

Our Company was incorporated on April 14, 1986 in New Delhi with the Registrar of Companies, National Capital Territory of Delhi and Haryana.

Registered Office: L-4, Green Park Extension, New Delhi 110 016, India. Corporate Office: L-5 & L-6, Green Park Extension, New Delhi 110 016, India. Tel: (91 11) 2619 5042; Fax: (91 11) 2616 4757; Company Secretary and Compliance Officer: Mr. Biswa Ranjan Mishra; Website: www.ambiencegroup.in; Email: compliance@ambienceisland.com; For details of the change in the name of our Company and registered office, see "History and Certain Corporate Matters" on page 122. Our Company is promoted by Mr. Raj Singh Gehlot, Mrs. Sheela Gehlot, Mr. Aman Singh Gehlot, Mr. Arjun Singh Gehlot and Raj Singh & Sons (HUF).

PUBLIC ISSUE OF [•] EQUITY SHARES OF Rs. 10 EACH OF AMBIENCE LIMITED ("AMBIENCE" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF Rs. [•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF Rs. [•] PER EQUITY SHARE) AGGREGATING UP TO Rs. 11,250 MILLION (THE "ISSUE"). THERE WILL ALSO BE A GREEN SHOE OPTION OF UP TO [•] EQUITY SHARES FOR CASH AT A PRICE OF Rs. [•] PER EQUITY SHARE AGGREGATING UP TO Rs. 1,687.50 MILLION (THE "GREEN SHOE OPTION"). THE ISSUE AND THE GREEN SHOE OPTION, IF EXERCISED IN FULL, WILL AGGREGATE TO [•] EQUITY SHARES AMOUNTING TO RS. [•]. THE ISSUE WILL CONSTITUTE [•]% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF THE COMPANY ASSUMING THAT THE GREEN SHOE OPTION IS NOT EXERCISED AND [•]% ASSUMING THAT THE GREEN SHOE OPTION IS EXERCISED IN FULL.

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

In case of revision in the Price Band, the Bidding Period will be extended for three additional working days after the revision of the Price Band subject to the Bidding Period not exceeding 10

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

In terms of Rule 19(2) (b) of the Securities Contracts (Regulation) Rules, 1957, as amended, this being an Issue for less than 25% of the post Issue paid-up equity capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), ("QIB Portion"). Provided that our Company may allocate up to 30% of the QIB Portion, to Anchor Investors, on a discretionary basis ("Anchor Investor Portion"). For details, see "Issue Procedure" on page 344. Further 5% of the QIB Portion less Anchor Investor Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to Nutual Funds. Subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation on a proportionate basis to received at or above the Issue Price.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of the Company, there has been no formal market for the Equity Shares of the Company. The face value of the Equity Shares is Rs. 10 per Equity Share and the Floor Price is [•] times the face value and Cap Price is [•] times the face value. The Issue Price (as determined by the Company in consultation with the Book Running Lead Managers on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process and as stated in "Basis for Issue Price" on page 74) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of the Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issue and the Issue, including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is drawn to the section titled "*Risk Factors*" on page 10.

IPO GRADING

This Issue has been graded by [•] as [•], indicating [•]. The IPO grade is assigned on a five -point scale from 1 to 5, with IPO grade 5/5 indicating strong fundamentals and IPO grade 1/5 indicating poor fundamentals. For details, see "General Information" on page 43.

ISSUER'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 make this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING ARRANGEMENT

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

BOOK RUNNING LEAD MANAGERS REGISTRAR					
JM FINANCIAL	ENAM	J.P.Morgan		kotak [®] Investment Banking	[•]
JM FINANCIAL CONSULTANTS PRIVATE LIMITED 141 Maker Chamber III, Nariman Point Mumbai 400 021, India Tel: (91 22) 6630 3030 Fax: (91 22) 2204 7185 Email:ambienceipo@jmfinan cial.in Website: www.jmfinancial.in Contact person: Ms. Naazneen Yazdani SEBI REG: INM000010361 Investor Grievance E-mail: grievance.ibd@jmfinancial.in	ENAM SECURITIES PRIVATE LIMITED 801, Dalamal Towers Nariman Point, Mumbai 400 021, India Tel: (91 22) 6638 1800 Fax: (91 22) 2284 6824 Email: ambience.ipo@enam.co m Website: www.enam.com Contact Person: Mr. Akash Aggarwal SEBI REG: INM000006856 Investor Grievance E- mail:complaints@enam.c om	J.P. MORGAN INDIA PRIVATE LIMITED 9th floor, Mafatlal Centre Nariman Point Mumbai 400021. India Tel: (91 22) 2285 5666 Fax: (91 22) 6639 3091 Email: ambience_ipo@jpmchase.c om Website: www.jpmipl.com SEBI Registration No.: INM000002970 Contact Person:Anjan Agarwal Investor Grievance Id: investorsmb.jpmipl@jpmo rgan.com	MACQUARIE CAPITAL ADVISERS (INDIA) PRIVATE LIMITED Level 3, Mafatlal Centre Nariman Point Mumbai 400 021, India Tel: (91) 22 4230 1200 Fax: (91) 22 4230 1200 Fax: (91) 22 4002 8707 Email:project.ambience@mac quarie.com Website: www.macquarie.com/in SEBI Registration No: INM000010932 Contact Person: Ms. Shradha Kejriwal Investor Grievance Id: MSGrievanceRedressel@mac quarie.com	KOTAK MAHINDRA CAPITAL COMPANY LIMITED 3 rd Floor, Bakhtawar, 229, Nariman Point, Mumbai 400 021, India Tel: +91 22 6634 1100, Fax: +91 22 2284 0492 E-mail: ambience.ipo@kotak.com Website: www.kmcc.co.in SEBI Registration No.: INM000008704 Contact Person: Mr. Chandrakant Bhole Investor Grievance E- mail: kmccredressal@kotak.co m	[•]
BID/ISSUE PROGRAMME*					

[•]

BID/ISSUE OPENS ON [•] BID/ISSUE CLOSES ON

*Anchor Investors shall submit their Bid one day before the Bid Opening Date

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SECTION I: GENERAL DEFINITIONS AND ABBREVIATIONS

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

Term	Description
"Ambience Limited", or	Refers to Ambience Limited, a public limited company incorporated under the
"the Issuer"	Companies Act, 1956 on a stand alone basis
"the Company", "our Company", "we", "us" or "our",	Unless the context otherwise requires, "Ambience Limited" and its Subsidiaries on a consolidated basis
Ambience Developers / ADIPL	Ambience Developers and Infrastructure Private Limited

Term	Description
AoA/ or Articles of	Articles of Association of our Company, as amended
Association	
Architects	A.K. Ganju & Associates, Grid Architecture Interiors Private Limited and Achal
	Kataria Architects
Audit Committee	The Committee of Directors constituted as the Company's Audit Committee in
	accordance with Clause 49 of the Listing Agreement to be entered into with the Stock
	Exchanges
Auditor	The statutory auditors of our Company, BLY & Associates, Chartered Accountants
Board/ Board of Directors	Board of Directors of our Company, or a committee thereof duly constituted
Corporate Office	The corporate office of our Company located at L-5 & L-6, Green Park Extension, New Delhi 110 016, India
Directors	Directors of our Company, unless otherwise specified
Developable Area	Total area we develop in a property, and includes carpet area, wall area, common area, service and storage area, and basement area including car parking
Group Entities	Includes those companies, firms and ventures disclosed in the section "Our Promoters and Group Entities " on page 142, promoted by our Promoters, irrespective of whether such entities are covered under section 370(1)(B) of the Companies Act
Land Reserves	Land for which the registered title is owned by the Company, its Subsidiaries and third parties that have granted us sole development rights, land leased or allotted (including provisional allotments) to us by relevant local authorities or in relation to which our bid has been accepted by the relevant local authorities and land in respect of which the Company or its Subsidiaries have entered into an agreement or memorandum of understanding to purchase
MoA/Memorandum of Association	Memorandum of Association of our Company
Ongoing Projects	Projects that are currently under development and construction
Planned Projects	Projects that are currently planned for construction and development in the future
Promoters	Mr. Raj Singh Gehlot, Mrs. Sheela Gehlot, Mr. Aman Singh Gehlot, Mr. Arjun Singh Gehlot and Raj Singh & Sons (HUF)
Promoter Group	In addition to our Promoters, includes such persons and entities constituting our promoter group pursuant to Regulation 2(zb) of the ICDR Regulations namely i) Mrs. Shanti Devi, ii) Mr. Saheb Singh, iii) Mr. Dayanand Singh, iv) Mr. Mohan Singh, v) Mrs. Sukhwanti Devi; vi) Mrs. Kulwanti Devi; vii) Mrs. Rajwanti Devi; viii) Mrs. Sunita Chaudhary; ix) Mrs. Bharpal Devi; x) Mr. Shekhar Singh; xi) Mr. Raghubinder Singh, xii) Mr. Balwinder Singh; xiii) Mr. Swaran Singh; xiv) Mr. Shyam Lal; xv) Mrs. Shymo Devi; xvi) Mrs. Usha Devi; xvii) Mrs. Nutan Gehlot; and xviii) Mrs. Kanta.
	The companies which are a part of the Promoter Group are i) Aman Growth Fund Private Limited; ii) Aman Holdings Private Limited; iii) Nutan Growth Fund Private Limited; iv) Raj Sheela Growth Fund Private Limited; v) Ambience Hotels and Resorts Limited; vi) Aman Hospitality Private Limited; vii) Ambience Holdings Limited; viii) Times Steel and Power Limited; ix) Vijeta Properties Private Limited; x) Ambience Financial Services Private Limited; and xi) Ambience Projects Private Limited.

Company Related Terms

Term	Description
Registered Office	The registered office of our Company located at L - 4, Green Park Extension, New Delhi 110 016, India
Saleable Area	Refers to the part of the Developable Area relating to our economic interest in such property
Subsidiaries	Subsidiaries of our Company as referred to in "History and Certain Corporate Matters" on page 122

Issue Related Terms

Term	Description
Allotment/Allot	The allotment of Equity Shares pursuant to this Issue to the successful Bidders
ASBA Bid cum Application	The form, whether physical or electronic, used by an ASBA Bidder to make a Bid,
Form	which will be considered as the application for Allotment for the purposes of the Red
	Herring Prospectus and the Prospectus
ASBA Bidder	Any Resident Retail Individual Bidder who intends to apply through ASBA and (i) is
	bidding at Cut-off Price, with a single option as to the number of Equity Shares; (ii) is
	applying through blocking of funds in a bank account with the SCSB; (iii) has agreed
	not to revise his/her Bid; and (iv) is not bidding under any of the reserved categories
ASBA / Application	The application (whether physical or electronic) used by a Resident Retail Individual
Supported by Blocked Amount	Bidder to make a Bid authorizing the SCSB to block the Bid Amount in his/her specified bank account maintained with the SCSB
ASBA Public Issue Account	A bank account of our Company, under Section 73 of the Companies Act where the
	funds shall be transferred by the SCSBs from the bank accounts of the ASBA Bidders
Allottee	A successful Bidder to whom Equity Shares are being / have been Allotted
Anchor Investor	A Qualified Institutional Buyer, who makes a minimum Bid of Rs. 100 million under
	the Anchor Investor Portion
Anchor Investor Issue Price	The final price at which Equity Shares will be issued and Allotted in terms of the Red Herring Prospectus and the Prospectus to the Anchor Investors, which will be a price
	equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor
	Investor Issue Price will be decided by our Company in consultation with the BRLMs
	prior to the Bid Opening Date
Anchor Investor Margin	An amount representing 25% of the Bid Amount payable by Anchor Investors at the
Amount	time of submission of their Bid
Anchor Investor Portion	Up to 30% of the QIB Portion, equal to a maximum [•] of Equity Shares of the
	Company to be allocated to Anchor Investors on a discretionary basis, out of which [•]
	Equity Shares shall be reserved for Mutual Funds
Anchor Investor Bidding Date	The date one day prior to the Bid Opening Date, prior to or after which the Syndicate
	will not accept any Bids from Anchor Investors
BRLMs/ Book Running Lead	JM Financial Consultants Private Limited, Enam Securities Private Limited, J.P. Morgan
Managers	India Private Limited, Macquarie Capital Advisers (India) Private Limited and Kotak Mahindra Capital Company Limited
Banker(s) to the Issue	
Bid	An indication to make an offer during the Bidding Period by a Bidder, or on the
	Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid
	cum Application Form to subscribe to our Equity Shares at a price within the Price
	Band, including all revisions and modifications thereto
	For the purposes of ASBA Bidders, it means an indication to make an offer during the
	Bidding Period by a Retail Resident Individual Bidder pursuant to the submission of an
	ASBA Bid cum Application Form to subscribe to the Equity Shares at Cut-off Price
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and
	payable by a Bidder on submission of a Bid in the Issue
Bid Closing Date	Except in relation to Anchor Investors, the date after which the Syndicate and SCSBs
	will not accept any Bids, which shall be notified in an English national newspaper and
	a Hindi national newspaper (which is also the regional newspaper), each with wide
Pid Opening Data	circulation Exact in relation to Anchor Investors, the data on which the Sundicate and SCSPs
Bid Opening Date	Except in relation to Anchor Investors, the date on which the Syndicate and SCSBs shall start accepting Bids, which shall be notified in an English national newspaper and
	a Hindi national newspaper (which is also the regional newspaper), each with wide
	circulation
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to purchase Equity Shares
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Term	Description
	pursuant to the terms of the Red Herring Prospectus and the Prospectus including the ASBA Bid cum Application as may be applicable
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form, including an ASBA Bidder and Ancho Investor
Bidding Period	The period between the Bid Opening Date and the Bid Closing Date, inclusive of both days during which prospective Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof
Book Building Process	Book building process as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which this Issue is being made
Business Day	Any day other than Saturday and Sunday on which commercial banks in Mumbai India are open for business
CAN/ Confirmation of Allocation Note	Except in relation to Anchor Investors, the note or advice or intimation of allocation of Equity Shares sent to the successful Bidders who have been allocated Equity Share after discovery of the Issue Price in accordance with the Book Building Process including any revisions thereof
	In relation to Anchor Investors, the note or advice or intimation of allocation of Equit Shares sent to the successful Anchor Investors who have been allocated Equity Share after discovery of the Anchor Investor Issue Price, including any revisions thereof
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized an above which no Bids will be accepted, including any revisions thereof
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the BRLMs, the Registrar to th Issue and the Stock Exchanges, a list of which is provided o http://www.sebi.gov.in/pmd/scsb.pdf
Cut-off Price	The Issue Price finalized by our Company in consultation with the BRLMs which sha be any price within the Price Band. Only Retail Individual Bidders are entitled to Bi at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidder are not entitled to Bid at the Cut-off Price
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Forr used by ASBA Bidders and a list of which is available o http://www.sebi.gov.in/pmd/scsb.pdf
Designated Date	The date on which funds are transferred from the Escrow Account(s) to the Publi Issue Account and the amount blocked by the SCSBs are transferred from the ban account of the ASBA Bidders to the ASBA Public Issue Account, as the case may be after the Prospectus is filed with the RoC, following which the Board of Directors sha Allot Equity Shares to the Allottees
Designated Stock Exchange	NSE
Draft Red Herring Prospectus	This Draft Red Herring Prospectus dated September 25, 2009 filed with SEBI an issued in accordance with Section 60B of the Companies Act, which does not contai complete particulars on the price at which the Equity Shares are offered and the siz (in terms of value) of the Issue
Eligible NRI	An Non Resident Indian in a jurisdiction outside India where it is not unlawful to mak an offer or invitation under the Issue and in relation to whom the Red Herrin Prospectus will constitute an invitation to subscribe for the Equity Shares
Enam	Enam Securities Private Limited
Equity Shares	Equity Shares of our Company of Rs. 10 each
Escrow Account (s)	Account(s) opened with the Escrow Collection Bank(s) for the Issue and in whos favour the Bidder (excluding ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount
Escrow Agreement	Agreement to be entered into among our Company, the Registrar, the BRLMs, th Syndicate Members and the Escrow Collection Bank(s) for collection of the Bi Amounts and remitting refunds, if any of the amounts to the Bidders (excluding ASBA Bidders) on the terms and conditions thereof
Escrow Collection Bank(s)	The bank(s) which is a/ are clearing members and registered with SEBI as Bankers t the Issue with whom the Escrow Account will be opened, in this case being $[\bullet]$
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revisio Form or the ASBA Bid cum Application Form
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalized and below which no Bids will be accepted including any revisions thereof
Green Shoe Lender	Aman Holdings Private Limited
Green Shoe Option or GSO	An option to allocate Equity Shares in excess of the Equity Shares included in th Issue and operate a post-listing price stabilization mechanism in accordance wit Regulation 45 of the ICDR Regulations, which is to be exercised through th

