013.08	135.00	December 27, 2012	137.00	149.20	10.52%	5,870.10	181.65	5,988.40	168.90	6,056.60	157.55	6,074.65
3.	Credit Analysis & Research Limited	5,399.78	750.00	December 26, 2012	940.00	922.55	23.01%	5,905.60	934.75	6,016.15	923.45	6,024.05	920.85	6,019.35
4.	Speciality Restaurants Limited	1,760.91	150.00	May 30, 2012	152.00	159.60	6.40%	4,950.75	182.45	5,068.35	206.65	5,064.25	213.05	5,149.15

Source: www.nseindia.com

(1) In Bharti Infratel Limited, the anchor investor issue price was ₹ 230 per equity share and the issue price after discount to Retail Individual Bidders was ₹ 210 per equity share.

(2) In PC Jeweller Limited, the issue price after discount to Retail Individual Bidders and Eligible Employees was ₹ 130 per equity share.

4. Summary statement of price information of past issues handled by Kotak:

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ in million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30 th calendar day from listing day			No. of IPOs trading at premium as on 30 th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
April 1, 2014 – June 30, 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012-13	4	54,901.36	-	-	1	-	-	3	-	-	1	-	1	2

5. Price information of past issues handled by ICICI Securities:

Sr. No.	Issue Name	Issue Size (₹ in million)	Issue price ^(a) (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in price on listing date (Closing) vs. Issue Price	Benchmark index on listing date ^(b) (Closing)	Closing price as on 10 th calendar day from listing day	Benchmark index as on 10 th calendar day from listing day ^(b) (Closing)	Closing price as on 20 th calendar day from listing day	Benchmark index as on 20 th calendar day from listing day ^(b) (Closing)	Closing price as on 30 th calendar day from listing day	Benchmark index as on 30 th calendar day from listing day ^(b) (Closing)
1.	Wonderla Holidays Limited	181.25	125	May 9, 2014	160	157.80	26.24%	6858.80	166.80	7263.55	212.60	7235.65	216.15	7654.60
2.	Bharti Infratel Limited	41,727.60	220*	December 28, 2012	200	191.65	-12.89%	5,908.35	207.40	5,988.40	204.95	6,039.20	210.30	6,074.80
3.	Credit Analysis and Research Limited	5,399.78	750	December 26, 2012	940	922.55	23.01%	5,905.60	929.25	5,988.40	931.05	6,056.60	924.85	6,074.65

Sr. No.	Issue Name	Issue Size (₹ in million)	Issue price ^(a) (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in price on listing date (Closing) vs. Issue Price	Benchmark index on listing date ^(b) (Closing)	Closing price as on 10 th calendar day from listing day	Benchmark index as on 10 th calendar day from listing day ^(b) (Closing)	Closing price as on 20 th calendar day from listing day	Benchmark index as on 20 th calendar day from listing day ^(b) (Closing)	Closing price as on 30 th calendar day from listing day	Benchmark index as on 30 th calendar day from listing day ^(b) (Closing)
4.	Tara Jewels Limited	1,794.99	230	December 6, 2012	242	229.9	-0.04%	5,930.90	230.25	5,857.90	223.75	5,905.60	234.00	5,988.40

* Discount of ₹10 per equity share offered to retail investors and Premium of ₹10 per equity share to Anchor investors. All calculations are based on Issue Price of Rs 220.00 per equity share

Note:

- All above data is of NSE (Website www.nseindia.com)
- Benchmark Index considered above in all the cases was NIFTY
- 10th, 20th, 30th trading day from listed day have been taken as listing day plus 10, 20 and 30 calendar days. Wherever 10th, 20th, 30th trading day is a holiday, we have considered the closing data of the next trading date / day

6. Summary statement of price information of past issues handled by ICICI Securities:

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ in million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30 th calendar day from listing day			No. of IPOs trading at premium as on 30 th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
April 1, 2014 – June 30, 2014	1	181.25	0	0	0	0	1	0	0	0	0	1	0	0
2013-2014	0	Nil	0	0	0	0	0	0	0	0	0	0	0	0
2012-2013	3	48,922.37	0	0	2	0	0	1	0	0	1	0	0	2

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, see the websites of the BRLMs, as set forth in the table below:

Sr. No	Name of the BRLM	Website
1.	Axis Capital	http://www.axiscapital.co.in/
2.	Kotak	http:// investmentbank.kotak.com/track-record/Disclaimer.html
3.	ICICI Securities	www.icicisecurities.com

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, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and to FIIs, Eligible NRIs, QFIs and FPIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of the 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 this Draft Red Herring Prospectus had been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the 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 Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A of the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and applicable laws of the jurisdictions where such offers and sales occur.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporate 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 32 of the Companies Act, 2013 would be delivered for registration to the RoC at Mumbai and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with RoC at the office of the Registrar of Companies, Everest, 100 Marine Drive, Mumbai 400 002, Maharashtra.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges mentioned above are taken within 12 Working Days of the Bid/Issue Closing Date.

Consents

Consents in writing of: (a) our Directors, our Company Secretary and Compliance Officer, Statutory Auditors, legal advisors, Bankers to our Company and (b) the BRLMs, the Syndicate Members, the Escrow Collection Banks, and the Registrar to the Issue to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 26 and 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI Regulations, our the Statutory Auditors, M/s. K. S. Aiyar & Co., Chartered Accountants, have given their written consent for inclusion of their reports dated June 28, 2014 on the audited restated consolidated and unconsolidated financial statements of our Company and the statement of tax benefits dated June 30, 2014 in the form and context, included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI.

Expert to the Issue

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Auditor namely, M/s. K. S. Aiyar & Co., Chartered Accountants, to include its name as an expert under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to the report dated June 28, 2014 on the audited restated consolidated and unconsolidated financial statements of our Company and the statement of tax benefits dated June 30, 2014, included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI.

Our Company has obtained a master title certificate dated June 18, 2014 from Mahesh J. Sheguri in relation to land held by us. Mahesh J. Sheguri has given his written consent to be named as an expert to our Company for the Issue, under Section 26 of the Companies Act, 2013, in relation to the land and/or rights in respect thereof that we own and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI.

Our Company has obtained an architect's certificate dated June 27, 2014 from Sadashiv Nargundkar & Associates in relation to the property developed/ to be developed by us. Sadashiv Nargundkar & Associates have given their written consent to be named as an expert to our Company for the Issue, under Section 26 of the Companies Act, 2013, in relation the property developed/ to be developed by us and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI.

Our Company has obtained an engineer's certificate dated June 17, 2014 from Taamra Engineering Consultants Private Limited in relation to the infrastructure construction and development activities in Lavasa. Taamra Engineering Consultants Private Limited have given their consent to be named as an expert to our Company for the Issue, under Section 26 of the Companies Act, 2013, in relation to the existing, under construction and planned infrastructure construction and development activities in Lavasa and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI.

Issue Expenses

The expenses of the Issue include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. For further details of Issue expenses, see "Objects of the Issue" on page 133.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the Syndicate Agreement.

Commission payable to the Registered Brokers

For details of the commission payable to the Registered Brokers, see the section “Objects of the Issue” on page 133.

Fees Payable to the Registrar to the Issue

The fees payable by our Company to the Registrar to the Issue for processing of application, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated June 30, 2014 entered into, between our Company and the Registrar to the Issue.

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 by our Company during the last ten years

Except as disclosed in the section “Capital Structure”, our Company has not made any public or rights issues during the ten years preceding the date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in the section “Capital Structure” on page 101, our 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 our Company’s inception.

Previous capital issue during the previous three years by listed Group Companies, Subsidiaries and associates of our Company

None of our Group Companies, Subsidiaries or Associates are listed on any stock exchange.

Performance vis-à-vis objects – Public/rights issue of our Company and/or listed Group Companies/ Subsidiaries and associates of our Company

Except as disclosed in the section “Capital Structure” on page 101, our Company has not undertaken any previous public or rights issue. The details of the performance vis-a-vis objects are provided below:

Sr. No.	Date of Issue	Objects of the issue
1.	February 7, 2012	To repay the principal amount borrowed from HREL and to meet the financial obligations and liabilities of our Company
2.	February 10, 2012	To meet the project requirement, general corporate purposes and to redeem the Convertible Preference Shares
3.	March 13, 2012	Redemption of the Redeemable Preference Shares and to meet the requirements of the projects and other corporate expenses

Our Company has utilised the proceeds from the aforementioned rights issued toward the objects stated in the offer letter in relation to the same.

None of the Group Companies, Associates and Subsidiaries of our Company is listed on any stock exchange.

Outstanding Debentures or Bonds

Except as disclosed in the section “Capital Structure” on page 101, our Company does not have any outstanding debentures or bonds as on the date of filing this Draft Red Herring Prospectus.

Outstanding Preference Shares

As on the date of filing this Draft Red Herring Prospectus, our company does not have any outstanding Redeemable Preference Shares and Preference Shares other than those mentioned in the section “Capital Structure” on page 101.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue, our Company will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs or the member of the Syndicate if the Bid was submitted to a member of the Syndicate at any of the Specified Locations or the relevant Registered Broker if the Bid was submitted through Registered Brokers, as the case may be, giving full details such as name and address of the sole or the First Bidder, the Bid cum Application Form number, Bidders’ DP ID, Client ID, PAN, number of the Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the Registered Broker or the Designated Branch, as the case may be, where the ASBA Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed a Stakeholders’ Relationship Committee comprising Ajit Gulabchand, Vithal Maniar and Shalaka Gulabchand Dhawan as members. For details, see the section “Management” on page 263.

Our Company has also appointed Venkatesan Arunachalam, Company Secretary of our Company as the Compliance Officer for the Issue and he may be contacted in case of any pre-Issue or post-Issue related problems at the following address:

Venkatesan Arunachalam

Hincon House
11th Floor, 247Park
Lal Bahadur Shastri Marg
Vikhroli (West)
Mumbai 400 083
Tel: (91 22) 4025 6100
Fax: (91 22) 4025 6889
E-mail: secretarial@lavasa.com

Changes in Auditors

There have been no changes in the auditors of our Company during the three years preceding the date of this Draft Red Herring Prospectus.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in the section “Capital Structure” on page 101.

Revaluation of Assets

Our Company has not re-valued its assets in the last five years.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued pursuant to the Issue are subject to the provisions of the Companies Act, SEBI Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, Bid cum Application Form, the Revision Form, the CAN, the Allotment Advice 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 Issue and the Equity Shares shall also be subject to laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.