Term	Description Stabilizing Agent
	Stabilizing Agent
Green Shoe Option Portion	Up to 15% of the Issue or [•] Equity Shares aggregating up to Rs. 1,687.50 million, is exercised in full
GSO Bank Account	The bank account to be opened by the Stabilizing Agent pursuant to the Stabilizing Agreement on the terms and conditions thereof
GSO Demat Account	The demat account to be opened by the Stabilizing Agent pursuant to the Stabilizing Agreement on the terms and conditions thereof
Issue	This public issue of [•] Equity Shares of Rs. 10 each at the Issue Price by our Company aggregating up to Rs. 11,250 million. There will also be a green shoe option of up to [•] Equity Shares for each at a price of Rs. [•] per Equity Shares aggregating to Rs. 1,687.50 million.
Issue Price	The final price at which Equity Shares will be issued and Allotted to the Bidder, which may be equal to or less than the Anchor Investor Issue Price, in terms of the Rec Herring Prospectus and the Prospectus. The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date
JM Financial	JM Financial Consultants Private Limited
JP Morgan	J.P. Morgan India Private Limited
Loaned Shares	Up to [•] Equity Shares loaned by the Green Shoe Lender pursuant to the terms of the Stabilization Agreement on the terms and conditions thereof
Macquarie	Macquarie Capital Advisers (India) Private Limited
Margin Amount	Except in relation to Anchor Investor Margin Amount, the amount paid by the Bidde at the time of submission of Bid, being 10% to 100% of the Bid Amount
Monitoring Agency	IFCI Limited
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations 1996, as amended
Mutual Fund Portion	5% of the Net QIB Portion equal to a minimum of [•] Equity Shares available fo allocation to Mutual Funds only on a proportionate basis
Net Proceeds	Proceeds of the Issue that are available to our Company, excluding the Issue related expenses
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors, being a minimum of [•] Equity Shares to be Allotted to QIB's on a proportionate basis
Non Institutional Bidders	All Bidders, including sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals, that are not QIBs (including Anchor Investors) or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000
Non Institutional Portion	The portion of the Issue being not less than [•] Equity Shares available for allocation to Non Institutional Bidders
Pay-in Date	Except with respect to ASBA Bidders, the Bid Closing Date or the last date specified in the CAN sent to Bidders, as applicable and which shall with respect to the Anchor Investors, be a date not later than two days after the Bid Closing Date
Pay-in-Period	Except with respect to ASBA Bidders, those Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid Opening Date and extending until the Bid Closing Date; and
	With respect to Bidders, except Anchor Investors, whose Margin Amount is less that 100% of the Bid Amount, the period commencing on the Bid Opening Date and extending until the last date specified in the CAN.
	With respect to Anchor Investors, the Anchor Investor Bidding Date and the las specified in the CAN which shall not be later than two days after the Bid Closing Date
Price Band	Price band of a minimum Floor Price of Rs. [•] and a maximum Cap Price of Rs. [• respectively including revisions thereof
Pricing Date	The date on which our Company in consultation with the BRLMs will finalize the Issue Price
Prospectus	The Prospectus to be filed with the RoC in terms of Section 60 of the Companies Act containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account on the Designated Date
QIB Margin Amount	An amount representing at least 10% of the Bid Amount payable by QIBs (other than Anchor Investors) at the time of submission of their Bid
Qualified Institutional Buyers	Public financial institutions as defined in Section 4A of the Companies Act, FIIs and

Term	Description
or QIBs	sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, scheduled commercial banks, mutual funds registered
	with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million and the National Investment Fund set up by
	resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
QIB Portion	The portion of the Issue being a minimum [•] Equity Shares to be Allotted to QIBs, including the Anchor Investor Portion
Refund Account(s)	Account(s) opened with Escrow Collection Bank(s) from which refunds of the whole or part of the Bid Amount (excluding to the ASBA Bidders), if any, shall be made
Refund Banker(s)	The bank(s) which is $a/are clearing member(s) and registered with the SEBI as Bankers to the Issue, at which the Refund Accounts will be opened, in this case being [\bullet]$
Registrar/ Registrar to the Issue	Registrar to the Issue in this case being [•]
Resident Retail Individual Bidder	Retail Individual Bidder who is a person resident in India as defined in the Foreign Exchange Management Act, 1999 and who has Bid for Equity Shares for an amount not more than Rs. 100,000 in any of the bidding options in the Issue
Retail Individual Bidder(s)	Individual Bidders (including HUFs and NRIs) who have Bid for Equity Shares for an amount less than or equal to Rs. 100,000 in any of the bidding options in the Issue
Retail Portion	The portion of the Issue being up to [•] Equity Shares available for allocation to Retail Bidder(s)
Revision Form	The form used by the Bidders (excluding ASBA Bidders) to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
Red Herring Prospectus/RHP	The Red Herring Prospectus which will be filed with RoC in terms of Section 60B of the Companies Act, at least three days before the Bid Opening Date and will become a Prospectus after filing with the RoC after the Pricing Date
RoC	Registrar of Companies, National Capital Territory of Delhi and Haryana
Self Certified Syndicate Bank/ SCSB	The banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of bank account, a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
SCSB Agreement	The agreement to be entered into between the SCSBs, the BRLMs, the Registrar to the Issue and our Company only in relation to the collection of Bids from the ASBA Bidders
Stock Exchanges	The BSE and the NSE
Stabilization Agent	JM Financial Consultants Private Limited
Stabilizing Agreement	The agreement entered into by the Company, the Green Shoe Lender and the Stabilizing Agent dated September 24, 2009 in relation to the Green Shoe Option.
Stabilization Period	The period commencing on the date of obtaining trading permission from the Stock Exchanges in respect of the Equity Shares in the Issue and ending 30 calendar days thereafter unless terminated earlier by the Stabilizing Agent in accordance with the Stabilization Agreement
Syndicate	The BRLMs and the Syndicate Members
Syndicate Agreement	Agreement among the Syndicate, our Company in relation to the collection of Bids (excluding Bids from the ASBA Bidders) in this Issue
Syndicate Members	[•]
Takeover Code	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended
TRS/ Transaction Registration Slip	The slip or document issued only on demand by the Syndicate or the SCSB to the Bidder as proof of registration of the Bid
Underwriters	The BRLMs and the Syndicate Members
Underwriting Agreement	The Agreement between the Underwriters and our Company to be entered into on or after the Pricing Date

Conventional and General Terms

Term	Description
Companies Act	Companies Act, 1956 as amended
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996 as amended

Term	Description
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations
	2000 as amended
Financial Year/ fiscal	Period of 12 months ended March 31 of that particular year
ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009
Indian GAAP	Generally Accepted Accounting Principles in India
Mn / mn	Million
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
P/E Ratio	Price/Earnings Ratio
RBI Act	Reserve Bank of India Act, 1934
Rs.	Indian Rupees
SEBI Act	Securities and Exchange Board of India Act 1992, as amended
Sec.	Section
State Government	The government of a state of Union of India
Stock Exchange(s)	BSE and NSE
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and
	Takeovers) Regulations, 1997 as amended
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/ US\$	United States Dollars
VUDA	Visakhapatnam Urban Development Authority

Technical/Industry Related Terms

Term	Description
Acre	Equals 43,560 sq. ft
ERP	Enterprise Resource Planning
FSI	Floor Space Index, which means the quotient of the ratio of the combined gross floor
	area of all floors, excepting areas specifically exempted, to the total area of the plot
IOD	Intimation of Disapproval
LOI	Letter of Intent
MoU	Memorandum of Understanding
Sq. ft.	Square Feet
Sq. meters	Square Meters
SEZ	Special Economic Zone and includes Information Techonology / Information
	Technology Enabled Services
TCPD	Town and Country Planning Department

Abbreviations

Term	Description
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
AY	Assessment Year
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Company Identification Number
DP ID	Depository Participant's Identity
ECB	External Commercial Borrowing
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
EPS	Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 as amended read with rules and regulations thereunder
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investor) Regulations, 1995 registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the SEBI (Foreign Venture Capital Investor) Regulations, 2000
GDP	Gross Domestic Product
GNIDA	Greater Noida Industrial Development Authority

Term	Description
GoI/Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
I.T. Act	The Income Tax Act, 1961, as amended
IPO	Initial Public Offering
NA	Not Applicable
NAV	Net Asset Value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of Profit and Loss account, divided by number of issued equity shares
NCR	National Capital Region
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NOIDA	New Okhla Industrial Development Authority
NR	Non Resident
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Foreign Security by a Person resident outside India) Regulations, 2000. OCBs are not allowed to invest in this Issue.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
PIO	Persons of Indian Origin
PLR	Prime Lending Rate
RBI	The Reserve Bank of India
RoC	The Registrar of Companies, NCT of Delhi and Haryana
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCB	Scheduled Commercial Banks
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
UIN	Unique Identification Number
US / USA	United States of America

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Land Reserves

In this Draft Red Herring Prospectus, references to "Land Reserves" are to land for which the registered title is owned by the Company, its Subsidiaries and third parties that have granted us sole development rights, land leased or allotted (including provisional allotments) to us by relevant local authorities or in relation to which our bid has been accepted by the relevant local authorities and land in respect of which the Company or its Subsidiaries have entered into an agreement or memorandum of understanding to purchase.

Financial Data

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our restated consolidated financial statements, prepared in accordance with Indian GAAP and the ICDR Regulations, which are included in this Draft Red Herring Prospectus, and set out in *"Financial Statements"* on page 152. Our financial year commences on April 1 and ends on March 31.

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

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

Currency and Units of Presentation

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US\$" or United States Dollars are to the official currency of the United States of America. Except where specified, in this Draft Red Herring Prospectus, all figures have been expressed in "millions".

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry 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.

Exchange Rates

The following table shows the exchange rate of USD into Rupees:

	Year/ Month End	Average	High	Low
Year				
2005	43.75	44.95	46.46	43.36
2006	44.61	44.28	46.33	43.30
2007	43.59	45.29	46.95	43.14
2008	39.97	40.24	43.15	39.27
2009	50.95	45.91	52.06	39.89
Month				
April, 2009	50.22	50.06	50.53	49.49
May, 2009	47.29	48.53	49.83	47.19
June, 2009	47.87	47.77	48.91	46.84
July, 2009	48.16	48.48	49.40	47.79
August, 2009	48.88	48.34	48.34	48.34

(Source: RBI website as on September 20, 2009)

FORWARD-LOOKING STATEMENTS

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

- the performance of the real estate market and the availability of real estate financing in India;
- our ability to complete the acquisition of land in relation to our Planned Projects and complete the development of our Ongoing and Planned Projects in a timely manner;
- the extent to which sale proceeds differ from our land valuations;
- our ability to manage our growth effectively;
- our ability to finance our business and growth, and obtain financing on favourable terms;
- our ability to replenish our land reserves and identify suitable projects;
- the extent to which our projects qualify for percentage of completion revenue recognition;
- impairment of our title to land;
- our ability to compete effectively, particularly in new markets and businesses;
- our ability to anticipate trends in and suitably expand our current business lines;
- raw material costs;
- the continued availability of applicable tax benefits;
- our dependence on key personnel;
- the outcome of legal or regulatory proceedings that we are or might become involved in;
- contingent liabilities, environmental problems and uninsured losses;
- our ability to obtain relevant government approvals in relation to our projects;
- changes in government policies and regulatory actions that apply to or affect our business; and
- developments affecting the Indian economy and, in particular, the NCR.

For a further discussion of factors that could cause our actual results to differ, see "*Risk Factors*" on page 10. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither we, our Directors, any member of the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the BRLMs and the Company will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

SECTION II: RISK FACTORS

An investment in equity shares involves a 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. You should read this section in conjunction with the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 92 and 254, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. Unless otherwise stated in the risk factors set forth below, we are not in a position to quantify the financial or other risks mentioned therein. If any one, or some combination, of the following risks were to occur, our business, results of operations and financial condition could be seriously harmed, the trading price of the Equity Shares could decline and you may lose all or part of your investment.

The risks described below are not the only risks that we face. Additional risks not presently known to us or that we currently believe to be immaterial could also have a material adverse effect on our business, results of operations and financial condition.

Internal Risk Factors and Risks Relating to our Business

1. Our Promoter, Mr. Raj Singh Gehlot and certain of our Directors are involved in criminal proceedings.

Our promoter, Mr. Raj Singh Gehlot and our Directors, Mr. Dayanand Singh and Mr. Mohan Singh, are involved in certain criminal proceedings. Following the filing and registration of a first information report, the State of Delhi filed a charge report before the Metropolitan Magistrate, New Delhi against Mr. Raj Singh Gehlot, Mr. Dayanand Singh and others alleging the commission of offences under the Indian Penal Code, 1890, specifically, the fabrication of conveyance documents concerning property no. C-7, Haus Khas Enclave, New Delhi. The Magistrate, through his order dated July 5, 2007, has framed charges against the accused persons. The matter is now listed for further proceedings on December 8, 2009. For details see "*Outstanding Litigation and Material Developments*" on page 287.

There are also four other criminal proceedings involving Mr. Raj Singh Gehlot. These proceedings comprise a claim for alleged threat to peace and tranquility which has been brought by a private party in relation to a dispute regarding the ownership of a room at 2/21, Sarvapriya Vihar, New Delhi and claims alleging the commission of offences under the Indian Penal Code, 1890 relating to cancellation of allotment of spaces at Ambience Mall, Gurgaon and Ambience Mall, Vasant Kunj. Further, the State of Delhi has registered two first information reports ("**FIRs**") against Mr. Mohan Singh alleging the commission of offences under the Indian Penal Code, 1890 in relation to a dispute that arose with his neighbor and an accident involving a labourer at the Ambience Mall, Vasant Kunj. For details see "*Outstanding Litigation and Material Developments*" on page 287. Any adverse order could have could have an adverse effect on our Company's business.

2. Our Company and certain of its Subsidiaries, Promoters and Directors were subjected to search and seizure operations conducted by the Indian income tax authorities.

Our Company, certain Subsidiaries, our Promoters (including some individuals constituting our Promoter Group), certain Group Entities, and certain Directors (namely Mr. Dayanand Singh and Mr. Mohan Singh) (each a "**Person**", and collectively referred to as the "**Persons**") were subject to a search operation dated October 10, 2007 by the Deputy Director of Income Tax ("**DDIT**") at their respective registered/corporate offices and residential premises wherein documents, cash and jewellery owned by the Persons were seized. After completion of the investigation, each Person has received six notices dated February 2, 2009 from the Deputy Commissioner of Income Tax ("**DCIT**"), under section 153A of the IT Act, wherein they were required, within 15 days of service of the notice, to prepare true and correct in come tax returns in respect of assessment years 2002-03, 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08 (including the undisclosed income). In responses dated March 12, 2009, each Person replied to the DCIT stating that the returns were in process and requesting a filing extension in respect thereof. The extension request was denied in a letter from the Assistant Commissioner of Income Tax ("**ACIT**") dated July 7, 2009, and the ACIT issued six additional notices to each Persons requiring them to furnish the returns for the assessment years mentioned above on or before July 20, 2009. Accordingly, each Person filed a reply dated July 22, 2009 furnishing the required income tax returns.