Ranking of the Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, the Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The Allottees upon Allotment of Equity Shares under the Issue, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see the section “Main Provisions of Articles of Association” on page 598.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of Companies Act, the Memorandum and Articles of Association and provisions of the Equity Listing Agreement to be entered into with the Stock Exchanges. For further details in relation to dividends, see the sections “Dividend Policy” and “Main Provisions of the Articles of Association” on pages 309 and 598, respectively.

Face Value and Issue Price

The face value of each Equity Share is ₹ 10 and the Issue Price is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLMs and advertised in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●] and the Marathi newspaper [●], each with wide circulation, at least five Working Days prior to the Bid/Issue Opening Date. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

Retail Discount

Our Company may, in consultation with the BRLMs, offer a discount of up to [●]% (equivalent to [●]) to the Issue Price to Retail Individual Bidders.

Compliance with SEBI Regulations

Our Company shall comply with all the disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, 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, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Equity Listing Agreements with the Stock Exchange(s) and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “Main Provisions of Articles of Association” on page 598.

Market Lot and Trading Lot

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated September 17, 2010 among NSDL, our Company and the Registrar to the Issue;
- Agreement dated September 2, 2010 among CDSL, our Company and the Registrar to the Issue.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts/authorities in Mumbai.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, the sole or the first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 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 dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Issue; and (ii) a subscription in the Issue equivalent to the minimum number of securities as specified under Rule 19(2)(b)(ii) of the SCRR, including devolvement of Underwriters, if any, within sixty (60) days from the date of Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law.

Further in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

If at least 75% of the Issue is not Allotted to the QIBs, the entire application money shall be refunded forthwith.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Issue capital of our Company, Promoter's Minimum Contribution and the Anchor Investor lock-in as provided in the section "Capital Structure" on page 101 and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/ debentures and on their consolidation/ splitting, except as provided in the Articles of Association. For details, see "Main Provisions of the Articles of Association" on page 598.

Option to Receive Equity Shares in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialised form. Further, as per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form.

Joint Holders

Where two or more persons are holding the Equity Shares, they shall be deemed to hold the same as joint tenants with the benefits of survivorship.

ISSUE STRUCTURE

Public Issue of [●] Equity Shares for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ 7,500 million. The Issue will constitute [●]% of the post-Issue paid-up Equity Share capital of our Company.

The Issue is being through the Book Building Process.

Particulars	QIBs ⁽¹⁾	Non Institutional Bidders	Retail Individual Bidders
Number of Equity Shares ⁽²⁾	At least [●] Equity Shares	Not more than [●] Equity Shares available for allocation	Not more than [●] Equity Shares available for allocation
Percentage of Issue Size available for Allotment/allocation	At least 75% of the Issue Size	Not more than 15% of the Issue Size	Not more than 10% of the Issue Size
Basis of Allotment/ allocation if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion)⁽³⁾: (a) up to [●] Equity Shares shall be available for allocated on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.	Proportionate	In the event, the Bids received from Retail Individual Bidders exceeds [●] Equity Shares, then the maximum number of Retail Individual Bidders who can be allocated/Allotted the minimum Bid Lot will be computed by dividing the total number of the Equity Shares available for allocation/Allotment to Retail Individual Bidders by the minimum Bid Lot (“Maximum RIB Allottees”). The allocation/Allotment to Retail Individual Bidders will then be made in the following manner: - In the event the number of Retail Individual Bidders who have submitted valid Bids in the Issue is equal to or less than Maximum RIB Allottees, (i) Retail Individual Bidders shall be allocated / Allotted the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Category shall be allocated/ Allotted on a proportionate basis to the Retail Individual Bidders who have received allocation/Allotment as per (i) above for less than the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot). - In the event the number of Retail Individual Bidders

Particulars	QIBs ⁽¹⁾	Non Institutional Bidders	Retail Individual Bidders
			who have submitted valid Bids in the Issue is more than Maximum RIB Allottees, the Retail Individual Bidders (in that category) who will then be allocated/ Allotted minimum Bid Lot shall be determined on draw of lots basis. For details, see the section “Issue Procedure” on page 548.
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Maximum Bid	Such number of Equity Shares not exceeding the size of the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the size of the Issue, subject to applicable limits.	Such number of Equity Shares so that the Bid Amount does not exceed ₹ 200,000, net of Retail Discount.
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form	Compulsorily in dematerialized form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can apply ⁽⁴⁾	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual fund registered with SEBI, FPIs other than Category III foreign portfolio investors, VCFs, AIFs, state industrial development corporation, insurance company registered with IRDA, provident fund (subject to applicable law) with	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III foreign portfolio investors.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)

Particulars	QIBs ⁽¹⁾	Non Institutional Bidders	Retail Individual Bidders
	minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, in accordance with applicable law and National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.		
Terms of Payment	Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form (including for Anchor Investors) ⁽⁵⁾⁽⁶⁾ .	Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form. ⁽⁶⁾	Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form. ⁽⁶⁾⁽⁷⁾

- (1) Our Company may, in consultation with the BRLMs, allocate up to 30% of the QIB Category to Anchor Investor 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 made to other Anchor Investors. For details, see the section "Issue Structure" on page 543.
- (2) Subject to valid Bids being received at or above the Issue Price. The Issue is being made in accordance with Rule 19(2)(b)(ii) of the SCRR where the post-Issue capital of the Company calculated at the Issue Price will be more than ₹ 40,000 million. This Issue will be made through the Book Building Process wherein at least 75% of the Issue will be Allotted on a proportionate basis to QIBs, provided that our Company may, in consultation with the BRLMs, allocate up to 30% of the QIB Category to Anchor Investors on a discretionary basis. 5% of the QIB Category (excluding the Anchor Investor Portion), shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not more than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Issue will be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price.
- (3) SEBI, in its board meeting held on June 19, 2014, has decided to increase the anchor investor portion to 60% of the issue size. However, no notifications have been issued amending the SEBI Regulations in this regard.
- (4) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.
- (5) Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Forms. The balance, if any, shall be paid within the two Working Days of the Bid/Issue Closing Date.
- (6) In case of ASBA Bidders, the SCSBs shall be authorised to block such funds in the bank account of the Bidder that are specified in the Bid cum Application Form.

- (7) Our Company may, in consultation with the BRLMs, offer a discount of up to [●]% (equivalent to ₹[●]) on the Issue Price to Retail Individual Bidders.

Under subscription, if any, in any category except the QIB Category, would be met with spill-over from the other categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The BRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an issue/offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Issue is also subject to obtaining (i) 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.

Bid/Issue Programme

BID/ISSUE OPENS ON	[●] ⁽¹⁾
BID/ISSUE CLOSES ON	[●] ⁽²⁾

- (1) Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid / Issue Opening Date in accordance with the SEBI Regulations.

- (2) Our Company may, in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs one day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations.

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

Event	Indicative Date
Bid/Issue Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of refunds	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchanges	[●]

The above timetable is indicative and does not constitute any obligation on our Company or the BRLMs. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time (“IST”)) during the Bid/Issue Period (except the Bid/Issue Closing Date) at the bidding centres and the Designated Branches mentioned on the Bid cum Application Form.

On the Bid/Issue Closing Date, the Bids and any revision in the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. IST and shall be uploaded until (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of applications received up to the closure of timings and reported by BRLMs to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic bidding system would be rejected.

Due to limitation of the time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m. IST on the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. 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 this Issue. Bids will be accepted only on Business Days i.e. Monday to Friday (excluding any public holiday). None among our Company or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software / hardware system or otherwise.

On Bid/Issue Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by BRLMs to the Stock Exchanges.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges 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.

Our Company in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on 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 in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and the terminals of the other members of the Syndicate Members.

ISSUE PROCEDURE

*All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the “General Information Document”) included below under section “- **Part B – General Information Document**”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

Our Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

PART A

Book Building Procedure

The Issue is being made through the Book Building Process wherein at least 75% of the Issue shall be Allotted to QIBs, provided that our Company may allocate up to 30% of the QIB Category to Anchor Investors on a discretionary basis. 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not more than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, 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 allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bid cum Application Form

Please note that there is a common Bid cum Application Form for ASBA Bidders as well as for non-ASBA Bidders. Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLMs, the Syndicate Members, the Registered Brokers, the SCSBs and the Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available on the websites of the SCSBs, the NSE (www.nseindia.com) and the BSE (www.bseindia.com) and the terminals of the Registered Brokers. Physical Bid cum Application Forms for Anchor Investors shall be made available at the offices of the BRLMs.

QIBs (other than Anchor Investors) and Non-Institutional Bidders shall mandatorily participate in the Issue only through the ASBA process. Retail Individual Bidders can participate in the Issue through the ASBA process as well as the non-ASBA process.

ASBA Bidders must provide bank account details in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected. In relation to non-ASBA Bidders, the bank account details shall be available from the depository account on the basis of the DP ID, Client ID and PAN provided by the non-ASBA Bidders in their Bid cum Application Form.

Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs, as the case may be, submitted at the Bidding centres only

(except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
FIIs, FPIs or QFIs applying on a repatriation basis	Blue
Anchor Investors	White

* Excluding electronic Bid cum Application Form

Who can Bid?

In addition to the category of Bidders set forth under “– **General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue**”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares.

Participation by associates and affiliates of the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may purchase the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

The BRLMs and any persons related to the BRLMs or the Promoters and the Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments 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

Eligible NRIs are permitted to participate in the Issue only on a non-repatriation basis. NRI may obtain copies of Bid cum Application Form from the offices of the BRLMs, the Syndicate Members, the Registered Brokers and the SCSBs. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs (applying on a non-repatriation basis) should make payments 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. 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.

Bids by FPIs, FIIs and QFIs

On January 7, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio investors namely 'foreign institutional investors' and 'qualified foreign investors' will be subsumed under a new category namely 'foreign portfolio investors' or 'FPIs'. RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations. Further, a QFI can continue to buy, sell or otherwise deal in securities until January 6, 2015 or until the QFI obtains a certificate of registration as FPI, whichever is earlier. Such QFIs shall be eligible to participate in this Issue in accordance with Schedule 8 of the FEMA Regulations and are required to Bid under the Non-Institutional Bidders category.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The aggregate investment limits an FIIs in our Company is 49% of the total paid-up Equity Share capital of our Company.

Further, the existing individual and aggregate investment limits for QFIs in an Indian company are 5% and 10% of the paid up capital of an Indian company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

Bids by SEBI registered VCFs and AIFs

The SEBI VCF Regulations *inter alia* prescribe the investment restrictions on the VCFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 are broadly set forth below:

- (a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPs); and
- (c) the industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPs).

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

General Instructions

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of the Syndicate (except in case of electronic forms) or with respect to ASBA Bidders, ensure that your Bid is submitted either to a member of the Syndicate (in the Specified Locations), a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the ASBA Bidder for bidding has a bank account, or to a Registered Broker at the Broker Centres.
6. In relation to the ASBA Bids, ensure that your Bid cum Application Form is submitted either at a

Designated Branch of a SCSB where the ASBA Account is maintained or with the Syndicate in the Specified Locations or with a Registered Broker at the Broker Centres, and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB) or to our Company or the Registrar to the Issue;

7. With respect to the ASBA Bids, ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. QIBs (other than Anchor Investors) and the Non-Institutional Bidders should submit their Bids through the ASBA process only;
9. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;
10. Ensure that you request for and receive a TRS for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs or the Registered Broker (at the Broker Centres);
12. Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid cum Application Form under non-ASBA process to the Syndicate or the Registered Brokers;
13. With respect to non-ASBA Bids, ensure that the full Bid Amount is paid for the Bids and with respect to ASBA Bids, ensure funds equivalent to the Bid Amount are blocked;
14. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process;
15. Submit revised Bids to the same member of the Syndicate, SCSB or Registered Broker, as applicable, through whom the original Bid was placed and obtain a revised TRS;
16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
17. Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
19. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms.
20. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
21. Ensure that the category and sub-category is indicated;

22. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
23. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
24. Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the online IPO system of the stock exchanges by the Syndicate, the SCSBs or the Registered Brokers, as the case may be, match with the DP ID, Client ID and PAN available in the Depository database;
25. In relation to the ASBA Bids, ensure that you use the Bid cum Application Form bearing the stamp of the Syndicate (in the Specified Locations) and/or relevant SCSB and/ or the Designated Branch and/ or the Registered Broker at the Broker Centres (except in case of electronic forms);
26. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
27. ASBA Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only in the Specified Locations and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>). ASBA Bidders bidding through a Registered Broker should ensure that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms;
28. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
29. In relation to the ASBA Bids, ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form; and
30. In relation to the ASBA Bids, ensure that you receive an acknowledgement from the Designated Branch of the SCSB or from the member of the Syndicate in the Specified Locations or from the Registered Broker at the Broker Centres, as the case may be, for the submission of your Bid cum Application Form.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate, the SCSBs or the Registered Brokers, as applicable;
4. Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;
5. Do not send Bid cum Application Forms by post; instead submit the same to the Syndicate, the SCSBs or the Registered Brokers only;
6. Do not submit the Bid cum Application Forms to the Escrow Collection Bank(s) (assuming that such bank is not a SCSB), our Company or the Registrar to the Issue;
7. Do not Bid on a Bid cum Application Form that does not have the stamp of the Syndicate, the Registered Brokers or the SCSBs;

8. Anchor Investors should not Bid through the ASBA process;
9. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
10. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
11. 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 the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
12. Do not submit the GIR number instead of the PAN;
13. Do not submit the Bids without the full Bid Amount;
14. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
15. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
16. If you are a QIB, do not submit your Bid after 3.00 pm on the Bid/Issue Closing Date for QIBs;
17. If you are a Non-Institutional Investor or Retail Individual Bidders, do not submit your Bid after 3.00 pm on the Bid/Issue Closing Date;
18. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872;
19. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;
20. Do not submit more than five Bid cum Application Forms per ASBA Account;
21. Do not submit ASBA Bids to a member of the Syndicate at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres;
22. Do not submit ASBA Bids to a member of the Syndicate in the Specified Locations unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in the relevant Specified Location, for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>); and
23. Do not submit ASBA Bids to a Registered Broker unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Registered Broker to deposit the Bid cum Application Forms.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment instructions

In terms of RBI circular no. DPSS.CO.CHD.No./133/04.07.05/2013-14 dated July 16, 2013, non-CTS cheques are processed in three CTS centres in separate clearing session. The separate clearing session operated thrice a week up to April 30, 2014, thereafter will operate twice a week up to October 31, 2014 and once a week from November 1, 2014 onwards. In order to enable listing and trading of Equity Shares within 12 Working Days of the Bid/Issue Closing Date, investors are advised to use CTS cheques or use the ASBA facility to make payment. Investors are cautioned that Bid cum Application Forms accompanied by non-CTS cheques are liable to be rejected due to any delay in clearing beyond six Working Days from the Bid/Issue Closing Date.

Payment into Escrow Account for non-ASBA Bidders

The payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident Retail Individual Bidders: “[●]”
- (b) In case of Non-Resident Retail Individual Bidders: “[●]”

For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) In case of Non-Resident Anchor Investors: “[●]”

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our 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: (i) [●] edition of English national newspaper [●]; (ii) [●] edition of Hindi national newspaper [●]; and (iii) [●] edition of Marathi newspaper [●], each with wide circulation.

Signing of the Underwriting Agreement and the RoC Filing

- (a) Our Company and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Issue Price.
- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with the applicable law, which then would be termed as the ‘Prospectus’. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,**

shall be liable for action under Section 447.”

Undertakings by our Company

Our Company undertakes the following that:

- if our Company does not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- if our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a draft red herring prospectus with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;

- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within 12 Working Days of the Bid/Issue Closing Date;
- the 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 our Company;
- where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- the certificates of the securities/ refund orders to Eligible NRIs shall be despatched within specified time;
- no further Issue of the 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.;
- adequate arrangements shall be made to collect all Bid cum Application Forms under the ASBA process and to consider them similar to non-ASBA Bids while finalising the Basis of Allotment.

Utilisation of Issue proceeds

The Board of Directors certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilised out of the 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 the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;
- the utilisation of monies received under the Promoters' contribution shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- the details of all unutilised monies out of the funds received under the Promoters' contribution shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations, 2009**”).

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus (“RHP”)/Prospectus filed by the Issuer with the Registrar of Companies (“**RoC**”). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **BRLM(s)** to the Issue and on the website of Securities and Exchange Board of India (“**SEBI**”) at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to the section “Glossary and Abbreviations”.

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

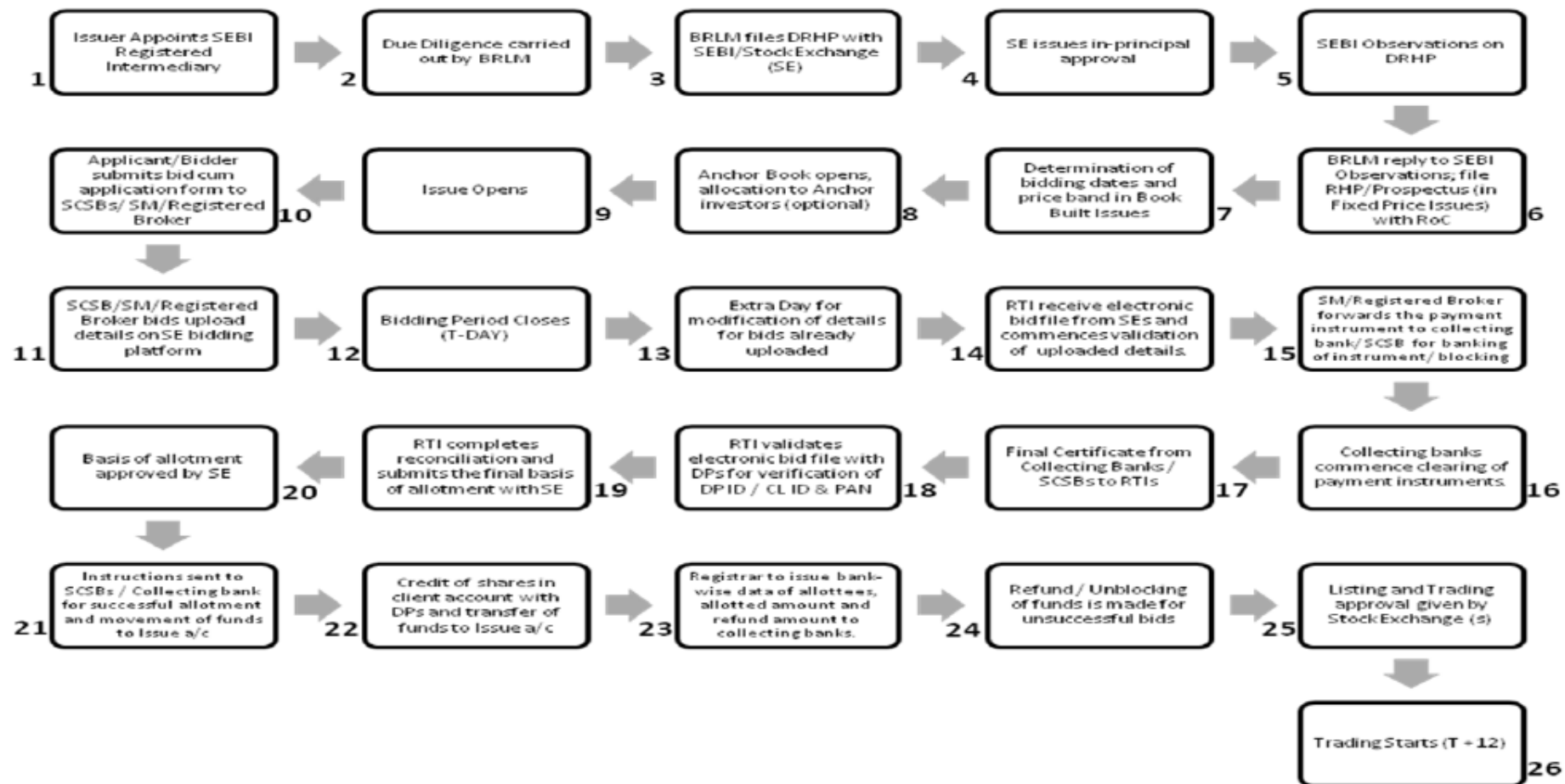
The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
 - i. Step 7 : Determination of Issue Date and Price
 - ii. Step 10: Applicant submits ASBA Application Form with Designated Branch of SCSB and Non-ASBA forms directly to collection Bank and not to Broker.
 - iii. Step 11: SCSB uploads ASBA Application details in Stock Exchange Platform
 - iv. Step 12: Issue period closes
 - v. Step 15: Not Applicable