Each Person has also received a notice dated February 2, 2009 from the DCIT in connection with tax assessment year 2008-09. These notices were issued under section 142(1) of the IT Act. Each Person has been asked to prepare true and correct income tax returns in respect of the assessment year mentioned above. The DCIT had ordered the Persons to file such returns on or before February 20, 2009. In their response dated March 12, 2009, the Persons stated that they had already filed their income tax return for assessment year 2008-09 on September 29, 2008. A copy of the acknowledgement relating to the filed tax returns was included with the Persons' response, and said response was received the DCIT on March 25, 2009. In a letter dated July 13, 2009 the ACIT requested the Persons to file a hard copy of the return by July 22, 2009. The Persons then filed a reply dated July 22, 2009 furnishing the income tax return for the assessment year 2008-09. The assessment proceedings are currently pending.

For details, see "*Outstanding Litigation and Material Developments*" on page 287. The tax liability that may arise on this account, if any, is presently unascertainable and will be determined upon conclusion of the proceedings.

3. We are subject to risks related to debt financing, as our business is heavily dependent on the availability of real estate financing in India. Nearly all of our indebtedness is at a floating rate of interest. Further, our indebtedness and the conditions and restrictions imposed by our financing arrangements could adversely affect our ability to conduct our business.

The real estate development industry is capital intensive and requires significant expenditures for land acquisition, development and construction.

We have incurred substantial indebtedness to finance the development of our projects. As at March 31, 2009, we had total debt of Rs. 27,343.81 million, comprising Rs. 26.613.11 million in secured loans and Rs. 730.71 million of unsecured loans on a consolidated basis, of which Rs. 26,377.37 millions was at a floating rate of interest. Our debt-to-equity ratio as at March 31, 2009 was 5.19. The level of debt and the limitations imposed on us by our current or future loan arrangements could have significant adverse consequences, including, but not limited to, the following:

- we may be required to dedicate a portion of our cash flow towards repayment of our existing debt, which will reduce the availability of cash flow to fund working capital, capital expenditures, acquisitions and other general corporate requirements; for instance, under our financing arrangement with Housing Development Finance Corporation Limited ("**HDFC**"), we have undertaken to repay HDFC the loan amounts of Rs. 1,900 million and Rs. 750 million, by adjusting 32% and 20% of sales receipts, respectively towards principal repayments;
- our ability to obtain additional financing in the future may be impaired;
- increases in interest rates will adversely affect the cost of our borrowings, as nearly all of our borrowings are at a floating rate of interest; and
- if we are unable to service our indebtedness or otherwise comply with the financial covenants of such indebtedness it could have a material adverse effect on our business, financial condition and results of operations.

Most of our loan agreements contain restrictive covenants, including, but not limited to, requirements that we obtain consent from the lenders prior to altering our capital structure, effecting any scheme of amalgamation or reconstitution, declaring a dividend, and creating any charge or lien on the security and expanding the business. Some of our loan agreements contain financial covenants that require us to maintain a specified margin in favour of the bank. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain necessary consents from our lenders. Further, we have, in the past rescheduled some of loans to suit our changing business requirements. A default in any of our loan agreements, if not cured, or waived, may entitle the lender among other things, to take possession of the properties that are mortgaged as securities, or invoke any other legal remedies available to it, to dispossess us of the property offered as security for the loans. If we lose possession or clear title to these properties and are unable to develop such properties, our results of operations and financial condition may be adversely affected. Accordingly, our Company may be required to repay loans availed in the event of default or otherwise. Any such demand for

repayment of the unsecured loans, may materially and adversely affect our business, results of operations and financial condition. For further details see "*Financial Indebtedness*" on page 281.

Further, under current external commercial borrowing guidelines of the Reserve Bank of India, until December 31, 2009, external commercial borrowings cannot be utilised for investment in real estate, except by corporations engaged in the development of integrated townships with prior approval of the Reserve Bank of India. Changes in the global and Indian credit and financial markets have recently significantly diminished the availability of credit and led to an increase in the cost of financing. If we do not have access to additional funds, we may be required to delay or abandon some or all of our Planned Projects or to reduce capital expenditures, advances to obtain land development rights and the scale of our operations. In the event that we are unable to raise additional capital as a result of the conditions set forth above or other restrictions, it could materially and adversely affect our business, financial condition and results of operation.

4. We have entered into agreements for the acquisition of land. There is no assurance that we will be able to acquire these lands. We also undertake projects on land owned by third parties pursuant to development agreements, which entail certain risks.

As part of our land acquisition process, we have entered into agreements to purchase land prior to the transfer of interest or the conveyance of title of the land. We propose to acquire 143.66 acres or approximately 17.59% of our Land Reserves, pursuant to these agreements. See "*Our Business - Our Land Reserves*" on page 100. Since we do not acquire ownership with respect to such land upon the execution of such agreements, transfer of title with respect to such land is subject to, among other things, completion of satisfactory due diligence by us and payment of the balance of the consideration owed for such land. As a result, we are subject to the risk that pending such payment of consideration or our due diligence, sellers may transfer the land to other purchasers or that we may never acquire title with respect to such land, which could have an adverse impact on our business. Further, we have entered into these agreements after paying certain advance payments to ensure that the sellers of the land satisfy certain conditions stipulated under these agreements. There can be no assurance that these sellers will be able to satisfy the stipulated conditions in a timely manner or at all.

In the event that we are not able to acquire this land, we may not be able to recover all or part of the advance monies paid by us to these third parties, which amounts to approximately Rs. 67.64 million as of July 31, 2009. Further, in the event that these agreements are either invalid or have expired, we may lose the right to acquire these lands and also may not be able to recover the advances made in relation to such lands. Any failure to complete the purchases of land, renew the agreements relating to such land purchases on terms acceptable to us or recover the advance monies from the relevant counterparties could adversely affect our business, financial condition and results of operations.

We have also entered, either directly or through our Subsidiaries, into development agreements with third parties in respect of some of our projects. In these projects, the title to the land is owned by one or more of these third parties and we or our Subsidiaries acquire the sole development rights to the land. These development agreements confer to us the rights to construct, develop, market and sell the built-up area on the land to buyers. Such projects involve working together with several third parties and our relationships with these third parties are governed by the development agreements. Though we are generally empowered to make all operating decisions for the development of these projects, we may be required to make certain decisions in consultation with such third parties. Further, these development agreements are terminable by either party upon the occurrence of a breach of the terms of the development agreements. If any sole development agreement that we enter into with third party in respect of a parcel of land is terminated upon the occurrence of a breach, we may not be able to carry on any developments on such land.

5. Land allotted to us by government authorities is subject to certain conditions. Failure to comply with these conditions may result in imposition of penalties or in us being unable to develop such land.

Of our Land Reserves, 99.49 acres or 12.18%, comprise land that has been allotted (provisionally and finally) by government authorities. We are subject to continuing conditions in respect of such land which, among other things, include making installment payments within a stipulated timeframe and completing the construction within a specified schedule.

We have received provisional allotment of 44.25 acres from the Visakhapatnam Urban Development Authority ("**VUDA**") in respect of our "*Ambience City*" Planned Project, located in Vishakhapatnam. The transfer and possession of the land is subject to making timely payments of amounts outstanding, failure of which could

result in forfeiture of Rs. 118.37 million deposit by our Company and the cancellation of the allotment without any notice. We have paid Rs. 611.84 million, which is 64.61% of the purchase price, and have withheld the balance of installment payments on the grounds of encroachment on the land. Additionally, we have received an allotment letter for 37.62 acres in Sector 115, Noida from the New Okhla Industrial Development Authority ("NOIDA") in relation to another of our residential Planned Projects. The allotment letter is subject to various conditions including payment of half yearly installments within stipulated timeframes, the filing of an application for the building plan within three months of the execution of the lease deed, the commencement of construction within six months of the execution of lease deed and the completion of construction within four years of the execution of the lease deed. Failure to pay installments in a timely manner could result in the cancellation of the allotment without any notification and the forfeiture of payments made towards registration equaling Rs. 267.18 million. The failure to complete the construction within the stipulated timeframe may result in the imposition of penalties. We have paid Rs. 1,068.72 million, which is 40% of the purchase price, and have withheld the balance of installment payments on the grounds of encroachment on the land. While we have communicated the reasons for the delay in paying the balance amounts in relation to our "Ambience City" Planned Project and our Sector 115, Noida Planned Project to the respective authorities, there can be no assurance that the authorities will not cancel the allotments on account of our delay in payment of the balance amounts. For instance, our Company has received a show cause notice from the NOIDA advising us of the possible cancellation of the allotment for non-payment of the installments and interest relating thereto, and for non-execution of the lease deed. Our Company has responded to the show cause notice, contending that the terms of the allotment letter provide for the execution of the lease deed upon payment of 40% of premium payable under the allotment letter, and that the NOIDA has not complied with these terms. Our Company has also communicated its willingness to pay the balance of the premium upon the execution of the lease deed and the delivery to us of physical possession over the land. If NOIDA is not satisfied with the reply of our Company to the show cause notice, NOIDA may cancel the allotment of the land due to the delay in payment of the installment and the interest relating thereto and forfeit the amount paid as registration money.

We have executed a lease agreement dated December 19, 2008 with NOIDA, for 3.51 acres in Noida, Sector 50 in respect of one of our residential Planned Projects. The terms of the lease deed specify certain conditions including, payment of installments within stipulated timeframes, commencement of construction within six months from the date of execution of lease deed, submission of building plan approval within three months of execution of lease deed and completion of construction within a period of three years from the date of lease deed without any further notice or the imposition of a penalty. In addition, the lease deed requires our Company to submit a completion and occupation certificate and no-due certificate regarding full payment of consideration before sub-leasing, selling, transferring and parting with the possession of any portion of the land.

We have also received an allotment of 14.11 acres of land in Greater Noida from the Greater Noida Industrial Development Authority ("**GNIDA**") pursuant to letters dated March 4, 2008 for one of our commercial Planned Projects. The terms of the allotment letter also stipulate certain conditions including, execution of lease deed within a specified timeframe, payment of timely installments and completion of construction within a period of four years from the date of allotment or three and half years from the execution of lease deed, whichever is earlier. Further, non-execution of the lease deed by our Company within the stipulated period may result in cancellation of the allotment letter, the forfeiture of Rs. 778.82 million paid by us and we could be required to pay administrative charges as may be determined.

NOIDA and GNIDA, early this year, in view of the economic slowdown, both introduced a revised scheme to reschedule the payment of installments by defaulting real estate companies who have taken meaningful steps to implement their projects. For details of the scheme, see "*Regulations and Policies*" on page 116. We have applied under the schemes to reschedule the payment period in relation to our projects located in both Sector 50 Noida and Greater Noida. There can be no assurance that NOIDA and GNIDA will favourably respond to our applications.

If any of these risks materialize or if we fail to comply with the conditions mandated by the authorities, we may not be able to develop all of our Land Reserves in the manner we currently contemplate, or may be subject to penalties which could have a material adverse effect on our business, results of operations and financial condition.

6. Our title and development rights over land may be subject to legal uncertainties and defects. In addition, title insurance guaranteeing title or land development rights is not readily available in India.

There may be a number of uncertainties relating to land title in India, including, among other things, difficulties in obtaining title guarantees and fragmented or defective title. Title defects may result in the loss of our title over land. Title to lands 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 deeds and inadequate stamping, and may be subject to encumbrances of which we may not be aware. The difficulty of obtaining title guarantees in India means that title records provide only for presumptive rather than guaranteed title.

Additionally, we face various practical difficulties in verifying the title of a prospective seller or lessor of property. Indian law, for example, recognizes the ability of persons to effectuate a valid mortgage on an unregistered basis by the physical delivery of original title documents to a lender. Indian law also recognizes the concept of a Hindu undivided family, whereby all Hindu family members, including minor children, jointly own land and must consent to its transfer. Absent the consent of all family members a land transfer may be challenged by a non-consenting family member. Our title to land may be defective as a result of a failure on our part, or on the part of a prior transferee, to obtain the consent of all such persons. As each transfer in a chain of title may be subject to these and other defects, our title and development rights over land may be subject to various defects of which we are not aware. For these and other reasons, title insurance is not readily available in India. Specifically, there can be no assurance that persons from whom we have acquired sole development rights have valid title to the land and that their title is not liable to be challenged by any third party in the future. In the event of any claim of demand or adverse findings in respect of such land, the same may materially affect our business, results of operations and financial conditions. Further, in respect of 0.14 acres of land at Jasola, we have acquired sole development rights from persons who have been allotted land but have not yet to entered into sale deeds. The failure of those persons to obtain good title to the land could adversely impact our ability to develop our Ongoing Project at Jasola.

The uncertainty of title to land exposes the acquisition and development process to additional risks which may impede the transfer of title, expose us to legal disputes and adversely affect the value of our land. Legal disputes in respect of land title can take several years and considerable expense to resolve if they become the subject of court proceedings and their outcomes can be uncertain. We may lose our interest in the land if we or the owners of the land subject to our development agreements are unable to resolve, such disputes with these claimants. The failure to obtain good title with respect to land may materially prejudice the success of a development for which that land is a critical part and may require us to write-off expenditures in respect of the development.

We may not be able to assess or identify all the risks and liabilities associated with the land, such as faulty or disputed title, unregistered encumbrances or adverse possession rights. These or other title defects may result in our loss of title or development rights over land, and the cancellation of our development plans in respect of such land, negatively impacting our business, results of operations and financial condition. Prospective investors should note that neither our legal counsel nor the Underwriters' legal counsel is providing an opinion in respect of title to our Land Reserves. For details, relating to litigation involving our properties, see *"Outstanding Litigation and Material Developments"* on page 287.

7. 74.07% of the land forming part of our Land Reserves consists of agricultural land.

Of our total Land Reserves of 816.56 acres, approximately 604.89 acres comprises of agricultural land for which we have not yet obtained a certificate for change of land use. Of 604.89 acres, we have received letter of intent for development of approximately 314.81 acres and have applied / are in the process of applying for change of land use for approximately 290.08 acres of land. We can commence development on such land only upon receiving approvals from the relevant state authority for the conversion of its usage to commercial or residential purposes. The procedure for obtaining a certificate for change of land use varies from State to State. If the approvals from the relevant state authority for the conversion of such land for commercial or residential purposes are not granted in a timely manner, or at all, we may not be able to carry on any developments on such land. For more information, see "*Our Business*" on page 92.

8. Our Company owns less than 1% of our Land Reserves directly.

Out of our total Land Reserves of 816.56 acres, only 3.51 acres have been directly leased to our Company for a term of 90 years, which amounts to approximately 0.43% of our total Land Reserves. The balance land comprises land held directly by the Subsidiaries of our Company, land over which our Company has sole development rights and the land over which our Company holds rights either by the virtue of agreements to sell or allotment letters allotted by the relevant government authorities.

9. The real estate industry is undergoing a significant downturn which has, and could continue to adversely affect our business, liquidity and results of operations.

Economic developments outside India have adversely affected the property market in India and our overall business. Since the second half of 2007, the global credit markets have experienced, and may continue to experience, significant volatility which has originated from the adverse developments in the United States and the European Union credit and sub-prime residential mortgage markets. These and other related events, such as the recent collapse of a number of financial institutions, have had and continue to have a significant adverse effect on the availability of credit and the confidence of the financial markets, globally as well as in India.

In light of such recent events, the real estate industry is experiencing a significant downturn. An industry-wide softening of demand for property has resulted from a lack of consumer confidence, decreased affordability, decreased availability of mortgage financing, and large supplies of resale and new inventories. Industry conditions had an adverse effect on our business and results of operations during the fiscal year 2009.