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FII's, FPIs, QFIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Qualified Foreign Investors subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 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, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- FPIs other than Category III foreign portfolio investors bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the members of the Syndicate, Registered Brokers, Designated Branches of the SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For

further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified cum Application Form either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Branches of Collection Banks or Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Color of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs, QFIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants bidding/applying in the reserved category	[As specified by the Issuer]

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/ APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA **XYZ LIMITED - PUBLIC ISSUE - R** **FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI'S APPLYING ON A NON-REPATRIATION BASIS**

Logo To, The Board of Directors XYZ Limited **BOOK BUILDING ISSUE** Bid cum Application Form No. IN

SYNDICATE MEMBER'S STAMP & CODE		BROKER'S/AGENT'S STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant	
ESCROW BANK / SCBS BRANCH STAMP & CODE		SUB-BROKER'S/SUB-AGENT'S STAMP & CODE		Mr. / Ms.	
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCBS SERIAL NO.		Address	
				Email	
				Tel. No (with STD code) / Mobile	
				2. PAN OF SOLE / FIRST APPLICANT	

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL										6. Investor Status									
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID										☐ Individual(s) - I N D ☐ Hindu Undivided Family* - H U F ☐ Bodies Corporate - CO ☐ Banks & Financial Institutions - F I ☐ Mutual Funds - M F ☐ Non-Resident Indians - NRI (Non-Repatriation basis) ☐ National Investment Fund - NIF ☐ Insurance Funds - IF ☐ Insurance Companies - IC ☐ Venture Capital Funds - V C ☐ Others (Please specify) - OTH									
4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")										5. Category									
Bid Options		No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)				Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)						☐ Retail Individual ☐ Non-Institutional ☐ QIB							
		7 6 5 4 3 2 1				4 3 2 1				Discount, if any		Net Price							
Option 1																			
(OR) Option 2																			
(OR) Option 3																			

7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)										PAYMENT OPTIONS ☐ Full Payment ☐ Part Payment									
Amount Paid (₹ in figures)										(₹ in words)									
☐ (A) CHEQUE/ DEMAND DRAFT (DD) Cheque/DD No. Dated D D M Y Y										☐ (B) ASBA Bank A/c No. Bank Name & Branch									
Drawn on (Bank Name & Branch)																			

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVER LEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filing up the Bid Cum Application Form given overleaf.

8A. SIGNATURE OF SOLE/ FIRST APPLICANT		8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (For ASBA option ONLY)		BROKER'S / SCBS BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)	
Date : _____, 2011		I/We authorize the SCBS to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____			

XYZ LIMITED **Acknowledgement Slip for Syndicate Member / SCBS** Bid cum Application Form No.

DPID / CLID		PAN		Stamp & Signature of Banker	
Amount Paid (₹ in figures)		Bank & Branch			
Cheque / DD/ASBA Bank A/c No.					
Received from Mr./Ms.					
Telephone / Mobile		Email			

XYZ LIMITED		Option 1		Option 2		Option 3		Stamp & Signature of Syndicate Member / SCBS		Name of Sole / First Applicant	
No. of Equity Shares											
Bid Price											
Amount Paid (₹)											
Cheque / DD/ASBA Bank A/c No.											
Bank & Branch											

Acknowledgement Slip for Bidder
Bid cum Application Form No.

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA		XYZ LIMITED - PUBLIC ISSUE - NR		FOR ELIGIBLE NRIs, FIIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS																													
Logo		To, The Board of Directors XYZ Limited		BOOK BUILDING ISSUE INE523L01018																													
SYNDICATE MEMBER'S STAMP & CODE		BROKER'S/AGENT'S STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant																													
ESCROW/BANK/SCSB BRANCH STAMP & CODE		SUB-BROKER'S/SUB-AGENT'S STAMP & CODE		Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____																													
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSB SERIAL NO.		2. PAN OF SOLE / FIRST APPLICANT																													
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS		☐ NSDL ☐ CDSL		6. Investor Status																													
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID		4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")		5. Category																													
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="4">Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> </tr> <tr> <th>Bid Price</th> <th>Discount, if any</th> <th>Net Price</th> <th>"Cut-off" (Please tick)</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td>7 6 5 4 3 2 1</td> <td>4 3 2 1</td> <td>4 3 2 1</td> <td>4 3 2 1</td> <td>☐</td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td>☐</td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td>☐</td> </tr> </tbody> </table>		Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)				Bid Price	Discount, if any	Net Price	"Cut-off" (Please tick)	Option 1	7 6 5 4 3 2 1	4 3 2 1	4 3 2 1	4 3 2 1	☐	(OR) Option 2					☐	(OR) Option 3					☐	☐ Retail Individual ☐ Non-Institutional ☐ QIB		☐ NRI Non-Resident Indian (Repatriation basis) ☐ FII Foreign Institutional Investor ☐ FVCI Foreign Venture Capital Investor ☐ FIISA FII Sub Account Corporate / Individual ☐ OTH Others (Please Specify)	
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)			Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)																													
		Bid Price	Discount, if any	Net Price	"Cut-off" (Please tick)																												
Option 1	7 6 5 4 3 2 1	4 3 2 1	4 3 2 1	4 3 2 1	☐																												
(OR) Option 2					☐																												
(OR) Option 3					☐																												
7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)		PAYMENT OPTIONS ☐ Full Payment ☐ Part Payment																															
Amount Paid (₹ in figures) _____ (₹ in words) _____																																	
☐ (A) CHEQUE/DEMAND DRAFT (DD) Cheque/DD No. _____ Dated DD MM YY Drawn on (Bank Name & Branch) _____		☐ (B) ASBA Bank A/c No. _____ Bank Name & Branch _____																															
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the instructions for filling up the Bid Cum Application Form given overleaf.																																	
8A. SIGNATURE OF SOLE / FIRST APPLICANT		8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (For ASBA option ONLY)		BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)																													
Date: _____, 2011		I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue 1) _____ 2) _____ 3) _____																															
TEAR HERE																																	
XYZ LIMITED		Acknowledgement Slip for Syndicate Member / SCSB		Bid cum Application Form No. _____																													
DPID / CLID _____		Bank & Branch _____		PAN _____																													
Amount Paid (₹ in figures) _____		Cheque / DD/ASBA Bank A/c No. _____		Stamp & Signature of Banker																													
Received from Mr./Ms. _____		Telephone / Mobile _____ Email _____																															
TEAR HERE																																	
XYZ LIMITED	Option 1		Option 2		Stamp & Signature of Syndicate Member / SCSB																												
	Option 3																																
	No. of Equity Shares		Name of Sole / First Applicant																														
	Bid Price																																
Amount Paid (₹)				Acknowledgement Slip for Bidder																													
Cheque / DD/ASBA Bank A/c No. _____				Bid cum Application Form No. _____																													
Bank & Branch _____																																	

4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

- (a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications (including refund orders and letters notifying the unblocking of the bank accounts of ASBA Bidders/Applicants) in case the

communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

- (c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favor of the Bidder/Applicant whose name appears in the Bid cum Application Form/Application Form or the Revision Form and all communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- (a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 **FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT**

- (a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories’ records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim (“PAN Exempted Bidders/Applicants”). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- (c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Bid cum Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (e) Bids/Applications by Bidders whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and demographic details are not provided by depositories.

4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

- (a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**
- (b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- (c) Bidders/Applicants should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), or unblocking of ASBA Account or for other correspondence(s) related to an Issue. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- (d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants’ sole risk.

4.1.4 FIELD NUMBER 4: BID OPTIONS

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))
- (c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- (d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum

application value is within the range of Rs. 10,000 to Rs.15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

- (e) **Allotment:** The allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For details of the Bid Lot, bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 Maximum and Minimum Bid Size

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed Rs. 200,000.

In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.

- (b) For NRIs, a Bid Amount of up to Rs. 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.
- (d) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.
- (e) In case the Bid Amount reduces to Rs. 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (f) For Anchor Investors, if applicable, the Bid Amount shall be least Rs.10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 30% of the QIB Portion under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- (g) A Bid cannot be submitted for more than the Issue size.
- (h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- (i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through

Alternate Book Building Process (For details of bidders may refer to (Section 5.6 (e)).

4.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:

- i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
- ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

- (c) The following Bids may not be treated as multiple Bids:

- i. Bids by Reserved Categories bidding in their respective Reservation Portion as well as bids made by them in the Net Issue portion in public category.
- ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
- iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
- iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 FIELD NUMBER 5 : CATEGORY OF BIDDERS

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- (b) Up to 30% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of anchor investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, bidders may refer to the RHP/Prospectus.
- (c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.
- (d) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 FIELD NUMBER 6: INVESTOR STATUS

- (a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs, QFIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

- (a) All Bidders are required to make payment of the full Bid Amount (net of any Discount, as applicable) along-with the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be made for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) Bidders who Bid at Cut-off price shall deposit the Bid Amount based on the Cap Price.
- (c) QIBs and NIIs can participate in the Issue only through the ASBA mechanism.
- (d) RIIs and/or Reserved Categories bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft (“Non-ASBA Mechanism”).
- (e) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 Instructions for non-ASBA Bidders:

- (a) Non-ASBA Bidders may submit their Bids with a member of the Syndicate or any of the Registered Brokers of the Stock Exchange. The details of Broker Centres along with names and contact details of the Registered Brokers are provided on the websites of the Stock Exchanges.
- (b) **For Bids made through a member of the Syndicate:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the members of the Syndicate at Specified Locations.
- (c) **For Bids made through a Registered Broker:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the Registered Broker.
- (d) If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.

- (e) 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. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (f) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date.
- (g) Bidders are advised to provide the number of the Bid cum Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.1.7.2 Payment instructions for ASBA Bidders

- (a) ASBA Bidders may submit the Bid cum Application Form either
 - i. in physical mode to the Designated Branch of an SCSB where the Bidders/Applicants have ASBA Account, or
 - ii. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
 - iii. in physical mode to a member of the Syndicate at the Specified Locations, or
 - iv. Registered Brokers of the Stock Exchange
- (b) ASBA Bidders may specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) **ASBA Bidders bidding through a member of the Syndicate** should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified locations. ASBA Bidders should also note that Bid cum Application Forms submitted to a member of the Syndicate at the Specified locations may not be accepted by the Member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- (g) **ASBA Bidders bidding through a Registered Broker** should note that Bid cum Application Forms submitted to the Registered Brokers may not be accepted by the Registered Broker, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms.
- (h) **ASBA Bidders bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

- (i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
- (l) Upon submission of a completed Bid cum Application Form each ASBA Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 12 Working Days of the Bid/Issue Closing Date.

4.1.7.3 Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.4 Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.

- (c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the ASBA Bidder/Applicant., then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the ASBA Bids/Applications, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- (d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by a member of the Syndicate, Registered Broker or SCSB, as applicable, for submission of the Bid cum Application Form.
- (b) Applicants should ensure that they receive the acknowledgment duly signed and stamped by an Escrow Collection Bank or SCSB, as applicable, for submission of the Application Form.
- (c) All communications in connection with Bids/Applications made in the Issue should be addressed as under:
 - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Bidders/Applicants should contact the Registrar to the Issue.
 - ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.
 - iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.
 - iv. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/Applicants should contact the relevant Registered Broker
 - v. Bidder/Applicant may contact the Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.
- (d) The following details (as applicable) should be quoted while making any queries –
 - i. full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
 - ii. name and address of the member of the Syndicate, Registered Broker or the Designated Branch, as the case may be, where the Bid was submitted or

- iii. In case of Non-ASBA bids cheque or draft number and the name of the issuing bank thereof
- iv. In case of ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

- (a) During the Bid/Issue Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) 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 Revision Form, which is a part of the Bid cum Application Form.
- (b) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- (d) The Bidder/Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample Revision form is reproduced below:

COMMON BID REVISION FORM FOR ASBA / NON-ASBA		XYZ LIMITED - PUBLIC ISSUE - R		FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS	
Logo To, The Board of Directors XYZ Limited		BOOK BUILDING ISSUE INE523L01018		Bid cum Application Form No.	
SYNDICATE MEMBER'S STAMP & CODE		BROKER'S/AGENT'S STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant	
ESCROW BANK / SCSB BRANCH STAMP & CODE		SUB-BROKER'S/SUB-AGENT'S STAMP & CODE		Mr. / Ms. _____ Tel. No (with STD code) / Mobile _____	
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSB SERIAL NO.		2. PAN OF SOLE / FIRST APPLICANT	
				3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID	
PLEASE CHANGE MY BID					
4. FROM (as per last Bid or Revision)					
Bid Options		No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)		Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)	
		(In Figures)		(In Figures)	
Option 1		7 6 5 4 3 2 1		Bid Price Discount, if any Net Price "Cut-off" 4 3 2 1 4 3 2 1 4 3 2 1 (Please tick)	
(OR) Option 2					
(OR) Option 3					
5. TO (Revised Bid)					
Bid Options		No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)		Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)	
		(In Figures)		(In Figures)	
Option 1		7 6 5 4 3 2 1		Bid Price Discount, if any Net Price "Cut-off" 4 3 2 1 4 3 2 1 4 3 2 1 (Please tick)	
(OR) Option 2					
(OR) Option 3					
6. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below) PAYMENT OPTIONS ☐ Full Payment ☐ Part Payment					
Additional Amount Paid (₹ in figures) _____ (₹ in words) _____					
☐ (A) CHEQUE/ DEMAND DRAFT (DD) Cheque/DD No. _____ Dated DD/MM/YYYY Drawn on (Bank Name & Branch) _____			☐ (B) ASBA Bank A/c No. _____ Bank Name & Branch _____		
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filling up the Bid revision Form given overleaf.					
7A. SIGNATURE OF SOLE/ JOINT APPLICANT(S)		7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) FOR ASBA OPTION ONLY		BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)	
Date : _____, 2011		I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue 1) _____ 2) _____ 3) _____			
TEAR HERE					
XYZ LIMITED BID REVISION FORM		Acknowledgement Slip for Syndicate Member / SCSB		Bid cum Application Form No.	
DPID / CLID		PAN			
Additional Amount Paid (₹)		Bank & Branch		Stamp & Signature of Banker	
Cheque / DD/ASBA Bank A/c No.		Received from Mr./Ms.			
Telephone / Mobile		Email			
TEAR HERE					
XYZ LIMITED BID REVISION FORM		Acknowledgement of Syndicate Member / SCSB		Name of Sole / First Applicant	
No. of Equity Shares					
Bid Price					
Additional Amount Paid (₹)					
Cheque / DD/ASBA Bank A/c No.					
Bank & Branch					
				Acknowledgement Slip for Bidder	
				Bid cum Application Form No.	

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed Rs. 200,000. In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders or refunded from the Escrow Account in case of non-ASBA Bidder.

4.2.3 FIELD 6: PAYMENT DETAILS

- (a) With respect to the Bids, other than Bids submitted by ASBA Bidders/Applicants, any revision of the Bid should be accompanied by payment in the form of cheque or demand draft for the amount, if any, to be paid on account of the upward revision of the Bid.
- (b) All Bidders/Applicants are required to make payment of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (c) In case of Bids submitted by ASBA Bidder/Applicant, Bidder/Applicant may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same member of the Syndicate/Registered Broker or the same Designated Branch (as the case may be) through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

- (d) In case of Bids, other than ASBA Bids, Bidder/Applicant, may 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. 200,000 if the Bidder/Applicant wants to continue to Bid at the Cut-off Price), with the members of the Syndicate / Registered Broker to whom the original Bid was submitted.
- (e) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds Rs. 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant 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 may be adjusted downwards for the purpose of allotment, such that no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.
- (f) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders/Applicants or refunded from the Escrow Account in case of non-ASBA Bidder/Applicant.

4.2.4 **FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 **INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

- (a) The Issuer may mention Price or Price band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 10,000 to Rs.15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed Rs. 200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- (e) An application cannot be submitted for more than the Issue size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to Collection Bank(s) or SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
 - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.
 - ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
 - i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
 - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
 - iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 FIELD NUMBER 5 : CATEGORY OF APPLICANTS

- (a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- (c) The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 FIELD NUMBER 6: INVESTOR STATUS

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 FIELD 7: PAYMENT DETAILS

- (a) All Applicants are required to make payment of the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the payment shall be made for an Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- (b) RIIs and/or Reserved Categories bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").
- (c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

4.3.5.1 Instructions for non-ASBA Applicants:

- (a) Non-ASBA Applicants may submit their Application Form with the Collection Bank(s).
- (b) For Applications made through a Collection Bank(s): The Applicant may, with the submission of the Application Form, draw a cheque or demand draft for the Bid Amount in favor of the Escrow Account as specified under the Prospectus and the Application Form and submit the same to the escrow Collection Bank(s).
- (c) If the cheque or demand draft accompanying the Application Form is not made favoring the Escrow Account, the form is liable to be rejected.
- (d) 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 Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (e) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Applicants until the Designated Date.
- (f) Applicants are advised to provide the number of the Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.3.5.2 Payment instructions for ASBA Applicants

- (a) ASBA Applicants may submit the Application Form in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account.
- (b) ASBA Applicants may specify the Bank Account number in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) ASBA Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.

- (k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.3.5.3 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 12 Working Days of the Issue Closing Date.

4.3.5.4 Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.
- (c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM

4.4.1 Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
Non-ASBA Application	1) To members of the Syndicate at the Specified Locations mentioned in the Bid cum Application Form
	2) To Registered Brokers
ASBA Application	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres
	(b) To the Designated branches of the SCSBs where the ASBA Account

Mode of Application	Submission of Bid cum Application Form
	is maintained

- (a) Bidders/Applicants should not submit the bid cum application forms/ Revision Form directly to the escrow collection banks. Bid cum Application Form/ Revision Form submitted to the escrow collection banks are liable for rejection.
- (b) Bidders/Applicants should submit the Revision Form to the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid.
- (c) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- (d) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

- (a) During the Bid/Issue Period, ASBA Bidders/Applicants may approach the members of the Syndicate at the Specified Cities or any of the Registered Brokers or the Designated Branches to register their Bids. Non-ASBA Bidders/Applicants who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or any of the Registered Brokers, to register their Bid.
- (b) Non-ASBA Bidders/Applicants (RIIs, Employees and Retail Individual Shareholders) bidding at Cut-off Price may submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount less discount (if applicable) based on the Cap Price with the members of the Syndicate/ any of the Registered Brokers to register their Bid.
- (c) In case of ASBA Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the ASBA Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable). ASBA Bidders/Applicants may approach the members of the Syndicate or any of the Registered Brokers or the Designated Branches to register their Bids.
- (d) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

- (a) The Syndicate, the Registered Brokers and the SCSBs may register the Bids using the on-line facilities of the Stock Exchanges. The Syndicate, the Registered Brokers and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Issue Closing Date, the Syndicate, the Registered Broker and the Designated Branches of the SCSBs may upload the Bids till such time as may be permitted by the Stock

Exchanges.

- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The members of the Syndicate, the Registered Brokers and the SCSBs are given up to one day after the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar for validation of the electronic bid details with the Depository's records.

5.3 BUILD UP OF THE BOOK

- (a) Bids received from various Bidders/Applicants through the Syndicate, Registered Brokers and the SCSBs may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Issue Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the bidding centres during the Bid/Issue Period.

5.4 WITHDRAWAL OF BIDS

- (a) RIIs can withdraw their Bids until finalization of Basis of Allotment. In case a RII applying through the ASBA process wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned SCSB or the Syndicate Member or the Registered Broker, as applicable, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) In case a RII wishes to withdraw the Bid after the Bid/Issue Period, the same can be done by submitting a withdrawal request to the Registrar to the Issue until finalization of Basis of Allotment. The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- (a) The members of the Syndicate, the Registered Broker and/or SCSBs are individually responsible for the acts, mistakes or errors or omission in relation to
 - i. the Bids accepted by the members of the Syndicate, the Registered Broker and the SCSBs,
 - ii. the Bids uploaded by the members of the Syndicate, the Registered Broker and the SCSBs,
 - iii. the Bid cum application forms accepted but not uploaded by the members of the Syndicate, the Registered Broker and the SCSBs, or
 - iv. With respect to Bids by ASBA Bidders/Applicants, Bids accepted and uploaded by SCSBs without blocking funds in the ASBA Accounts. It may be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant Account.
- (b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

- (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 **GROUND FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the (i) authorised agents of the BRLMs, (ii) Registered Brokers, or (iii) SCSBs, or (iv) Collection Bank(s), or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- (a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids/Applications by OCBs; and
- (c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;
- (e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (g) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;
- (h) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (k) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
- (l) Bids/Applications at Cut-off Price by NIIs and QIBs;
- (m) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids/Applications by ASBA Bidders, the amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (o) In relation to ASBA Bids/Applications, submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;

- (p) Bids/Applications for a Bid/Application Amount of more than Rs. 200,000 by RIIs by applying through non-ASBA process;
- (q) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- (r) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (s) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Issue Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- (t) With respect to ASBA Bids/Applications, inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;
- (u) Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- (v) With respect to ASBA Bids/Applications, where no confirmation is received from SCSB for blocking of funds;
- (w) Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders not submitted through ASBA process or Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders accompanied with cheque(s) or demand draft(s);
- (x) ASBA Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- (y) Bids/Applications not uploaded on the terminals of the Stock Exchanges;
- (z) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

- (a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.
- (b) Under-subscription in Retail category is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB category is not available for subscription to other categories.
- (c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.
- (d) **Illustration of the Book Building and Price Discovery Process**

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs. 20 to Rs. 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (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 Equity Shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The Issuer, in consultation with the BRLMs, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below Rs. 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding (“Alternate Book Building Process”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Syndicate Members/SCSB and/or Bankers to the Issue or Registered Broker.