In addition, market volatility has been unprecedented in recent months, and the resulting economic turmoil may continue to exacerbate industry conditions or have other unforeseen consequences, leading to uncertainty about future conditions in the real estate industry. These effects may be felt more acutely in the premium real property market in which we operate. These effects include, but are not limited to, decreases in the sales of, or market rates for, the residential development projects; delays in the release of certain of the residential projects in order to take advantage of future periods of more robust real estate demand; and inability of customers and key contractors to obtain credit to finance purchase of our properties or obtain working capital.

Continuation or worsening of this downturn or general economic conditions may adversely affect consumer confidence, affect the availability of credit and/or liquidity and would continue to have an adverse effect on our business, liquidity and results of operations.

10. We are subject to significant fluctuations in the market value of land and inventories and our business, financial condition and results of operations will be heavily dependent on the performance of, and the prevailing conditions affecting, the real estate market in northern India, in particular the National Capital Region.

772.31 acres of our Land Reserves are located across northern India, primarily in the National Capital Region ("NCR") representing approximately 94.58% of our Land Reserves. As a result, our business, financial condition and results of operations have been and will continue to be heavily dependent on the performance of, and prevailing conditions affecting, the real estate market in the NCR. During the past five years, the real estate market in the NCR has benefited from growth within India's IT/ITES sector; however, the global financial crisis and the subsequent softening of the IT/ITES sector has led to a softening in the real estate market within the NCR, particular with respect to office leasing. In particular, micro-markets such as Gurgaon, Noida and Greater Noida which had gained prominence as alternate destinations for commercial customers, have witnessed corrections in rental values by as much as 34%. (*Knight Frank, Office Market Review – Q1 2009*) This slowdown in real estate activity in the NCR could make projects in the NCR less economically beneficial and our business, financial condition and results of operations could be adversely affected.

11. We may not be able to replenish our Land Reserves by acquiring sites in strategic locations.

In order to grow our business, we will be required to replenish our existing Land Reserves with sites in strategic locations for development. Our ability to identify and acquire suitable sites is dependent on a number of factors that may be beyond our control. These factors include:

- the availability of suitable land;
- competition from other developers;
- the willingness of landowners to sell us land or grant us land development rights on attractive terms;
- our ability to make successful bids in relation to land owned by the Government;
- the ability to enter into agreements to sell or sales deeds with all the owners where land has multiple owners;
- the existence of encumbrances on targeted land; and
- Government directives on land use and the obtaining of permits and approvals for land acquisition and development.

12. Our Ongoing and Planned Projects are in the preliminary stages of planning and require approvals or permits and we are required to fulfill certain conditions precedent in respect of some of them.

Our plans in relation to our Planned Projects are yet to be finalised and approved. We require statutory and regulatory approvals, and permits and applications need to be made at appropriate stages for us to successfully execute each of these projects. For example, we are required to obtain requisite environmental consents, fire safety clearances, no-objection certificates from the Airport Authority of India and completion and occupation certificates from the competent governmental authorities. While we believe we will obtain approvals or renewals as they may be required, there cannot be any assurance that the relevant authorities will issue any such approvals or renewals in the anticipated timeframes or at all. Any delay or failure to obtain the required approvals or renewals in accordance with our project plans may adversely affect our ability to implement our Planned Projects and adversely affect our business, results of operations and financial condition.

We plan to develop SEZs as part of our business strategy. We are currently planning the development of our first SEZ in Kharkhoda, in the district of Sonepat, Haryana. We have no experience in developing SEZs and have not yet filed an application for SEZ status. Our success in the development of SEZs depends upon, among other things, our ability to acquire land, obtain required approvals and attract manufacturing, industrial or IT units that conduct business within the SEZs. We also do not have approvals for our proposed SEZ project. We cannot assure you that we will be able to get these approvals or attract manufacturing, industrial or IT units in the future.

The following applications, made by our Company or Subsidiaries in relation to our Ongoing and Planned Projects, as applicable, are pending before various authorities:

- Ambience Island, Gurgaon: Applications for renewal of a license to set up an integrated colony comprised of group housing colony and commercial use properties, among others.
- "Ambience City", Panipat: Application to the Director, Town and Country Planning, Haryana, Chandigarh for the issuance of: (a) a commercial use license relating to IT/ITES on 5.75 acres of land in the revenue estate of Village Taraf Insar, Panipat Haryana, and (b) a license to set up a commercial colony on 6.86 acres of land in the revenue estate of Village Kabri and Faridpur, Tehsil and District, Panipat, Haryana.
- Shalimar Bagh, New Delhi: Application to the Deputy Director (Bldg.) DDA for the approval of a building layout plan.
- Rohini, New Delhi: Application to the Deputy Director (Bldg.) DDA for the approval of a building layout plan.
- Sector 81, 82A, Gurgaon: Application to the Director Town and Country Planning, Haryana, for the issuance of a license to set up a commercial colony on 7.65 acres of land at Sector 82, in the revenue estate of Village Lakhnaula, Gurgaon.
- Greater Noida: Application to the CEO, Greater Noida Industrial Development Authority, under the revised policy to reschedule installment payments and to extend the time period for the execution of a lease deed.
- Sector 50, Noida: Application to the CEO, NOIDA under the revised scheme to reschedule installment payments.

Additionally, in some cases, parties with whom we have entered into sole development agreements are yet to transfer the approvals obtained in relation to the projects in their names. If, as a result of any delay or failure to obtain required permits or approvals, we are unable to use the net proceeds of this Issue as described in this Draft Red Herring Prospectus, we will, with the approval of the shareholders of our Company, deploy the funds for other business purposes, including towards the purchase of additional lands, construction of projects, repayment of loans or general corporate purposes. For further details, see "*Objects of the Issue*" on page 65. In respect of most of our Planned Projects, we have not yet completed the acquisitions process. We are either still in the process of executing sale deeds or awaiting provisional allotments from authorities. In a majority of cases,

we have not reached the stage of filing applications for approvals. See "Government and Other Approvals" on page 316.

13. Certain factors may cause the estimated Developable/ Saleable Area/leasable area relating to our Ongoing Projects and Planned Projects to differ from the total area of property that is ultimately developed, sold or leased.

The estimated Developable/ Saleable Area/leasable area relating to our Ongoing Projects and Planned Projects are based on independent architect's certificates. However, the total area of property that is ultimately developed, sold or leased may differ from the estimated Developable/ Saleable Area/leasable area depending on various factors such as market conditions, title defects, modification of our architectural plans and any inability to obtain necessary regulatory approvals. If our estimated Developable/ Saleable Area/leasable area proves to be materially greater or lesses than our actual Developable/ Saleable Area/leasable area, our results of operations may fail to meet the expectations of our investors and the market price of our Equity Shares could be adversely affected.

14. Our historical operating results may not reflect future performance. Our revenues and profits are difficult to predict and can vary significantly from period to period.

Our historical operating results reflect the construction projects that we have historically undertaken for our own real estate developments, and those of our Subsidiaries, and the hotel developments of our Promoters and the Group Entities. We have historically earned construction contract income from undertaking construction work for our Group Entities companies on a cost plus basis. Due to the restructuring by the Promoters of their businesses and the consolidation of their property development businesses (except for hotel developments) under the direct and indirect ownership of our Company, we do not expect to earn any more construction income except for any construction work on hotel developments by Ambience Hotels and Resorts Limited and Aman Hospitality Private Limited, a Group Entity. We do not have any current contracts for the construction of hotels for Ambience Hotels and Resorts Limited but we have the right of first refusal to undertake the construction work for any such future developments.

Our revenues from the sale and lease of properties depend on various factors including our ability to market and pre-sell our projects and the willingness of our customers to pay for developments or enter into sale agreements well in advance of receiving possession of the properties and construction costs, such as costs for labour and raw materials. Our ability to satisfy these criteria and the availability of these resources depends on factors not under our control, including general economic conditions, competition, production levels and transportation costs.

Further, the number of projects we complete differs in each period, and we cannot predict with certainty the rate of progress of construction or the time of completion of our real estate developments due to lags in development timetables occasionally caused by unforeseen circumstances. The anticipated completion dates for our projects, including those set forth in this Draft Red Herring Prospectus, are our estimates based on current expectations and could change significantly, thereby affecting the timing of our sales. Moreover, we have benefited, in certain instances, from attractive land acquisition prices, particularly with regard to land we acquired prior to recent increases in property prices in India. Therefore, to date, we have sustained high profit margins on our projects, however there is no assurance that we will be able to maintain such profit margins on future projects. The combination of these factors may result in significant variations in our revenues and profits. Therefore, our results of operations may vary significantly from period to period.

We pursue a mixed strategy of leasing and selling our completed projects. A decision to lease rather than sell any property would reduce cash flows in the short term and increase the number of periods over which cash would be recovered from such properties. Further, our strategy of leasing out certain properties is subject to the prevailing real estate market, the prevailing rates applicable for rentals, and risks arising from the fall of rental rates, recoverability of rent, market price of land and such other factors, which may have a bearing on us. Our decision to lease rather than sell any property could thus significantly affect our results of operations and the timing of our cash flows with respect to that property.

15. There could be unscheduled delays and cost overruns in relation to our projects.

We cannot assure you that we will be able to complete our projects within our budgets and time schedules. This could adversely affect our financial condition and results of operations. There could be unscheduled delays and cost overruns in relation to our projects due to, among other things:

- unanticipated increases in the cost of construction materials, fuel, labour or other inputs;
- unforeseen construction conditions, including the inability to obtain requisite environmental and other approvals, resulting in delays and increased costs;
- delays caused by weather conditions; and
- suppliers' or contractors' failures to perform.

We operate in a labour-intensive industry. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, we may be subject to industrial unrest, slowdowns and increased wage costs, and our business may be adversely affected.

16. Significant increases in prices or shortages of, or delays or disruptions in the supply of, building materials could harm our results of operations.

Our business is affected by the availability, cost and quality of the materials we use to construct our properties. The principal materials we use include steel, cement, wood, bricks, sand, glass and aluminum. We have no long-term contracts with our suppliers and contractors and rely on the spot market for such materials. The prices and supply of these and other materials depend on factors not under our control, including general economic conditions, competition, production levels, transportation costs and import duties. The prices of certain materials, such as steel and cement, in particular, are susceptible to rapid price increases. If, for any reason, we are unable to obtain these materials in the quantities we need in a timely manner and at prices that are competitive, our construction schedules could be disrupted and we may not be able to complete our projects as per schedule and budget. We also may not be able to pass on any increase in the prices of these building materials to our customers, which could reduce or eliminate the profits that we expect to derive from our properties. This could negatively affect our results of operations and financial condition. Additionally, our supply chain for these building supplies may be periodically interrupted by circumstances beyond our control, including work stoppages and labor disputes affecting our suppliers, their distributors, or the transporters of our supplies, including poor quality roads and other transportation related infrastructure problems, inclement weather, and road accidents.

17. We may not be able to compete effectively in new geographical areas.

While our business plan involves concentrating our developments in the NCR, we may seek to expand our business in strategic locations across India. Given the fragmented nature of the real estate development industry, we may not have adequate information about the projects our competitors are developing and accordingly, we run the risk of underestimating supply in a new market. Furthermore, we may face additional risks if we undertake projects in new geographic areas, including:

- adjusting our construction methods to different geographies;
- obtaining the necessary construction materials and labour and on acceptable terms;
- unforeseen design, engineering, construction, site and geological conditions, which could result in delays and increased costs;
- delays caused by local and seasonal weather conditions;
- using subcontractors with whom we are unfamiliar;
- obtaining necessary governmental approvals and the building permits under unfamiliar regulatory regimes;
- attracting potential customers in a market in which we do not have significant experience;
- hiring additional employees and increased infrastructure costs;
- identifying and collaborating with local business parties contractors and suppliers with whom we have no previous relationship; and
- working with local agencies and authorities with whom we are unfamiliar.

We may not be able to successfully manage some or all of the risks of such an expansion, which could have a material adverse effect on results of operations and financial condition.

18. Our Company does not have a registered trademark on the name "Ambience".

Ambience Projects Limited, an unaffiliated company headquartered in Bangalore, India, uses the names "Ambience" and "Ambience Projects" to describe itself and as part of its business advertising and promotion. Ambience Projects Limited is a residential real estate developer. According to its website, as at September 21, 2009, Ambience Projects Limited is developing three residential projects in and around Bangalore. Our Company only recently became aware of this possible competing claim to the use of the "Ambience" trademark and it has not reached any agreement on the use of the trademark with Ambience Projects Limited. Also, certain real estate development companies that that were formerly associated with certain of our Promoters continue to use the name "Ambience".

We have registered trademarks over the names "Ambience Island- An Integrated Township" and "Ambience Lagoon-Luxury Apartments – So open yet so close" and our Company has filed various other trademark applications to register trademarks and logos that use the name "Ambience". For details see "*Government and Other Approvals*" on page 316. While our Company, on January 14, 2008, applied for the registration in Classes 1 to 42 of the "AMBIENCE" trademark under the Trademarks Act, 1999, as amended, in the event that the intellectual property rights in respect of our Company's trademarks and associated logos either infringe the intellectual property rights of another person or the application to register the intellectual property rights is refused, our Company's ability to use its intellectual property rights may be restricted or lost. Any such restriction or removal could have an adverse effect on our Company's business and results of operations.

19. If we are unable to manage our growth, it could adversely affect our business and financial results.

We are embarking on a growth strategy, which involves substantial expansion of our current business and enhancement of our current construction capabilities as well as diversification into projects in additional business lines of real estate development, such as SEZs, and upper middle and middle segment real estate developments. Our growth strategy is likely to place significant demands on our management as well as our financial, accounting and operating systems. Further, as we diversify our operations, we may not be able to execute our projects efficiently, which could result in delays, increased costs and diminished quality, and may adversely affect our reputation. If we are unable to manage our growth, it could have an adverse effect on our business and results of operations.

20. Outstanding receivables against the bookings may not be received in the future.

At the time of the booking of units of in our various projects, our customers pay us a booking amount, which is usually 10% of the entire consideration. Upon the receipt of such booking amount, we book the unit in favour of the customer, and the customer remains obligated to make installment payments to satisfy payment of the entire consideration. Sometimes customers default in making timely installment payments. However, we retain the right to forfeit the booking amount and cancel the registration of such a defaulting customer. Therefore, the outstanding receivables against the booked units may or may not be received in future. In such an event, our Company has the right to forfeit the booking amount and retain the unit, upon cancellation of the booking of a defaulting customer.

21. Revenue recognition based on the "percentage of completion method" of accounting is subject to uncertainties and inaccurate estimates.

Revenue is generated from our projects on the "percentage of completion method" of accounting. Under this method, sale revenue is recognised on the basis of the percentage of the actual cost incurred against the total estimated cost of the project. Accordingly, revenue is recognised only if the actual cost incurred on the date of the financial statements is at least 30% of the total cost of the project (as estimated by management). We estimate the total cost of a project prior to its commencement based on, among other things, its size, specifications and location. We re-evaluate project costs periodically, particularly when, in our opinion, there have been significant changes in market conditions, costs of labour and materials and other contingencies. Material re-evaluations will affect our revenues in the relevant fiscal periods. If our estimates of project costs are inaccurate or if contingencies occur that materially impact our estimates, our revenues may fluctuate significantly from period to period. Furthermore, in the event of any change in law or Indian GAAP that requires a change in the method of revenue recognition, our results of operations may be adversely affected. For

the details of our method of revenue recognition, see "Management's Discussion and Analysis of Financial Conditions and Results of Operations—Critical Accounting Policies" on page 258.

Further, there is currently no prescribed method of accounting of revenue and cost for companies engaged in real estate development under Indian GAAP. The Accounting Standard 7 ("AS-7") issued by the Institute of Chartered Accountants of India is applicable to entities in the business of construction contracts and entities engaged in real estate development business are not required to comply with AS-7. In the event of any change in law or Indian GAAP which requires a change in the method of revenue recognition, the financial results of our operations may be adversely affected. For the details of the method of revenue recognition, see "*Management's Discussion and Analysis of Financial Conditions and Results of Operations - Critical Accounting Policies*" on page 258.