ASBA Applicants may submit an Application Form either in physical form to the Syndicate Members or Registered Brokers or the Designated Branches of the SCSBs or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor is will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("Maximum RII Allottees"). The Allotment to the RIIs will then be made in the following manner:

- (a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP / Prospectus. Bids received from QIBs bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;

- (b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (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 QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer subject to compliance with the following requirements:
- i. not more than 30% of the QIB Portion will be allocated to Anchor Investors;
 - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
 - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - a maximum number of two Anchor Investors for allocation up to Rs.10 crores;
 - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than Rs.10 crores and up to Rs.250 crores subject to minimum allotment of Rs.5 crores per such Anchor Investor; and
 - a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than Rs.250 crores subject to minimum allotment of Rs.5 crores per such Anchor Investor.
- (b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (c) **In the event that the Issue Price is higher than the Anchor Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (d) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;

- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate allotment is less than the minimum bid lot decided per Bidder, the allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a 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 may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may 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 may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and
- (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 may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.
- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within 12 Working Days of the Bid/ Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment, after the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 12 Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer may be punishable with a fine which shall not be less than Rs.5 lakhs but which may extend to Rs.50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than Rs.50,000 but which may extend to Rs.3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

If such money is not repaid within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, within 60 days from the Bid/Issue Closing Date, the Issuer may forthwith, without interest refund the entire subscription amount received. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

If there is a delay beyond the prescribed time, then the Issuer and every director of the Issuer who is an officer in default may be liable to repay the money, with interest at the rate of 15% per annum.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

- (a) **In case of ASBA Bids/Applications:** Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on

Bidding/Application.

- (b) **In case of Non-ASBA Bid/Applications:** Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Bidders/Applicants and also for any excess amount paid on Bidding/Application, after adjusting for allocation/ allotment to Bidders/Applicants.
- (c) In case of non-ASBA Bidders/Applicants, the Registrar to the Issue may obtain from the depositories the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Bidders/Applicants in their Bid cum Application Forms for refunds. Accordingly, Bidders/Applicants are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Bidders/Applicants' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Bidders/Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- (d) In the case of Bids from Eligible NRIs, FIIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. 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 may be dispatched by registered post. The Issuer may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

8.3.1 Mode of making refunds for Bidders/Applicants other than ASBA Bidders/Applicants

The payment of refund, if any, may be done through various modes as mentioned below:

- (a) **NECS**—Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;
- (b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Bidders/Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Bidders/Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders/Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (c) **Direct Credit**—Bidders/Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (d) **RTGS**—Bidders/Applicants having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and
- (e) For all the other Bidders/Applicants, including Bidders/Applicants who have not updated their bank particulars along with the nine-digit MICR code, the refund orders may be dispatched through speed post or registered post for refund orders. Such refunds may be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received.

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc Bidders/Applicants may refer to RHP/Prospectus.

8.3.2 Mode of making refunds for ASBA Bidders/Applicants

In case of ASBA Bidders/Applicants, the Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if 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 Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 12 Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009.
Anchor Investor Portion	Up to 30% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Bidders/Applicants to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/Applicant
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder/Applicant	Prospective Bidders/Applicants in the Issue who Bid/apply through ASBA

Term	Description
Banker(s) to the Issue/ Escrow Collection Bank(s)/ Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid /Issue Closing Date	The date after which the Syndicate, Registered Brokers and the SCSBs may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Closing Date
Bid/Issue Opening Date	The date on which the Syndicate and the SCSBs may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Opening Date
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Period
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The form in terms of which the Bidder/Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise. In case of issues undertaken through the fixed price process, all references to the Bid cum Application Form should be construed to mean the Application Form
Bidder/Applicant	Any prospective investor (including an ASBA Bidder/Applicant) who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant

Term	Description
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms/Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/ Book Running Lead Manager(s)/Lead Manager/ LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by the ASBA Bidders/Applicants applying through the ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer

Term	Description
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders/Applicants (excluding the ASBA Bidders/Applicants) may Issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders/Applicants (excluding the ASBA Bidders/Applicants) on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable

Term	Description
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than Rs.200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs, QFIs and FVCIs
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.

Term	Description
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least two working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, 1956 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
Qualified Foreign Investors or QFIs	Non-Resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI. Provided that such non-resident investor shall not be resident in country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds (excluding refunds to ASBA Bidders/Applicants), if any, of the whole or part of the Bid Amount may be made

Term	Description
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/ Categories	Categories of persons eligible for making application/bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than Rs.200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than Rs.200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Bids from ASBA Bidders/Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)

Term	Description
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than a Sunday or a public holiday on which commercial banks are open for business, except with reference to announcement of Price Band and Bid/Issue Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India

RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of 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. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), issued Circular 1 of 2014 (“**Circular 1 of 2014**”), which with effect from April 17, 2014, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on April 16, 2014. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, Circular 1 of 2014 will be valid until the DIPP issues an updated circular.

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 Takeover Regulations; (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.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares have not been and will not be registered under the 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 Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A of the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and applicable laws of the jurisdictions where such offers and sales occur.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Authorised Share Capital

Article 3 provides that “The authorised share capital of the Company is ₹ 28,250,000,000 (Rupees Two Thousand Eight Hundred Twenty Five Crores only) divided into 2,500,000,000 (Two Hundred Fifty Crores) Equity Shares of ₹ 10 (Rupees Ten only) each, 200,000,000 (Twenty Crores) 6% Redeemable Preference Shares of ₹ 10 (Rupees Ten only) each and 125,000,000 (Twelve Crores Fifty Lakhs) Preference Shares of ₹ 10 (₹ Ten only) each.”

Article 5 provides that, “The Company shall have the power to increase or reduce the capital for the time being of the Company and to divide the shares in the capital into several classes with rights, privileges or conditions as may be determined. The Company may issue preference shares, which shall, or at the option of the Company shall be liable to be redeemed.”

Article 6 provides that “Subject to the provisions of the Act and all other applicable provisions of law, the Company may issue equity shares with differential rights as to dividend, voting or otherwise.”

Increase, reduction and alteration in capital

Article 68(a) provides that “The Company may from time to time in General Meeting increase its share capital by creation of new shares of such amount as it thinks expedient.”

In addition, Article 68(b) provides that “Subject to the provisions of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as by the General Meeting creating the same shall be directed and if no direction be given as the Directors shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in distribution of assets of the Company and any Preference Shares may be issued on the terms that they are or at the option of the Company to be liable to be redeemed.”

Article 72 provides that “The Company may purchase its own equity Shares or other securities, as may be specified by the Ministry of Corporate Affairs, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Companies Act, 2013, the Rules and subject to compliance with law. When the Company buys back its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to the securities premium account, in accordance with the provisions of the Act.”

Article 74 provides that “Subject to applicable provisions of the Act, the Company may from time to time by special resolution reduce its share capital in any way and in particular and without prejudice to the generally of the foregoing powers:

- (a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up; or
- (b) either with or without extinguishing or reducing liability on any of its shares cancel any paid-up share capital which is lost or is unrepresented by available assets, or
- (c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid-up share capital which is in excess of the wants of the Company.
- (d) and may, if so far as is necessary, alter its Memorandum by reducing the amount of its share capital and of its shares accordingly.

The Company may, subject to the applicable provisions of the Act from time to time, reduce its apital redemption reserve account and the securities premium account in any manner for the time being authorized by law.

Article 75 provides that “The Company may in General Meeting alter the conditions of its Memorandum as follows:-

- a) Consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares.
- b) Sub-divide its shares or any of them into shares of smaller amounts than originally fixed by the Memorandum so however, that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.
- c) Cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Payment of commission and brokerage

Article 16(1) provides that “Subject to applicable provisions of the Act and the Rules, the Company may exercise the powers of paying commissions, provided that the rate per cent, or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required under applicable law.”

Article 16(2) provides that “Subject to the provisions of the applicable provisions of the Act and the Rules, the rate of commission shall not exceed the rate of five per cent of the price at which the shares in respect whereof the same is paid are issued and in case of debentures two and half per cent of the price at which debentures are issued. The commission may be paid out of proceeds of the issue or the profits of the Company or both.”

Calls

Article 21 provides that “The Board may, from time to time, make such calls on uniform basis, as it thinks fit, upon the members in respect of all moneys unpaid on the shares (whether on account of the nominal value of the shares or by way of premium) held by them and not by conditions of allotments thereof made payable at fixed time and each such member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board. A call may be made payable by installments.”

Article 23 (2) provides that “Not less than 14 day’s notice of any call shall be given specifying the place and time of payment and to whom such call shall be paid provided that Board may subject to section 49 of the Companies Act, 2013, by notice in writing to a member, revoke the call or extend the time for payment thereof.”

Article 24 provides that “If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by the installments at fixed times, whether on account or the amount of installment shall be payable as if it were a call duly made by the Board and of which due notice had been given and all provision herein contained in respect of calls for future or otherwise shall relate to such amount or installment accordingly.”

Article 25 provides that “If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof the holder for the time being of the share in respect of which the call shall have been made or the installment shall be due, shall pay interest for the same at the rate of 10 (ten) percent per annum (or at such other lower rate as the Board may determine) from the appointed date for the payment thereof to the time of actual payment but the Board shall be at liberty to waive payment of the interest wholly or in part.”