22. The adoption of IFRS effective April 2011 could have a material adverse effect on our results of operations and financial condition.

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

23. We may not obtain independent appraisals before acquiring land or development rights and undertaking projects.

We do not obtain any third party appraisals when acquiring land or development rights and undertaking projects. Therefore, the price we pay for land or development rights and undertaking projects may exceed fair market value or the value that would have been determined by third party appraisals, which may have an adverse impact on our financial condition and results of operations.

24. The development and construction costs of our projects in relation to the Net Proceeds of the Issue have not been appraised.

Our expenditure plans and estimates of the costs of projects for which we propose to use the net proceeds of the Issue have not been appraised by any third party and are based on our internal estimates and certificates received from Architects. Further, such estimates are based on market conditions and management expectations as of the date they were made. Accordingly, prospective investors in the Issue will need to rely upon the judgment of our management and the Architects with respect to the use of proceeds in this respect. In view of the highly competitive nature of the real estate development industry, we may have to revise our management estimates from time to time and consequently our funding requirements may also change. For example, the significant rise in cement costs over the last year could result in an escalation of our project costs. Significant revisions to our funding requirements or the deployment of the net proceeds of the Issue may result in the rescheduling of our project expenditure programmes and an increase or decrease in our proposed expenditure for a particular project.

25. We have not entered into any definitive agreements/ made applications in relation to utilization of approximately Rs. 6,271.7 million of Issue proceeds and any difficulties in entering into definitive and binding agreements in relation to the deployment of the net proceeds of the Issue may have a material adverse impact on our operations.

We intend to use the net proceeds of the Issue to, among other things, fund the development and construction of certain of our projects, fund the payments of statutory development charges relating to our 'Ambience City'

township at Panipat and prepay certain loans. We also intend to use a portion of the net proceeds of the Issue for general corporate purposes. The use of the net proceeds of the Issue is detailed in "*Objects of the Issue*" on page 65.

We have not entered into any definitive agreements to utilize approximately Rs. 6,271.7 million of the net proceeds of the Issue, including in relation to meeting the development and construction costs of certain of our projects. We are also yet to receive the approval for the development of the office complex at Ambience Island, Gurgaon and are yet to apply for the approval for the development of the township at Ambience City, Panipat, towards which we intend to utilise the net proceeds of the Issue. There can be no assurance that we will be able to enter into such agreements on terms and conditions favourable to us or receive approvals. Any difficulties in obtaining timely supply of materials and entering into contracts may adversely affect the implementation of these projects. Furthermore, we have not identified the general corporate purposes for which we intend to the net proceeds of the Issue.

26. We are exposed to third party indemnification and liability claims.

Some of the agreements that we have entered into with third parties place indemnity obligations on us that require us to compensate such third parties for loss or damage suffered by them on account of a default or breach by us. In the event that such third parties successfully invoke these indemnity clauses under their respective agreements, we may be liable to monetarily compensate them for loss or damage suffered in respect of such agreements, which may materially and adversely affect out business operations and financial condition.

We may be subject to claims resulting from defects in our developments. For details concerning litigation involving claims from defaults of our developments see "*Outstanding Litigation and Material Developments*" on page 287. Actual or claimed defects in equipment procured and/or construction quality could give rise to claims, liabilities, costs and expenses, including repairing the damaged property, or relating to loss of life, personal injury, damage to property, damage to equipment and facilities, loss of production or suspension of operations. These liabilities and costs could have a material adverse effect on our business, financial condition and results of operations.

27. We may be subject to penalty clauses for any delay in the completion and handover of units in a project.

We enter into contracts with our residential, commercial and retail customers, which may include penalty clauses wherein we will be liable to pay a penalty for any delay in the completion and handover of units in a project to customers. In large projects the aggregate of all penalties in the event of delays may adversely impact the overall profitability of the project and, therefore, adversely affect our results of operations.

28. We are dependent on our Directors, led by our Managing Director and Chairman, Mr. Raj Singh Gehlot, and our senior management team and the loss of key members may adversely affect our business.

We believe we have a team of professionals to oversee the operations and growth of our business. Our success is substantially dependent on the expertise and services of our Directors, led by our Managing Director and Chairman, Mr. Raj Singh Gehlot, and our senior management team. However, we do not maintain key man insurance policies for any of our Directors, senior members of our management team or other key personnel, except for Mr. Raj Singh Gehlot. The loss of the services of one or more of our Directors and our senior management team could have an adverse effect on our business and the results of our operations. For further details of our senior management team, see "*Our Management*" on page 132.

29. The success of our business is dependent on our ability to anticipate and respond to consumer requirements, develop high quality commercial and residential developments.

The growing disposable income of India's middle and upper income classes, together with changes in the lifestyles of these groups, have resulted in a substantial change in the nature of consumer demands. Increasingly, consumers are seeking better housing and better amenities in new developments. In the residential sector, consumers seek amenities that have historically been uncommon in India's residential real estate market such as 24-hour electricity, running water, parking, gardens, playgrounds, swimming pools and fitness centres. In the commercial sector, our multi-national company clients and large domestic company clients expect high-quality and high-amenity office facilities with multi-media and high-technology capabilities. Similarly in the retail sector, customers are seeking a variety of retail options, such as large department stores, in addition to

amenities such as designer stores, comprehensive entertainment facilities, air conditioning and underground parking. Our growth and success will depend on our ability to accurately identify the needs of our clients across all segments and recognize and respond to changing trends within and across the various segments. If we fail to anticipate and respond to the requirements of our customers, we could lose potential clients to competitors, which in turn would adversely affect our business, results of operations and financial condition.

30. Our operations and projects are exposed to various hazards, including fire, and natural disasters, such as earthquakes. In addition, our operations and workforce are exposed to the hazards inherent construction. We have not obtained insurance for all of the hazards our properties and business face and even where we have insurance policies it may not necessarily adequately cover our losses and liabilities.

Our operations and projects are subject to the risk of damage caused by fire and natural disasters, such as storms, hurricanes, lightning, floods, landslides, rockslides and earthquakes. Our operations and assets are concentrated in the NCR, an area prone to high seismic activity according to the Indian Meteorological department. If a fire or natural disaster substantially damages or destroys some or all of our projects, the proceeds of any insurance claim may be insufficient to cover rebuilding costs as a result of inflation, changes in building regulations or environmental issues as well as other factors.

In addition, our operations and our workforce are subject to the hazards inherent in construction activities, such as the risk of equipment failure, impact from falling objects, collisions, work accidents, fires and explosions. These hazards may cause injury and loss of life, severe damage to and destruction of property and equipment and environmental damage. We do not have any insurance coverage for our projects in which construction or development work is in progress. For example, we do not carry insurance for loss of stock or construction material at any project site, damage to machinery and equipment, timely project completion, loss of rent or profit, defects in the quality of materials used, consequential damages for a tenants lost profits, public liability, workmen's compensation and comprehensive general liability.

In the event our insurance policies are insufficient to cover any losses or meet any liability or contingency that we incur, or in the event we do not have insurance cover in respect of any loss, liability or contingency, it could have a material adverse effect on our results of operations and financial condition.

31. Some of our agreements may be inadequately stamped or may not have been registered, as a result of which our operations may be impaired.

Some of our agreements entered into with our prospective or existing customers for the sale or lease of our properties may not be adequately stamped or registered. In the event of any such irregularity, we may not be able to enforce our right over such properties in case of a dispute with a third party.

32. Our Company and Subsidiaries are involved in certain legal and other proceedings in India and may face liabilities as a result.

We are involved in legal proceedings and claims in India. These legal proceedings are pending at different levels of adjudication before various courts antribunals. Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and our liabilities. We cannot assure you that these legal proceedings will be decided in our favour. Any adverse decision may have a significant adverse effect on our business and results of operations.

In addition to the income tax proceedings referred to in Risk Factor 2 above, our outstanding litigations and amount outstanding to the extent ascertainable are summarized below:

			(Rs. in millions)
S.No.	Nature of Proceeding	Number of Cases	Amount
1.	Income Tax	7	1.99
2.	Service Tax	4	199.70
3.	RoC Notices	2	-
4.	Winding up proceedings	2	20.76
5.	Labour Litigation	2	1
6.	Litigation relating to Property	35	1,014.54
	Litigation/Arbitration/Notices		

S.No.	Nature of Proceeding	Number of Cases	Amount	
	relating to property			
7.	Other Civil Proceedings	10	7.69	
8.	Other Notices	2	0.10	
	Total	70	1,245.78	

For details regarding these legal proceedings, please see "Outstanding Litigation and Material Developments" on page 287.

33. Some of our Directors, Promoters and entities forming part of our Group Entities are party to various legal proceedings.

Some of our Directors, Promoters and entities forming part of our Group Entities are party to various legal proceedings.

Promoters and Directors:

The outstanding litigations and amount outstanding to the extent ascertainable with respect to our Promoters and Directors are summarized below:

			(Rs. in millions)
S.No.	Nature of Proceeding	Number of Cases	Amount
1.	Criminal Litigation	8	0.68
2.	Income Tax	4	-
3.	Litigation/Notices relating to property	8	0.09
4.	Other Notices	2	-
6.	Arbitration	1	5.46
	Total	23	6.23

Group Entities:

The outstanding litigations and amount outstanding to the extent ascertainable with respect to our Group Entities are summarized below:

S.No.	Nature of Proceeding	Number of Cases	Amount
1.	Income Tax	4	-
2.	Service Tax	1	-
3.	Litigation/Notices relating to property	2	-
	Total	7	-

Further, in some instances, our Promoters and Directors have been made party to proceedings pending against our Company and Subsidiaries. Any adverse decision may have a significant effect on our business and results of operations. For details, see "*Outstanding Litigation and Material Developments*" on page 287.

34. Our contingent liabilities could adversely affect our financial condition.

We have substantial contingent liabilities, which could adversely affect our business. Our contingent liabilities appearing in our financial statements on a consolidated basis as at March 31, 2009 aggregated to Rs. 1,709.51 million. The contingent liabilities consist principally of guarantees issued by us in favour of banks. If we are unable to pay or otherwise default on our obligations, our lenders may be required, pursuant to the relevant guarantee, to cover the full or remaining balance of our obligations. In the event that any of these contingent liabilities materialize, our results of operation and financial condition may be adversely affected. For further information, please see "*Management's Discussion and Analysis of Condition and Results of Operations*" on page 254.

35. Our Promoters and Directors have interests in our Company other than in the ordinary of course of business, including in relation to our Land Reserves.

Our Promoters and Directors have interests in our Company other than in respect of reimbursement of expenses incurred or remuneration. Mr. Raj Singh Gehlot, Mrs. Sheela Gehlot, Mr. Mohan Singh and Mr. Dayanand Singh have given personal guarantees with respect to certain loans. The personal guarantees have been given in

relation to debt facilities that have a sanctioned amount of approximately Rs. 21,088.70 million. In the event that there is any default in any of these obligations, the personal guarantees given by our Promoters may be invoked. Further, certain properties held by our Promoters have been secured in connection with loans availed by our Company. Additionally, Mr. Raj Singh Gehlot, Mr. Mohan Singh and Mr. Dayanand Singh have provided personal guarantees in respect of certain loans availed by our Company. Also, Mrs. Shyamo Devi and Mrs. Usha Devi provide raw material to the Company.For details see *"Related Party Transactions"* and *"Financial Indebtedness"* on pages 150 and 281, respectively.

Our registered office and corporate office have been leased from Mrs. Sheela Gehlot, pursuant to lease deeds both dated April 1, 2007. Accordingly, Mrs. Sheela Gehlot is interested to the extent of lease rentals received by her from our Company for the lease of such space. Mrs. Sheela Gehlot purchased property located at plot no H-35 in Green Park Extension from our subsidiary, Moonvalley Realtors Private Limited in March 2009. Subsequently, our Company has, in relation to this land and other plots in South Delhi and Jasola, acquired sole development rights from Mrs. Sheela Gehlot covering approximately 2.43 acres of land in respect of our Ongoing Projects, namely the multi-unit apartments in Jasola and the multi-unit apartments in South Delhi. Further, our Company (through its Subsidiaries) has acquired sole development rights from persons belonging to our Promoter Group, i.e. Mrs. Nutan Gehlot in connection with our Ongoing Project at Panipat, and Mrs. Sunita Chaudhary in connection with our Planned Project at South Delhi. For details see "*Our Business*" on page 92.. There can be no assurance that these agreements were negotiated on an arm's-length basis or that these agreements are in the best interests of our Company. In the event Mrs. Sheela Gehlot (or members of our Promoter Group) decides to terminate such agreements due to breach, it may materially and adversely affect our business, results of operations and financial condition.

Certain of our Promoters / Directors also have directorships in our Group Entities whose memoranda allow them to engage in the business of construction and development of real estate. Additionally, all the individual promoters are related to each other and some of our Directors are also related to each other. For details, see "*Our Management*" and "*Our Promoters and Group Entities*" on page 132 and 142, respectively.

36. Compliance with, and changes in, environmental, health and safety laws and regulations may adversely affect the development of our projects.

We are subject to environmental and health and safety regulations in the ordinary course of our business, including governmental inspections, licenses and approvals of our project plans and projects during construction. We are required to conduct an environmental assessment for most of our projects before receiving regulatory approval. If environmental problems are discovered during or after the development of a project or if government authorities adopt more stringent regulations, we will have to be at all times in full compliance with applicable regulatory requirements. We may need to incur substantial expense relating to clean up and other remedial measures and the value of a property could be adversely affected. In addition we are subject to an array of labour laws that require us to maintain health and safety standards for our employees. Due to the possibility of unanticipated regulatory developments, the amount and timing of future expenditure to comply with these regulatory requirements may vary substantially from those currently in effect. We cannot assure you that our costs of complying with current and future environmental, health and safety laws and regulations or any potential liabilities arising from any failure to comply therewith will not adversely affect our business, financial condition and results of operations.

37. We do not have certain records pertaining to historical legal and secretarial information.

We have in the past misplaced share transfer forms relating to sale and purchase of our Equity Shares by our Promoters and sale and purchase of equity shares by our Company in our subsidiaries. Accordingly, an FIR was lodged by us with the Station House Office, Hauz Khas, New Delhi. As a result, information relating to the same in this Draft Red Herring Prospectus has been obtained from the books of records of the Company, the relevant subsidiaries and undertakings of the Promoters and Promoter Group.

38. Certain of the entities forming part of our Group Entities have incurred losses in the past.

Vijeta Properties Private Limited, a Group Entity incurred a loss of Rs. 0.03 million in fiscal 2008. We cannot assure you that Vijeta Properties Private Limited or our other Group Entities would not incur any losses in the future.

External Risk Factors

39. A reduction in the availability of credit to consumers or the withdrawal of tax benefits available to consumers could adversely affect the Indian real estate market.

A large number of our customers, especially buyers of residential properties finance their purchases by raising loans from various banks and other means. The availing of home loans for residential properties has become particularly attractive due to income tax benefits and high disposable income. The ready availability of housing loans and low interest rates on those loans has helped to boost the most recent growth in the Indian real estate market. Additionally, income tax benefits, such as tax exemptions on the repayment of loans and interest payments, have also helped to boost the most recent growth in the Indian real estate market.

A rise in interest rates, or the withdrawal of income tax benefits, could adversely affect the ability of our customers to finance the purchase of their residential properties and may consequently adversely affect the demand for housing and ultimately the demand for our properties. Increases in the amount of capital that a bank must set aside against property loans, increases of credit reserve ratios and changes in interest rates by the RBI negatively impact housing loans originated by banks and housing finance companies. Additionally, the RBI or the Government of India may take further steps to reduce, directly or indirectly, the credit to the real estate sector, which may adversely affect the availability of housing loans at attractive rates.

40. The real estate development industry is competitive and highly fragmented, resulting in increased competition that may adversely affect our business, results of operations and financial condition.

The real estate development industry is highly fragmented. Moreover, due to the lesser requirements of technical expertise in the housing and real estate sector as opposed to the industrial/infrastructure construction sector, the housing and real estate sector has a larger number of new entrants and existing players from whom we face competition. We compete for land and the lease and/or sale of projects with other private developers from the NCR and from other parts of India. Some of our competitors may have greater resources (including financial, land resources, and other types of infrastructure) to take advantage of efficiencies created by size, access to capital at lower costs, and have a better brand recall and relationships with customers. If we are unable to compete successfully with the existing players in the industry, it would adversely affect our business results of operations and financial condition.

41. Restrictions on foreign direct investment in the real estate development may hamper our ability to raise additional capital.

The Government of India has permitted foreign direct investment of up to 100% under the automatic route in townships, housing, built-up infrastructure and construction-development projects, subject to the conditions enumerated in Press Note No. 2 (2005 series) dated March 3, 2005. For details of these restrictions, see "*Regulations and Policies*" on page 116. Subsequently on January 30, 2008, the Union Cabinet clarified that investments by registered FIIs under the Portfolio Investment Scheme, would be distinct from FDI and as such would be outside the purview of the conditions specified in Press Note 2(2005). Accordingly, non-residents other than FIIs, such as FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in the Issue.

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

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

43. Our real estate development business could be adversely affected by the incidence and rate of property taxes and stamp duties.

As a real estate developer that owns land, we may be subject to the property tax regime in each state where our properties are located. The land and buildings comprising our Ambience Island development are currently not

subject to property taxes. These taxes could increase in the future and new types of property taxes may be established, which would increase our overall development and maintenance costs. Our business involves acquiring and selling properties in various parts of India. Property conveyances are generally subject to stamp duty in India, and if such duties were to increase, the cost of acquiring properties will rise, and sale values could also be affected. Additionally, if stamp duties were to be levied on instruments evidencing transactions, which we believe are currently not subject to such duties, our acquisition costs and sale values would be affected, resulting in a reduction of our profitability. Any such changes in the incidence or rates of property taxes or stamp duties could have an adverse effect on our financial condition and results of operations.

44. A change to India's laws and/or government policy regarding SEZ development could adversely affect our planned SEZ development.

Changes and/or uncertainties in the Government's policies or regulatory framework may adversely affect planned SEZ development. In early 2007, the Government announced that it was delaying approval for hundreds of SEZ proposals until after it had decided on several issues relating to SEZs. Even after the delay of approvals ends, the framework under the Special Economic Zone Act, 2005 will remain in a state of evolution and there could be further changes in the SEZ regulations. The future success of SEZ developments is dependent on the continued availability of fiscal incentives under the SEZ regime. The possibility of the withdrawal of the applicable benefits and concessions in the future may adversely affect the attractiveness of SEZs. Additionally, the selection procedure for the granting of SEZ licenses is open to challenge.

45. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy, and the Indian real estate and infrastructure-related sectors contained in this Draft Red Herring Prospectus.

While facts and other statistics in this Draft Red Herring Prospectus relating to India, the Indian economy as well as the Indian property development and infrastructure-related sectors have been based on various publications and reports from agencies that we believe are reliable, we cannot guarantee the quality or reliability of such sources of materials. While our Directors have taken reasonable care in the reproduction of such information, they have not been prepared or independently verified by us, the BRLMs or any of our or their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside India. These facts and other statistics include the facts and statistics included in "Industry" on page 84. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be elsewhere.

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

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

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

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

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

According to a report released by the RBI, India's foreign exchange reserves totalled approximately US\$ 252.0 billion as at March 31, 2009. A decline in these reserves could impact the valuation of the Indian Rupee and could result in reduced liquidity and higher interest rates, which could adversely affect the availability of financing to us for our future projects.

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

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, make travel and other services more difficult and ultimately adversely affect our business. In addition, any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

Risks Relating to Equity Shares

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

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

Date of Allot	ment	No. of Equity Shares	Face Value (Rs.)	Issue (Price (Rs.)	Consideration other than cash)	(cash,	Nature of Allotment
September 2008	30,	1,080,000	10	1,000	Cash		Preferential allotment
August 28, 20)09	121,135,000	10	NA	NA		Bonus (2:3)*

*The bonus issue is out of share premium account, general reserve account and balance in profit and loss account

For further details of such issuances, please refer to "Capital Structure" on page 56.

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

Upon completion of the Issue, our Promoters will own approximately $[\bullet]$ % of our post-Issue Equity Share capital. As a result, our Promoters will have the ability to exercise significant influence over all matters requiring shareholders' approval, including the election of Directors and the approval of significant corporate transactions. Our Promoters will also have an effective veto power with respect to any shareholder action or approval requiring a majority vote. Our Promoters may not always exercise their control in ways that coincide with the interests of other shareholders in our Company. Moreover, the concentration of ownership with our Promoters may also have the effect of delaying, preventing or deterring a change in control.

52. There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all.

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

53. The requirements of being a listed company may strain our resources.

We have no experience as a publicly listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a publicly listed company. As a publicly listed company, we will incur significant legal, accounting, corporate governance and other expenses that we do not incur as a private company. We will also be subject to the provisions of the listing agreements signed with the Stock Exchanges which require us to file unaudited financial results on a quarterly basis. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. In addition, we will need to hire additional legal and accounting staff with appropriate public company experience and technical accounting knowledge and we cannot assure you that we will be able to do so in a timely manner.

54. Conditions in and the volatility of the Indian securities market may affect the price or liquidity of our Equity Shares.

The Indian securities markets are smaller than securities markets in more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian stock exchanges have experienced recent volatility, with the BSE index declining by 10.16 % to 9,826.91 points (the intra-day low fall on May 22, 2006) falling below for the first time in three months. Further these indices also fell by 453.36 points or 3.49% to 12,529.62 points on March 14, 2007. Moreover the BSE feel from a close of 20,873.33 points on January 8, 2008 to a close of 8,509.56 points on October 27, 2008, a fall of approximately 59.23%. Trading was also halted on the NSE and BSE on May 18, 2009 as the BSE Sensex rose by 17.34% after the announcement of India's parliamentary results. The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of securities, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of our Equity Shares could be adversely affected.

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

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

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

56. Substantial future sales of our Equity Shares in the public market could cause our Equity Share price to fall.

We will have $[\bullet]$ Equity Shares outstanding upon completion of this Issue. The Equity Shares offered in this Issue will be freely tradable without restriction in the public market, unless purchased by our affiliates. The holders of approximately $[\bullet]$ Equity Shares will be entitled to dispose of their Equity Shares following the expiration of one year 'lock-in' period. Sales of a large number of our Equity Shares by our shareholders could adversely affect the market price of our Equity Shares. In addition, any perception by investors that such sales might occur could also affect the trading price of our Equity Shares.

57. Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Company may adversely affect the trading price of the Equity Shares.

Any future equity issuances by us, including in a primary offering or pursuant to the exercise of stock options under our employee stock option plan, may lead to the dilution of investors' shareholdings in our Company and may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances might occur could also affect the trading price of our Equity Shares.

58. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and any restrictive covenants in our financing arrangements.

We may be unable to pay dividends in the near or medium term. Our future dividend policy will depend on our capital requirements, financing arrangements for our projects and our financial condition and results of operations. Our ability to pay dividends may be restricted by our financing arrangements and those that we expect to enter into. Our ability to pay dividends will also depend on the earnings, financial condition and capital requirements of our Subsidiaries and the dividends they distribute to us. Dividends distributed by our Subsidiaries may cause us to incur dividend distribution taxes. We cannot assure investors that we will receive sufficient dividends from our Subsidiaries to pay such taxes, cover our operating expenses and pay dividends to its shareholders.

Notes to risk factors:

- Issue of up to [●] Equity Shares of Rs. 10 each for cash at a price of Rs. [●] per Equity Share of our Company aggregating up to Rs. 11,250 million. There will also be a green shoe option of up to [●] Equity Shares for each at a price of Rs. [●] per Equity Shares aggregating to Rs. 1,687.50 million.
- In terms of Rule 19 (2) (b) of the SCRR, this is an Issue for less than 25% of the post–Issue capital, therefore, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be Allotted to QIBs on a proportionate basis. Provided that, our Company may, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% and 30% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively subject to valid Bids being received at or above the Issue Price.
- The net asset value per Equity Share of Rs.10 each was Rs. 29.01 each as at March 31, 2009, as per the restated consolidated financial statements prepared in accordance with Indian GAAP, and restated in accordance with ICDR Regulations.
- The net worth of our Company was Rs. 5,271.57 million as at March 31, 2009, as per the restated consolidated financial statements of our Company prepared in accordance with Indian GAAP, and restated in accordance with ICDR Regulations. For more information, see "*Financial Statements*" on page 152.
- The average cost of acquisition per Equity Share by our Promoters is:

Sr.No.	Name of Promoter	Average cost of acquisition (In Rs.)	
1.	Mr. Raj Singh Gehlot		5.29
2.	Mrs. Sheela Gehlot		5.29
3.	Mr. Aman Singh Gehlot		4.95
4.	Mr. Arjun Singh Gehlot		4.95
5.	Raj Singh and Sons (HUF)		5.29

For further information regarding the allotment of Equity Shares to our Promoters, Promoter Group and other entities, see "*Capital Structure*" on page 56.

- Except as disclosed in "*Related Party Transactions*" on page 150, our Company has not made any loans and advances to any person(s)/company in which the Directors are interested.
- Investors are advised to see "Basis for Issue Price" on page 74.
- Details of transactions by our Company with our subsidiaries and associates in fiscal 2009 are as follows:

Sr. No.	Nature of Transactions	Associate Concerns	Subsidiary Companies
1	Contract receipts & sales	1,164.50	60.00
2	Other income	3.63	-
3	Electricity & fuels charges	-	7.63
4	Allotment of Shares (Face value + share premium)	600.00	-
5	Advances receivable	-	610.00
6	Advances received (closing balance)	2,776.86	-
7	Advances outstanding at year end for acquiring development rights of projects.	-	4,169.26
8	Investment in Shares	-	2,123.81

- Investors may contact the BRLMs or the Syndicate Members of the Compliance Officer for any complaints, information or clarifications pertaining to the Issue who will be obliged to provide such clarification or information to the investors. For contact details of the BRLMs, Syndicate Members or the Compliance Officer, please see "General Information" on page 43. For further information, see "Issue Procedures" on page 343.
- Under subscription in the Issue in any category, except in the QIB Portion, will be met with spill-over from other categories at the sole discretion of our Company, in consultation with the BRLMs.
- Except as disclosed in "*Capital Structure*" on page 56, neither our Promoters nor our Directors have purchased or sold any Equity Shares or financed the sale or purchase by any other person during a period of six months preceding the date on which this Draft Red Herring Prospectus is filed with SEBI.
- Investors should note that in case of over-subscription in the Issue, allotment to the QIBs, Non-Institutional Bidders and Retail Individual Bidders shall be on a proportionate basis. For more information, see "Issue Procedure – Basis of Allotment" on page 368.
- Trading in Equity Shares for all investors shall be in dematerialised form only.
- Our Company was incorporated on April 14, 1986 as "Ambiance Constructions Private Limited" under the Companies Act. On November 24, 2006 the name was changed to "Ambience Projects and Infrastructure Limited pursuant to shareholders resolution dated November 19, 2006 as we proposed to undertake civil contracts or infrastructure development. Subsequently, on March 14, 2008 the name was changed to Ambience Limited pursuant to shareholders resolution dated March 13, 2008 to shorten its name. For additional information concerning changes in our Company's name and changes in our Company's Memorandum of Association, see "*History and Certain Corporate Matters*" on page 122.

SECTION III: INTRODUCTION SUMMARY OF OUR BUSINESS, STRENGTHS AND STRATEGY

We are a real estate development company in the National Capital Region with in-house construction capabilities, focused on premium developments. We have a diversified portfolio of completed, ongoing and planned real estate development projects, which include integrated townships; residential projects, including premium and luxury residential apartment complexes; commercial projects, including corporate office towers and retail projects, including shopping malls. We believe we have established a strong brand image and a successful track record in the real estate industry with the completion of innovative, premium and contemporary projects.

Our signature integrated township project is "Ambience Island", a township of approximately 134.60 acres on the Delhi-Gurgaon border, adjacent to National Highway 8. To date, we have developed "Ambience Mall", Gurgaon, which is the largest operational retail shopping mall in India (*Source: Jones Lang LaSalle Meghraj*), and an eight-floor corporate office tower as part of the "Ambience Island" township. The township also has a 345-unit residential complex called "Lagoon", which we constructed, and the "Leela Kempinksi", a hotel with 322 rooms and 90 serviced apartments, which was also constructed by us and which is owned by Ambience Hotels and Resorts Limited, a Group Entity. We have two Ongoing Projects at "Ambience Island" – a 240 condominium complex with an estimated Saleable Area of approximately 1.87 million square feet called "Caitriona" and a 12 storey premium office tower with an estimated Leaseable Area of approximately 0.56 million square feet. We are also developing a nine-hole pitch and putt golf course as part of the township. We will continue to develop the balance of the township's Developable Area of approximately 18.73 million square feet with a mixture of luxury residential developments with an estimated Developable Area of approximately 1.58 million square feet and office towers with an estimated Developable Area of approximately 7.15 million square feet.

In November 2007 we officially opened "Ambience Mall", Gurgaon at "Ambience Island". "Ambience Mall" has one kilometre of shopping experience on each floor and has a total leasable area of approximately 1.66 million square feet spread over eight floors and a three-level basement, of which we have leased out approximately 1.17 million square feet as on August 31, 2009. The shopping mall includes six anchor stores, retail shops, a seven screen multiplex, restaurants and coffee shops, a food court, a car showroom, a beer garden, a bowling alley, a kids play zone, a hyper market, a fitness and meditation centre, a recreational zone, a simulated golf works and more than 2,500 car parking spaces. We have over 165 international and domestic brands as tenants in the shopping mall, including, Debenhams, PVR Cinemas, Fitness First, Reliance Retail, Pantaloon, Rockman's Beer Island, Westside, Big Bazar, BMW, Marks & Spencers and BJN food chain.

We recently completed construction of "Ambience Mall" at Vasant Kunj, New Delhi located adjacent to the 150 foot wide signal free Nelson Mandela Road, which is strategically located enroute to the international airport. The shopping mall has a Leaseable Area of approximately 1.17 million square feet and will offer four anchor stores, retail shops, a hyper market, a four screen gold-class multiplex, food courts, restaurants, a discotheque and more than 1,800 car parking spaces. The shopping mall is expected to be officially opened to the public in the fourth quarter of fiscal 2010.

In November 2007 we completed the development of a corporate office tower at "Ambience Island" consisting of eight floors. The office tower has a leasable area of approximately 0.23 million square feet, of which approximately 0.10 million square feet was sold (including buyers agreements) and approximately 0.08 million square feet has been leased. The balance 0.03 million square feet is held for future lease.

In 2002, ADIPL, which was then owned by the Promoters but is now a 100% owned subsidiary of our Company, completed the development of the "Lagoon" premium residential apartment complex at Ambience Island. We constructed this project. The "Lagoon" residential apartment complex has 345 units and a Developed Area of approximately 1.21 million square feet. We believe it was among the first colonies in the NCR with a two-level basement, 100% power back-up, 24-hour high-alert three tier security, a sewerage treatment plant, landscaped parks and a dedicated club with gym. All 345 units in the project were sold (including 31 units for which buyer's agreements have been entered and possession was handed over) by ADIPL prior to it becoming a subsidiary of our Company.