Article 26 provides that “The Directors may, if they think fit, subject to the provisions of Section 50 of the Companies Act, 2013 agree to and receive from any member willing to advance the same, all or any part of the money due upon the shares held by him beyond the sums actually called for and upon the money so paid or satisfied in advance, or so much thereof, as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate as the member paying such sum in advance and the Directors agree upon provided that the money so paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.”

Forfeiture, surrender and lien

Article 27 provides that “If any member fails to pay the whole or any part of any call or instalment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same the Directors may at any time thereafter during such time as the call or instalment or any part thereof or other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payments.”

In addition, Article 29 provides that “If the requirement of any such notice as aforesaid shall not be complied with, any of the shares in respect of which such notice has been given, may at any time thereafter before payment of all calls or instalments, interest and expenses or other moneys due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.”

Article 31 provides that “Any shares so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the original holder thereof, or to any other person, upon such terms and in such manner as the Directors shall think fit.”

Article 32 provides that “The Directors at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off annul the forfeiture thereof upon conditions as they think fit.”

Article 35 provides that “The Company shall have a first and paramount lien upon every share/ debenture (not being a fully paid-up share / debenture) 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 share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares / debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company’s lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.”

Article 36 provides that “For the purpose of enforcing such lien the Board of Directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made unless a sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell shall have been served on such members, his executors or administrators or his committee, curator bonis or other legal representatives as the case may be and default shall have been made by him or them in the payment of the sum payable as aforesaid for seven days after the date of such notice.”

Transfer and transmission of shares

Article 40 provides that “The instrument of transfer shall be in writing and all provisions of the Act and statutory modifications thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.”

Article 49 provides that “All instrument of transfer, which shall be registered, shall be retained by the Company, but any instrument of transfer which the Board may decline to register shall be returned to the person depositing the same.

Subject to the applicable provisions of the Act, these Articles and 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 or 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 either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.”

Article 59 provides that “Any person becoming entitled to a share in consequence of the death, lunacy, or insolvency of a member may, upon producing such evidence of his title as the Board thinks sufficient, be registered as a member in respect of such shares; or may subject to the regulations as to transfer hereinbefore contained transfer such shares.”

In addition, Article 60 provides that “A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.”

Borrowing Powers

Article 80 provides that “subject to the provisions of the Act and these Articles and without prejudice to the other powers conferred by these Articles, the Directors shall have power from time to time at their discretion to accept deposits from members of the Company either in advance of calls or otherwise and generally to raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company provided that the total amount raised, borrowed or secured and outstanding at any time 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) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid-up capital of the Company and its free reserves that is reserves, which, as per the latest audited balance sheet of the Company, are available for distribution as dividend.”

In addition, Article 81 provides that “subject to the provisions of the Act and these Articles the Directors may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual or redeemable, debentures or debenture-stock or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.”

Conversion of shares into stock

Article 64 provides that “the Company may, by ordinary resolution

- (a) convert any fully paid-up shares into stock; and
- (b) re-convert any stock into fully paid-up shares of any denomination.”

In addition, Article 65 provides that “the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; Provided that, the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.”

Convening Meeting

Article 90(1) provides that “The Company shall, in each year, hold in addition to any other meetings, a General Meeting (herein called an "Annual General Meeting") at the intervals and in accordance with the provision herein specified. The Annual General Meeting of the Company shall be held within six months after the expiry of each financial year; Provided however, that if the Registrar of Companies shall have for any special reason extend the time within which any Annual General Meeting shall be held by a further period not exceeding three months, the Annual General Meeting may be held within the additional time fixed by the Registrar. Except in the cases where the Registrar has given an extension of time as aforesaid for holding any Annual General Meeting not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next.”

In addition, Article 90(2) provides that “Every Annual General Meeting shall be called for a time during business hours, that is between 9 a.m. and 6 p.m. and on such day (not being a national holiday, as defined in the Act) as the Directors may from time to time determine and it shall be held either at the Registered Office of the Company or at some other place within the city, town or village in which the registered office of the Company is situated. The notice calling the meeting shall specify it as the Annual General Meeting.”

Article 91 provides that “The Board of Directors may call an Extraordinary General Meeting whenever it thinks fit.”

In addition, Article 93(1) provides that “The Board of Directors shall, on the requisition of such number of members of the Company as hold in regard to any matter at the date of deposit of the requisition, not less than one-tenth of such of the paid-up capital of the Company as at that date carries the right of voting in regard to that matter, forthwith proceed duly to call an Extra ordinary General Meeting of the Company and the applicable provisions of of the Act (including the provisions below) shall be applicable.”

Article 102 provides that “Such number of members as entitled to vote and present in person as required under the applicable provisions of the Act shall be a quorum for a General Meeting and no business shall be transacted at any General Meeting unless the quorum requisite be present at the commencement of the business.”

Article 109 provides that “At any General Meeting, a resolution put to the vote of the meeting shall unless a poll is demanded, be decided on a show of hands or voting is carried out electronically. A declaration by the Chairman that on a show of hands a resolution has or has not been carried, or has or has not been carried unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.”

In addition, Article 110 provides that “Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and fulfilling the requirements as laid down in Section 109 of the Companies Act, 2013, for the time being in force. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.”

Article 114 provides that “In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place, or at whtch the poll is demanded, shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled to as a member.”

Votes of Members

Article 128 provides that “every proxy shall be appointed by an instrument in writing signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, be under its Seal or be signed by an Officer or an attorney duly authorised by it.”

In addition, Article 129(a) provides that “the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof shall be deposited at the office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in case of poll, not less than 24 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing, a proxy shall be valid after the expiration of twelve months from the date of its execution except in the case of the adjournment of any meeting first held previously to the expiration of such time.”

Directors

Article 136 provides that “unless otherwise determined by the Company by a special resolution in General Meeting the number of Directors shall not be less than three and more than fifteen.”

Article 137 provides that “the Board may appoint any person as a nominee director pursuant to the provisions of the Act. Without prejudice to the generality of the above, if it is provided by any agreement deed or other documents securing or otherwise in connection with any loan taken by the Company or in connection with taking of any shares by any person that any such person or persons shall have power to nominate a Director on the Board of Directors of the Company then and in case of taking of any such loan or shares or entering into such agreement the person having such power may exercise his power from time to time and appoint a Director accordingly. Such Director may be removed from office at any time by the persons or persons in whom the power under which he was appointed is vested and another Director may be appointed in his place but while holding such office he shall not be liable to retire by rotation nor hold any qualification shares.”

Article 139 provides that “subject to applicable provisions of the Act, the Board of Directors of the Company may appoint an alternate director to act for a Director (hereinafter called “the original Director”) during his

absence for a period of not less than three months from India and such appointment shall have effect and such appointee, whilst he holds office as an alternate director, shall be entitled to notice of meetings of the Directors and to attend and vote thereat accordingly. An alternate director appointed under this Article shall vacate office if and when the original Director returns to India. If the terms of office of the original Director is determined before he so returns to the State of Maharashtra, any provisions in the Act or in these Articles for the automatic reappointment of retiring Directors in default of another appointment shall apply to the original Director and not to the alternate directors.”

Article 141 provides that “subject to the provisions of the Act, the Directors shall have powers at any time and from time to time to appoint a person as an Additional Director. The Additional Director shall hold office upto the next following Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier, and shall be eligible for reappointment.”

Article 142(1) provides that “subject to the provisions of the Act, the remuneration of a Director for his services shall be such sum as may be determined by the Board of Directors, but not exceeding the sum as may be prescribed from time to time under the Act without approval of the Central Government under the applicable provisions of the Act for each meeting attended by him and subject to the limitations provided by the Act such additional remuneration as may be fixed by the Company, may be paid to any one or more of their numbers for services rendered by him or them and the Directors shall be paid further remuneration (if any) as the Company in General Meeting shall from time to time determine, and such further remuneration shall be divided among the Directors in proportion and manner as the Directors may from time to time determine, and in default of such determination within the year equally.”

Key Managerial Personnel/Managing Director/Whole-Time Director

Article 181 (a) provides that “Subject to the provisions of the Act and with such sanction of the Central Government as may be required thereunder, and subject to the provisions of these Articles, the Board of Directors shall have power to appoint, from time to time to appoint one or more of the Directors to be Key Managerial Personnel including Managing/Whole-time Directors of the Company upon such terms and conditions as they may deem fit, in accordance with the applicable provisions of the Act and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places.”

Article 181 (b) provides that “The Key Managerial Personnel, Managing/Whole-time Director shall not while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of requirement of Directors or in fixing the number of Directors to retire but subject to terms of any contract between him and the company he shall be subject to the same provisions as to qualifications, resignation and removal as the other directors of the company and he shall immediately cease to be a Managing/Whole-time Director as the case may be, if he ceases to hold the office of Director for any cause.”

In addition, Article 181 (d) provides that “The Board of Directors may from time to time entrust to and confer upon the Key Managerial Personnel, Managing/Whole-time Director for the time being such of the powers exercisable under these Articles by the Directors as they think fit and may confer such powers for such time and to be exercisable for such object and purposes and upon such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of or in substitution For all or any of the powers of the 'Directors' in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers. Unless and until otherwise determined by the Board of Directors, a Key Managerial Personnel, Managing/Whole-time Director may exercise all powers exercisable by the Directors save such powers as by the Act or by these Articles shall be exercisable by the Directors themselves, the Board of Directors may whenever there is more than one Managing /Whole-time Director, decide whether they should act jointly or severally and may delegate powers separately to one or more Key Managerial Personnel, Managing/Whole-time Director.”

Proceedings of Board of Directors

Article 161 provides that “Subject to the applicable provisions of the Companies Act, 2013, a minimum number of four meetings of the Board of Directors shall be held every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board of Directors. The Directors may adjourn and otherwise regulate their Meetings and proceedings as they may deem fit.”

In addition, Article 163 provides that “Subject to the applicable provisions of the Companies Act, 2013 and other applicable provisions, (if any) of the Act, the quorum for a meeting of the Board of Directors shall be one-third of the total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher; Provided that where at any time the number of interested Directors, as defined under the Companies Act, 2013, exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say the number of Directors who are not interested present at the meeting being not less than two shall be quorum during such time. Participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of the quorum. A meeting of the Directors for the time being, at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under the Act or the Articles, of the Company, for the time being vested in or exercisable by the Board of Directors generally.”

Article 169(1) provides that “A resolution passed by circular, without a Meeting of the Board or a Committee of the Board appointed under Article 154, shall, subject to the provisions of sub-clause (2) hereof be as valid and effectual as a resolution duly passed at a meeting of the Directors or of a Committee duly called and held.”

In addition, Article 169(2) provides that “a resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation; if the resolution has been circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the Committee then in India (not being less in number than the quorum for a meeting of the Board or Committee as the case may be), and to all other Directors or members of the Committee at their usual address in India and has been approved by such of the Directors or members of the Committee as are then in India or by a majority of such of them as are entitled to vote on the resolution.”

Dividends

Article 187 provides that “The Company may in General Meeting declare a dividend to be paid to the members according to their respective rights and interest in the profits and subject to the provisions in the Act may fix the time for payment.”

Article 184 provides that, “the profits of the Company subject to any special rights relating thereto created or authorised to be created by the Memorandum and these Articles and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively.”

Article 188 provides that “No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend. No dividend shall be payable except out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of sub-section (2) of Section 123 of the Companies Act, 2013, or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of the abovementioned sub-section and remaining undistributed, or out of both, or out of the money provided by the Central Government or a State Government for the payment of dividend by the Company in pursuance of a guarantee given by the Government and no dividend shall carry interest as against the Company. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.”

Article 189 provides that “Subject to the provisions of the Act, the Directors may, from time to time pay to the members such interim dividend, during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared. Provided that in case of a loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the Company during the immediately preceding three financial years.”

Capitalisation

Article 197 provides that “(1) Subject to the provisions of the Act and regulations made thereunder or any other applicable law, the Company shall have power, by a resolution of the Board, to capitalize its profits, gains, investments or other or other assets forming part of the undivided profits for the time being of the Company standing to the credit of the Reserve Fund or any other Fund or the Profit and Loss Account of the Company or in the hands of the Company and available for dividend or representing premium, received on the issue of shares and standing to the credit of the securities Premium Account or otherwise available for distribution.

- (c) by the distribution among the holders of the shares of the Company or any of them in accordance with their respective rights, and interests and in proportion to the amounts paid or credited as paid thereon, of paid up shares, or
 - (d) by crediting shares of the Company which may have been issued and are not fully paid up, in proportion to the amounts paid or credited as paid thereon respectively, with the whole or any part of the sums remaining unpaid thereon.
- (2) The Directors shall have authority, in its absolute discretion to apply such portion of the profits, General Reserve, Reserve or Reserve Fund or any other fund as may be required for the purpose of making payment in full or part for the shares, so distributed or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares, which may have been issued and are not fully paid-up. Such distribution and payment shall stand accepted by such shareholders in full satisfaction of their interest in the said capitalised sum.
 - (3) the Directors shall have power to settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue shares in lieu of fraction and generally may make such arrangements for the acceptance, allotment and sale of such shares, and such shares fractional or otherwise as they think fit and may make cash payments to any holders of shares or fraction on the footing of the value so fixed in order to adjust such rights, and may vest any shares, in trustees upon such trusts for adjusting such rights as may seem expedient to the Directors.
 - (4) where some of the shares of the Company are fully paid and others are partly paid only, the board shall have powers to effect the capitalisation by the distribution of further shares in respect of the fully paid shares and by crediting the partly paid shares with the whole or part of the unpaid liability thereon but so that as between the holders of the fully paid shares and the partly paid shares the sums so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be pro rata in proportion to the amounts then already paid or credited as paid on the existing fully paid and partly paid shares respectively.”

Winding up

Article 221 provides that “If the Company shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the Capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the Capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.”

Indemnity

Article 225 provides that “(1) Subject to the applicable provisions of the Act, every Director of the Company or the Managing Director, Manager, Secretary and any other Officer or employee of the Company shall be indemnified by the Company against and it shall be the duty of the Directors to pay out of the funds of the Company, all costs, losses and expenses including traveling expenses which any such Director, Managing Director, Manager, Secretary, Officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Director, Managing Director, Manager, Secretary or Officer or employee or in any way in the discharge of his duties.

(2) Subject as aforesaid, every Director, Managing Director, Manager, Secretary, or any other officer or employee of the Company shall be indemnified against any liability incurred by them or him in defending any proceedings, whether civil or criminal, in which judgment is given in their favour or his favour or in which he is acquitted or discharged or in connection with any obligations under the applicable provisions of the Act in which relief is given to him by the Court.”

Secrecy

Article 224 provides that “no member shall be entitled to visit or inspect any works of the Company without the permission of the Directors, Managing Director, Manager or Secretary or to require discovery of or any

information respecting and detail of the Company's trading or any matter which is or may be in the nature of trade secret mystery or trade or secret process, which may relate to the conduct of the business of the Company, and which, in the opinion of Directors, will be inexpedient in the interest of the members of the Company to communicate to the public.”

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from Bid/Issue Opening Date until the Bid/Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated June 30, 2014 between our Company and the BRLMs.
2. Agreement dated June 30, 2014 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated [●] between our Company, the Registrar to the Issue, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s).
4. Syndicate Agreement dated [●] between our Company, the BRLMs, the Syndicate Members and the Registrar to the Issue.
5. Underwriting Agreement dated [●] between our Company and the Underwriters.

B. Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company as amended from time to time.
2. Certificate of Incorporation dated February 11, 2000. Fresh certificates of incorporation consequent to change of name dated December 12, 2000, March 3, 2003 and June 8, 2004.
3. Resolutions of the Board of Directors dated June 28, 2014 in relation to the Issue and other related matters.
4. Shareholders' resolution dated June 30, 2014 in relation to this Issue and other related matters.
5. Scheme of amalgamation of Yashomala Leasing and Finance Private Limited with our Company.
6. Copies of the annual reports of our Company for the last five financial years.
7. The examination reports of the statutory auditor, on our Company's restated financial statements, included in this Draft Red Herring Prospectus.
8. The Statement of Tax Benefits dated June 30, 2014 from the Statutory Auditors.
9. Consent of the Directors, the BRLMs, the Syndicate Members, Indian Legal Counsel to our Company, Indian Legal Counsel to BRLMs, International Legal Counsel to the BRLMs, Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue, Company Secretary and Compliance Officer as referred to in their specific capacities.
10. Consent of M/s. K. S. Aiyar & Co, Chartered Accountants, to include its name as an expert in relation to the report on the audited restated consolidated and unconsolidated financial statements dated June 28, 2014 and the statement of tax benefits dated June 30, 2014 included in this Draft Red Herring Prospectus.
11. Master title certificate and consent to be named as an expert to the Company from Mahesh J. Sheguri dated June 18, 2014.
12. Architect's certificate and consent to be named as an expert to the Company from Sadashiv Nargundkar & Associates dated June 27, 2014.

13. Engineers' certificated and consent to be named as an expert to the Company from Taamra Engineering Consultants Private Limited dated June 17, 2014.
14. Master construction agreement dated March 25, 2014 between our Company and Steiner India Limited.
15. Environment clearance (No. 21-9/2011-IA.III) dated November 9, 2011 from the Ministry of Environment and Forests.
16. Due Diligence Certificate dated June 30, 2014 addressed to SEBI from the BRLMs.
17. In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.
18. Tripartite agreement dated September 17, 2010 between our Company, NSDL and the Registrar to the Issue.
19. Tripartite agreement dated September 2, 2010 between our Company, CDSL and the Registrar to the Issue.
20. SEBI observation letter no. [●] dated [●].
21. Deep discount convertible debentures subscription agreement between IndusInd Bank Limited, our Promoters and our Company dated July 7, 2009, letter dated June 27, 2014 from our Company.
22. Share cum warrant subscription agreement between Bennett, Coleman & Co. Limited, HREL and our Company dated March 30, 2009 as amended by the amendments to Share cum Warrant subscription agreement dated March 30, 2009 and June 30, 2014
23. Convertible debenture subscription agreement between Bennett, Coleman & Co. Limited, HREL and our Company dated September 10, 2012 as amended by the Amendment to Convertibles Subscription Agreement dated June 30, 2014.
24. Warrant subscription agreement between Redkite Capital Private Limited and our Company dated June 29, 2013.
25. Shareholders' agreement between Apollo Hospitals Enterprise Limited and Our Company dated September 21, 2007.
26. Shareholders' agreement between Shawman Software Private Limited and our Company dated November 7, 2008.
27. Shareholders' agreement between Akash Cleaners Private Limited, Spotless Laundry Services Limited and our Company dated February 12, 2009.
28. Shareholders' agreement between Celebration Resorts and Hotels (India) Private Limited, Ecomotel Hotel Limited and our Company dated January 29, 2009.
29. Share subscription and shareholders' agreement between Wipro Limited and our Company dated June 4, 2009, as amended and share purchase agreement between our Company, My City Technology Limited and CSI BD Mauritius dated July 9, 2010.
30. Share subscription and shareholders' agreement between Educomp Infrastructure and School Management Limited and Knowledge Vistas Limited and our Company dated March 30, 2010 and addendum agreement dated April 23, 2010.
31. Joint venture shareholders agreement between IMK Hotels Private Limited, SSAR Hotels Private Limited, Anfield Investment Limited and our Company dated July 13, 2010.
32. Joint venture, share purchase, share subscription and shareholders' agreement between Integron Property Management Services Private Limited, Whistling Thrush Facilities Services Limited and our Company dated May 16, 2011.
33. Share subscription and shareholders' agreement between Hill City Service Apartment Limited, Rachvan Singh and our Company dated September 30, 2010.

34. Share subscription and shareholders' agreement between Andromeda Hotels Limited, Rachvan Singh, Hardeep Singh, Kanwaljit Singh and our Company dated September 30, 2010.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act or rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

_____	Ajit Gulabchand (Chairman, Non-Executive Director)
_____	Gautam Thapar (Non-Executive Director)
_____	Anuradha Jitendra Desai (Non-Executive Director)
_____	Vithal Maniar (Non-Executive Director)
_____	His Highness Gaj Singh (Independent Director)
_____	Shalaka Gulabchand Dhawan (Non-Executive Director)
_____	Sharad M. Kulkarni (Independent Director)
_____	Ram P. Gandhi (Independent Director)
_____	Subhash Dandekar (Independent Director)
_____	Anil Singhvi (Independent Director)

SIGNED BY THE CHIEF EXECUTIVE OFFICER OF OUR COMPANY

_____	Nathan Andrews (President and Chief Executive Officer)

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

_____	Narendra Negandhi (Chief Financial Officer)

Place: Mumbai
Date: June 30, 2014