We have total Land Reserves of approximately 816.56 acres at strategic locations in the NCR and in Vishakhapatnam, Andhra Pradesh. We classify our Land Reserves as either lands upon which development and/ or construction is currently in progress (our "**Ongoing Projects**") or lands upon which projects are planned for

future development (our "**Planned Projects**"). The Developable Area of our Ongoing Projects and Planned Projects is approximately 3.57 million square feet and approximately 84.14 million square feet, respectively. Of our total Land Reserves, we are entitled to develop approximately 209.28 acres and have received a letter of intent for development of approximately 314.81 acres. Approximately 145.21 acres of un-licensed Land Reserves for our integrated township development at Sonepat falls under a residential zone as per the Final Development Plans, 2021 applicable to Sonepat.

Our Ongoing Projects comprise:

- two projects which are part of "Ambience Island", Gurgaon, Haryana: "Caitriona", a 240 condominium complex with an estimated Saleable Area of approximately 1.87 million square feet, and a premium office tower with an estimated leasable area of approximately 0.56 million square feet.
- 120 planned multi-unit residential apartments in Jasola, New Delhi with an estimated Saleable Area of approximately 0.35 million square feet;
- 24 multi-unit residential apartments in South Delhi with an estimated Saleable Area of approximately 0.12 million square feet;
- an office tower in Rohini, New Delhi with an estimated Saleable Area of approximately 0.26 million square feet; and
- a shopping and office complex in Shalimar Bagh, New Delhi with an estimated Saleable Area of approximately 0.23 million square feet.

Our Planned Projects comprise:

- residential and commercial projects at our "Ambience Island" integrated township in Gurgaon, Haryana with an estimated Developable Area of approximately 18.73 million square feet;
- residential, commercial and retail projects at our "Ambience City" integrated township in Panipat, Haryana with an estimated Developable Area of approximately 16.88 million square feet;
- residential and retail projects at our "Ambience City" integrated township in Sonepat, Haryana with an estimated Developable Area of approximately 7.53 million square feet;
- residential, commercial and retail projects at our "Ambience City" integrated township in Visakhapatnam, Andhra Pradesh with an estimated Developable Area of approximately 6.28 million square feet;
- a residential apartment complex at Sector 50, Noida, with an estimated Developable Area of approximately 0.54 million square feet;
- a residential apartment complex at Sector 115, Noida, with an estimated Developable Area of approximately 6.78 million square feet;
- a retail-cum-Office complex at Greater Noida, with an estimated Developable Area of approximately 2.22 million square feet;
- an Office complex at Sector 82/82A, Gurgaon, with an estimated Developable Area of approximately 1.69 million square feet; and
- a proposed SEZ in Kharkhoda with a current estimated Developable Area of approximately 23.49 million square feet.

We have an integrated in-house development team, which means that we have the key competencies and inhouse resources to deliver a project from its conceptualization to completion. We have in-house architectural, engineering, procurement, project management and quality control capabilities. We received the Brick and Mortar Award (North Zone) from the Architecture and Design Spectrum Foundation in 2006 along with the Mapsor Indian Property Award for the best commercial project (State level) from the IPA in 2007. In 2009, "Ambience Mall", Gurgaon was awarded the Emerging Shopping Centre of the Year at the Images Shopping Centre Awards (ISCA) and the Award of Excellence – by Augtics Systems (International Real Estate Data Bank). We maintain a mix of lease and sale properties in an attempt to maximize our profits and maintain regular cash flow. The decision to sell or lease a property depends upon the nature of the development and its location. We have retained the "Ambience Mall" and part of the corporate office tower at Gurgaon as lease properties. As at August 31, 2009, we have leased approximately 1.17 million square feet at "Ambience Mall" and approximately 0.08 million square feet at the corporate office tower, and for the month of August 2009 had lease revenues of Rs. 100.33 million and Rs. 9.04 million from each of these projects. We intend to lease out all of the remaining approximately 0.03 million square feet of the Leaseable Area of "Ambience Mall", Gurgaon and approximately 0.03 million square feet of the Leaseable Area of the corporate office tower. Furthermore, we intend to lease out all of the Leaseable Area of approximately 1.17 million square feet of "Ambience Mall", Vasant Kunj. As at September 15, 2009, we have entered into preliminary arrangements for leasing out approximately 0.85 million square feet of "Ambience Mall", Vasant Kunj. We also intend to lease out the office towers/ spaces we plan to develop on "Ambience Island", which will have an estimated Leaseable Area of approximately 6.02 million square feet, of which approximately 0.56 million square feet relates to an Ongoing Project.

We currently manage and maintain "Ambience Mall", Gurgaon, the corporate office tower and "Lagoon" residential apartment complex at "Ambience Island". For the month of August 2009, we received revenue of Rs. 33.80 million from management and maintenance fees. We intend to manage and maintain our future residential and commercial developments.

Our founder, Chairman and Managing Director, Mr. Raj Singh Gehlot has been associated with the property development, real estate and construction sector in India for over 23 years. Mr. Gehlot has been primarily responsible for the direction and growth of our business and has been instrumental in identifying our current development projects, including strategic planning. He received an award for Building Industry Leadership from the Buildings Information Bureau in 2007.

Our income from operations for fiscal 2009, 2008 and 2007 were Rs. 4,422.05 million, Rs. 4,479.37 million and Rs. 4,447.18 million, respectively, on a consolidated basis. Our restated net profit after minority interest for fiscal 2009, 2008 and 2007 was Rs. 391.89 million, Rs. 678.12 million and Rs. 253.48 million, respectively, on a consolidated basis.

Our Strenghts

- Ability to conceptualise, build and operate large and innovative projects.
- Our "Ambience" brand is associated with premium developments.
- Mixed sale and lease business model for our real estate development business.
- Land Reserves in strategic locations.
- In-house construction, marketing and property management capabilities.
- Diversified development mix.
- Strong leadership and experienced management.

Our Strategy

- Focus on completing our Ongoing Projects and developing our Planned Projects.
- Continue to focus on the premium market and offer innovative and high-quality developments.
- Diversify into the upper middle and middle segment of real estate developments.
- Create value through the development of townships.
- Acquire land in strategic locations, in particular in the NCR.
- Enhance our construction capabilities and focus on undertaking construction work on our own developments.
- Continue to manage and maintain our developments.

For details relating to the real estate industry, see "Industry" on page 84.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated standalone financial statements and restated consolidated financial statements for the fiscal 2009, 2008, 2007, 2006 and 2005. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the ICDR Regulations and are presented in the section titled "*Financial Statements*" on page 152. The consolidated summary financial information presented below should be read in conjunction with our restated consolidated financial statements, the notes thereto and the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 200.

	SUMMARY STATI	EMENT OF ASSI	ETS AND LIAB	ILITIES, AS RE	STATED				
					(Amount in Rs.	million)			
			As at						
	Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005			
A.	Fixed assets								
	Gross block	165.73	129.19	67.09	63.35	51.70			
	Less: Accumulated depreciation	30.00	21.55	16.10	11.71	7.04			
	Net block	135.73	107.64	50.99	51.64	44.66			
B.	Investments	2,124.41	2,110.77	80.36	3.90	7.67			
C.	Current assets, loans and advances								
	Inventories	10,920.08	9,655.73	5,330.17	2,580.42	19.13			
	Receivables	180.53	-	-	-	84.3			
	Cash and bank balances	80.75	177.03	29.58	5.20	23.0			
	Loans and advances	1,280.53	622.66	239.74	486.84	883.9			
	Total Assets	14,722.03	12,673.83	5,730.84	3,128.00	1,062.8			
D.	Liabilities and provisions								
	Loan funds :								
	Secured loans	6,571.14	6,070.12	3,108.46	1,829.92	515.9			
	Unsecured loans	450.10	450.10	-	-				
	Deferred tax liability	10.06	6.50	5.66	5.81	5.5			
	Current liabilities & provisions								
	Sundry liabilities	3,532.33	3,599.99	1,431.41	527.30	442.5			
	Provisions	705.26	526.74	199.66	90.00	17.4			
		11,268.89	10,653.45	4,745.19	2,453.03	981.4			
	Net worth (A+B+C-D)	3,453.14	2,020.38	985.65	674.97	81.3			
	Net worth represented by:-								
	Shareholder funds								
	Share capital	1,817.03	1,806.23	960.12	28.58	10.5			
	Reserve & surplus	1,643.13	224.03	31.77	646.44	70.9			
	Less:- Miscellaneous expenditure not written off	7.02	9.88	6.24	0.05	0.1			
	Net worth	3,453.14	2,020.38	985.65	674.97	81.3			

				(Amount in R	s. million)
	For the year ended				
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
INCOME					
Income from operations	3,668.48	5,226.21	3,516.11	2,645.12	1,474.07
Other income	18.54	45.28	0.93	0.73	0.19
	3,687.02	5,271.49	3,517.04	2,645.85	1,474.20
EXPENDITURE	,	,		,	
Cost of operations	2,376.75	3,900.01	3,021.17	2,322.52	1,364.18
Establishment expenses	42.99	84.69	25.12	19.63	11.5
Administrative and other expenses	52.17	28.18	11.63	9.61	10.44
Interest & finance charges	671.39	284.00	75.72	72.97	33.34
Preliminary expenses written off	2.86	2.86	1.61	0.05	0.0
Depreciation	8.88	5.45	4.77	4.67	2.8
	3,155.04	4,305.19	3,140.02	2,429.45	1,422.39
Profit before tax and prior period items	531.98	966.30	377.02	216.40	51.8
Provision for taxation					
- Income tax	177.53	326.62	126.78	72.57	16.93
- Deferred tax liability(assets)	3.56	0.84	(0.15)	0.30	2.12
- Fringe benefit tax	0.99	0.46	0.31	-	
Net profit after tax and before prior period items	349.90	638.38	250.08	143.53	32.82
Prior period items	-	-	0.50	-	0.0
Net Profit as per audited financials	349.90	638.38	249.58	143.53	32.8
- Restatement adjustments	-	-	0.50	_	(0.49
(Refer note B-4 in Annexure IV)					
Restated net profit attributable to shareholders	349.90	638.38	250.08	143.53	32.32
Balance brought forward from last year	205.32	13.05	203.51	59.98	27.65
Appropriations					
-Dividend including corporate dividend tax	-	-	218.96	-	
-Transfer to general reserve	-	-	18.71	-	
-To issue of Bonus issue		446.11	202.87		

SUMMARY STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED

		fo	r the year ende	d	
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
A. CASH FLOW FROM OPERATING ACTIVITIES					
Profit before tax and extra ordinary items, as	531.98	966.29	377.02	216.40	51.87
restated	8.88	5.45	4.77	4.67	
Depreciation Miss surgers written off	2.86	2.86		0.05	2.87
Misc. expenses written off		2.80	1.61	0.05	
(Profit)/loss on disposal of fixed assets	0.18	-	0.48	-	0.42
(Profit)/ loss on sale of investments	(13.74)	(0.25)	(0.13)	-	
Interest income	(2.92)	(2.53)	(0.80)	(0.03)	
Dividend income	-	-	(0.01)	(0.01)	
Interest expenses	671.39	284.00	0.97	1.14	
Operating profit before working capital changes	1,198.62	1,255.82	383.91	222.22	55.2
Adjustment for :	1,170.02	1,200,02	505071		
Decrease/(increase) in sundry debtors	(180.54)	-	-	84.38	(84.38)
Decrease/(increase) in inventories	(1,264.35)	(4,325.57)	(2,749.75)	(2,561.29)	(4.37
Decrease/(increase) in loan & advances	(582.41)	(92.53)	384.56	452.91	(291.27
Increase/(decrease) in sundry creditors & other liabilities	(67.67)	2,168.59	904.12	84.79	19.20
Miscellaneous expenditure incurred	-	(6.50)	(7.80)	-	
Cash from/ (used in) operations	(896.34)	(1,000.19)	(1,084.96)	(1,716.99)	(305.61
Less : Direct tax paid	75.46	290.39	154.89	55.79	11.54
Net cash from/(used in) operating activities					
(A)	(971.80)	(1,290.58)	(1,239.85)	(1,772.78)	(317.15)
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of fixed assets	(37.56)	(62.10)	(4.71)	(11.65)	(21.21
Sale of fixed assets	0.42	-	0.10	-	0.0
Purchase of investments	(13.64)	(2,030.71)	(78.96)	(1.23)	(0.08
Sale of investment	13.74	0.55	2.63	5.01	50.00
Interest received	2.92	2.53	0.80	0.03	
Dividends received	-	-	0.01	0.01	
Net Cash from/(used in) investing activities					
(B) C. CASH FLOW FROM FINANCING	(34.12)	(2,089.73)	(80.13)	(7.83)	28.78
ACTIVITIES					
Proceeds from issuance of shares including premium	1,080.00	400.00	285.75	450.00	
Proceeds from secured borrowings	3,437.65	3,659.42	1,366.15	1,326.55	316.10
Proceeds from unsecured borrowings	-	450.10			
Repayment of borrowings	(2,936.62)	(697.76)	(87.61)	(12.61)	(8.43
Interest expenses	(671.39)	(284.00)	(0.97)	(1.14)	(01.12
Dividend paid including tax	(0/1.57)	(204.00)	(218.96)	(1.14)	
Net Cash from/(used in) financing activities (C)	909.64	3,527.76	1,344.36	1,762.80	307.67
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(96.28)	147.45	24.38	(17.82)	19.30
Opening cash and cash equivalents	177.03	29.58	5.20	23.01	3.71
Closing cash and cash equivalents	80.75	29.58 177.03	29.58	5.20	23.01
crosing cash and cash equivalents	00.75	177.03	47.00	3.20	23.01

SUMMARY STATEMENT OF CASH FLOW, AS RESTATED

Cash in hand	0.48	2.61	0.32	0.92	6.45
Balance with scheduled bank					
- In current accounts	0.99	146.84	0.79	4.15	16.44
- In deposits and margin money accounts	79.28	27.58	28.47	0.13	0.12

		(Amount in Rs. n				
	Particulars	March 31, 2009	As March 31, 2008	at March 31, 2007	March 31, 2006	
A.	Fixed assets					
	Gross block	389.81	279.89	163.16	63.35	
	Less: Accumulated depreciation	61.47	45.09	33.49	11.71	
	Net block	328.34	234.80	129.67	51.64	
B.	Investments	17,059.27	5,891.73	2.13	0.30	
C.	Current assets, loans and advances					
	Inventories	14,953.46	21,394.82	19,887.96	2,651.35	
	Receivables	342.03	236.68	375.69		
	Cash and bank balances	138.58	249.72	65.35	5.73	
	Loans and advances	3,020.73	1,567.49	435.24	440.30	
		18,454.80	23,448.71	20,764.24	3,097.3	
	Total assets	35,842.42	29,575.24	20,896.04	3,149.32	
D.	Liabilities and provisions					
	Loan funds:					
	Secured loans	26,613.11	20,711.63	13,171.56	1,829.92	
	Unsecured loans	730.71	1,573.00	1,845.47		
	Deferred tax liability	17.29	13.64	12.66	5.8	
	Current liabilities & provisions					
	Sundry liabilities	2,440.40	2,979.50	2,556.29	541.94	
	Provisions	769.34	574.01	247.72	91.07	
		30,570.85	25,851.78	17,833.69	2,468.74	
Е	Minority interest	-	-	914.70		
	Net Worth (A+B+C-D)	5,271.57	3,723.46	2,147.65	680.58	
-	Net worth represented by:	<u>-</u>	_			
	Shareholder funds					
	Share capital	1,817.03	1,806.23	960.12	28.5	
	Reserve & surplus	3,473.23	1,940.95	1,195.34	652.4	
	Less : Miscellaneous expenditure not	10.00	22.52			
	written off	18.69	23.72	7.81	0.40	
	Net worth	5,271.57	3,723.46	2,147.65	680.5	

CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

	For the year ended					
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006		
INCOME						
Income from operations	4,422.05	4,479.37	4,447.18	2,645.12		
Other income	35.38	62.76	11.07	0.7		
	4,457.43	4,542.13	4,458.25	2,645.8		
EXPENDITURE						
Cost of operations	2,740.58	2,828.39	3,861.34	2,322.52		
Establishment expenses	49.30	97.13	27.17	19.6		
Administrative and other expenses	79.94	79.88	13.02	9.6		
Interest & finance charges	984.55	504.99	76.36	72.9		
Preliminary expenses written off	3.39	4.16	1.63	0.0		
Depreciation	14.27	11.60	5.12	4.6		
	3,872.03	3,526.15	3,984.64	2,429.4		
Profit before tax and prior period items	585.40	1,015.98	473.61	216.4		
Provision for taxation						
- Income tax	188.53	335.80	164.40	72.5		
- Fringe benefit tax	1.23	0.90	0.33			
- Deferred tax liability(assets)	3.75	0.98	(0.28)	0.3		
Net Profit after tax and before prior period and						
extraordinary items	391.89	678.30	309.16	143.5		
Less: Prior period items	0.18	1.08	0.50			
Net Profit before restatement adjustments	391.71	677.22	308.66	143.5		
Restatement adjustments						
Prior period items (refer D-5 of Annexure IV)	0.18	0.90	0.50	(1.07		
Change in accounting policy (refer D-5 of Annexure IV)	-	-	(68.70)			
Tax impact of adjustments	_	-	23.09			
Restated net profit before minority interest	391.89	678.12	263.55	142.4		
Less: Restated profit transferred to minority interest	-		10.07			
Restated net profit after minority interest	391.89	678.12	253.48	142.40		
Balance in profit and loss account brought forward from previous years	207.95	8.38	202.94	60.4		
Appropriations						
Interim Dividend including dividend tax	_	-	218.96			
Transfer to general reserve	5.00	6.00	26.21			
Bonus issue of shares	-	472.55	202.87			
Balance carried over to Balance Sheet	594.84	207.95	8.38	202.9		

CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED

	for the year ended				
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	
A. CASH FLOW FROM OPERATING ACTIVITIES					
Profit before tax and minority interest, as restated	585.40	1,015.80	404.91	215.3	
Depreciation	14.27	11.60	5.12	4.6	
Misc. expenses written off	3.39	4.16	1.63	0.0	
(Profit)/ loss on disposal of fixed assets	0.18	-	0.48		
(Profit)/ loss on sale of investments	(13.74)	(2.00)	(0.20)		
(Profit)/ loss on sale of investments	1.43	-	-		
Interest income	(11.88)	(4.04)	(0.02)	(0.03	
Dividend income	(0.26)	-	(0.01)	(0.01	
Interest expense	984.55	504.99	76.36	72.9	
Operating profits before working capital changes	1,563.34	1,530.51	488.26	292.9	
Adjustment for:					
Decrease/(Increase) in sundry debtors	(105.35)	139.01	(341.57)	84.3	
Decrease/(Increase) in inventories	(4,607.74)	(7,414.60)	(2,235.17)	(2,629.71	
Decrease/(Increase) in loan & advances	(1,704.24)	(752.48)	2,238.46	348.8	
Increase/(Decrease) in sundry creditors & other liabilities	(61.78)	423.20	(2,103.03)	250.0	
Miscellaneous expenditure incurred	(0.42)	(21.31)	(8.28)	(0.3	
wiscenaneous expenditure incurred	(0.42)		(,	(111)	
Cash generated from/(used in) from operations	(4,916.19)	(6,095.67)	(1,961.33)	(1,653.8	
Less : Direct tax paid	288.97	323.85	187.71	54.7	
Net cash generated from/(used in) operations (A)	(5,205.16)	(6,419.52)	(2,149.04)	(1,708.54	
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of fixed assets	(110.95)	(116.73)	(4.71)	(11.65	
Sale of fixed assets	0.42	-	0.11		
Purchase of investments	(655.54)	(468.62)	(71.39)	(0.14	
Sale of Investment	15.67	4.11	98.03	5.0	
Other investment receipts	21.03	18.74	3.65	7.0	
Interest received	11.88	4.04	0.02	0.0	
Dividends received	0.26	-	0.01	0.0	
Net cash generated from/(used in) investing activities (B)	(717.21)	(558.42)	25.72	0.3	
C. CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from issuance of shares including share premium	1,080.00	400.00	866.59	450.0	
•		10,286.42	1,669.99	1,326.5	
Proceeds from borrowings	15,638.62 (9,922.76)	(3,018.82)	(87.61)	(12.6	
Repayment of Borrowings	(9,922.76) (984.55)	(504.99)	(76.36)	(72.9	
Interest expenses	x - · · · /	-	(218.96)	(,,	
Dividend paid (including tax) Net cash generated from/ (used in) financing activities (C)	5,811.31	7,162.61	2,153.65	1,690.9	
(C) Net change in cash and cash equivalents (A+B+C)	(111.06)	184.67	30.33	(17.28	
Cash and cash equivalents at the beginning of the year	249.71	65.35	5.73	22.4	
Add : Cash and cash equivalents at the segment of the year Add : Cash and cash equivalents in respect of subsidiaries acquired/sold during the year	(0.07)	(0.30)	29.29	0.5	

CONSOLIDATED SUMMARY STATEMENTS OF CASH FLOWS, AS RESTATED

Closing cash and cash Equivalents	138.58	249.72	65.35	5.73
Components of cash & cash equivalents				
Cash in hand	12.25	48.48	8.32	1.30
Balance with scheduled bank				
- In current accounts	16.14	154.58	10.51	4.30
- In deposits and margin money accounts	110.19	46.65	46.53	0.13

THE ISSUE

The following table summarizes the Issue details:

Issue	Up to [●] Equity Shares
Of which	
A) QIB Portion	At least [•] Equity Shares
i) Anchor Investor Portion	[•] Equity Shares ⁽¹⁾
i) Net OIB Portion	[•] Equity Shares ⁽²⁾
Of which	
Available for allocation to Mutual Funds only	[●] Equity Shares ⁽²⁾
Balance for all QIBs including Mutual Funds	[•] Equity Shares ⁽²⁾
C) Non-Institutional Portion	Not less than [•] Equity Shares ⁽²⁾
D) Retail Portion	Not less than [•] Equity Shares ⁽²⁾
Green Shoe Option Portion *	Up to [•] Equity Shares
Issue and Green Shoe Portion	Up to [•] Equity Shares
Pre and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	302,837,500 Equity Shares
Equity Shares outstanding after the Issue (excluding the exe of the Green Shoe Option)	ercise [•] Equity Shares
Equity Shares outstanding after the Issue (including the exer of the Green Shoe Option)	rcise [•] Equity Shares
Use of Issue Proceeds	See "Objects of the Issue" on page 65.

(1) Our Company may allocate up to 30% of the QIB Portion, i.e. [•] Equity Shares, to Anchor Investors on a discretionary basis in accordance with the ICDR Regulations. For details see "Issue Procedure" on page 343.

(2) Allocation shall be made on a proportionate basis. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company, in consultation with the BRLMs and the Designated Stock Exchange. If at least 60% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded.

* The Green Shoe Option will be exercised at the discretion of the BRLMs and the Company only with respect to the Loaned Shares for which purpose the Green Shoe Lender has agreed to lend up to $[\bullet]$ Equity Shares. For further details, see "Green Shoe Option" on page 52.

GENERAL INFORMATION

Our Company, Ambience Limited, was incorporated on April 14, 1986 under the Companies Act with the Registrar of Companies, NCT of Delhi and Haryana ("**RoC**"). For details in changes in our name and our registered office, see "*History and Certain Corporate Matters*" on page 122.

Registered Office of the Company

L-4, Green Park Extension New Delhi 110 016, India Tel: (91 11) 2619 5042 Fax: (91 11) 2616 4757 Email: compliance@ambienceisland.com Website: www.ambiencegroup.in

Corporate Office of the Company

L-5 & L-6, Green Park Extension New Delhi 110 016, India Tel: (91 11) 2619 5042 Fax: (91 11) 2616 4757 Email: compliance@ambienceisland.com Website: www.ambiencegroup.in

Company Identification Number: U51503DL1986PLC023886 Our Company is registered with the RoC described below:

Registrar of Companies, National Capital Territory of Delhi and Haryana

4th, Floor, IFCI Tower 61, Nehru Place New Delhi 110 019, India

Board of Directors

The following persons constitute the Board of Directors:

Name, Designation, Occupation and DIN	Age (years)	Address
Mr. Raj Singh Gehlot	50	1/7, Sarva Priya Vihar
Chairman and Managing Director		New Delhi 110 017, India
Occupation: Business		
DIN: 00029788		
Mr. Mohan Singh	45	U2, Green Park Main, New Delhi 110
Non-Executive Director		016, India
Occupation: Business		
DIN: 00039530		
Mr. Dayanand Singh	47	F-6B, 3rd floor, Hauz Khas Enclave,
Non- Executive Director		New Delhi 110 016, India
Occupation: Business		
DIN: 00039538		
Mr. Aman Singh Gehlot	23	1/7, Sarva Priya Vihar
Non- Executive Director		New Delhi 110 017, India
Occupation: Student		
DIN: 00925059		
Mr. Shyam Sunder Dawra	65	D-5/13, 2nd floor, Vasant Vihar, New
Non-Executive Director (Independent)*		Delhi- 110 057, India

Name, Designation, Occupation and DIN	Age (years)	Address
<i>Occupation:</i> Retired Indian Administration Service Official		
DIN:00310987		
Mr. Ramesh Chander Kapoor	73	S-384, Panchsheel, New Delhi 110
Non-Executive Director (Independent)*		017 India
Occupation: Retired Banker		
DIN: 00312302		
Mr. Brij Behari Tandon	68	J-238 1 st floor, Saket New Delhi- 110
Non-Executive Director (Independent)*		017, India
Occupation: Retired Indian Administration		
Service Official		
DIN: 00740511		
Mr. Shamsher Singh Kanwar	64	Aapo Aap Building, Panthghati
Non-Executive Director (Independent)*		Kasumpti, Simla 171 009, Himachal Pradesh, India
Occupation: Retired Indian Administration		
Service Official		
DIN: 00206727		
* Additional Directors		

For further details of our Directors, see "Our Management" on page 132.

Company Secretary and Compliance Officer

Mr. Biswa Ranjan Mishra L-4, Green Park Extension New Delhi 110 016, India Tel: (91 11) 2619 5042 Fax: (91 11) 2616 4757 E mail: compliance@ambienceisland.com

Investors can contact our Company Secretary and Compliance Officer in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account or refund orders, etc.

Book Running Lead Managers

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JM Financial Consultants Private Limited	Enam Securities Private Limited
141, Maker Chamber III	801, Dalamal Towers
Nariman Point, Mumbai 400 021, India	Nariman Point, Mumbai 400 021, India
Tel: (91 22) 6630 3030	Tel: (91 22) 6638 1800
Fax: (91 22) 2204 7185	Fax: (91 22) 2284 6824
Email: ambienceipo@jmfinancial.in	Email: ambience.ipo@enam.com
Website: www.jmfinancial.in	Website: www.enam.com
Contact Person: Ms. Naazneen Yazdani	Contact Person: Mr. Akash Aggarwal
SEBI Registration Number: INM000010361	SEBI Registration Number: INM000006856
Investor Grievance Email: grievance.ibd@jmfinancial.in	Investor Grievances Email:complaints@enam.com
J.P. Morgan India Private Limited	Macquarie Capital Advisers (India) Private Limited
9th floor, Mafatlal Centre	Level 3, Mafatlal Centre
Nariman Point, Mumbai 400021, India	Nariman Point, Mumbai 400 021, India
Tel: (91 22) 2285 5666	Tel - (91) 22 4230 1200
Fax: (91 22) 6639 3091	Fax - (91) 22 4002 8707
Email: ambience_ipo@jpmchase.com	Email: project.ambience@macquarie.com
Website: www.jpmipl.com	Website: www.macquarie.com/in
SEBI Registration No.: INM000002970	SEBI Registration No: INM000010932
Contact Person: Mr. Anjan Agarwal	Contact Person: Ms. Shradha Kejriwal

Investor Grievance Email: investorsmb.jpmipl@jpmorgan.com Investor Grievance Email : MSGrievanceRedressel@macquarie.com

Kotak Mahindra Capital Company Limited

3rd Floor, Bakhtawar, 229, Nariman Point, Mumbai 400 021, India Tel: +91 22 6634 1100, Fax: +91 22 2284 0492 E-mail: ambience.ipo@kotak.com Website: www.kmcc.co.in SEBI Registration No.: INM000008704 Contact Person: Mr. Chandrakant Bhole Investor Grievance E-mail: kmccredressal@kotak.com

Domestic Legal Advisors to the Company

Amarchand and Mangaldas & Suresh A. Shroff & Co.

Amarchand Towers 216, Okhla Industrial Estate, Phase III New Delhi 110 020, India Tel.: (91 11) 2692 0500 Fax: (91 11) 2692 4900

Domestic Legal Advisors to the Underwriters

AZB & Partners

Plot No. A8, Sector 4 Noida 201 301, India Tel: (91 120) 417 9999 Fax: (91 120) 417 9900

International Legal Counsel to the Underwriters

Dorsey & Whitney LLP

21, Wilson Street London EC2M 2TD England United Kingdom Tel: (44 20) 7588 0800 Fax: (44 20) 7588 0555

Syndicate Members

 $\left[\bullet \right]$

Registrar to the Issue

[•]

Bankers to the Issue and Escrow Collection Banks

[•]

Refund Banks [•]

Self Certified Syndicate Banks

A list of the banks that have been notified by SEBI to act as SCSBs for the ASBA Process are provided at http://www.sebi.gov/.in/pmd/scsb.pdf.

Bankers of the Company

Allahabad Bank

Industrial Finance Branch, 1st Floor Allahabad Bank Building 17, Parliament Street, New Delhi 110 001, India Tel: (91 11) 23342790, 2336 6832 Fax: (91 11) 2334 2102 Email: ifbnewdelhi@del.allahabad.co.in

Indian Bank

New Delhi Main Branch G-41, Connaught Place New Delhi 110 001, India Tel: (91 11) 2371 2156-57 Fax: (91 11) 2371 8148 Email: creditnewdelhimain@indianbank.co.in

Bank of Baroda

Corporate Financial Service Branch 11th Floor, Bank of Baroda Building 16, Sansad Marg New Delhi 110 001, India Tel: (91 11) 23320863, 23320233 Fax: (91 11) 2371 1267 Email: indel@bankofbaroda.com

UCO Bank

Flagship Corporate Centre 5, Parliament Street New Delhi 110 001, India Tel: (91 11) 2373 1529 Fax: (91 11) 2371 0015 Email: bo.fccnewdelhi@ucobank.co.in

Syndicate Bank

Corporate Finance Branch 6, Bhagwan Dass Road, New Delhi 110 016, India Tel: (91 11) 2619 0355, 2671 3066 Fax: (91 11) 2617 0355 Email: corpfin_synbk@rediffmail.com

Vijaya Bank

D-65, Hauz Khas New Delhi-110016, India Tel: (91 11) 2696 9614 Fax: (91 11) 26961524 Email: del.hauzkhas6015@vijayabank.co.in

Statutory Auditors of our Company

BLY & Associates, Chartered Accountants

C-23, LGF, Hauz Khas, New Delhi 110 016, India Tel: (91 11) 2652 8982, 4265 4533 Fax: (91 11) 4183 1139 Email: blyadav_ca@yahoo.co.in Contact Person: Mr. B. L. Yadav

Indian Overseas Bank

Industrial Finance Branch D-28-29,Rajiv Circle Connaught Place New Delhi 110 001, India. Tel: (91 11) 23417102, 23417768 Fax: (91 11) 23415497 Email: indfibr@desco.iob.net.in

Oriental Bank of Commerce

A-2/40, Ground Floor Safdarjung Enclave New Delhi 110 029, India New Delhi 110 029, India Tel: (91 11) 2619 3103 Fax: (91 11) 2616 6486 Email: bm0369@obc.co.in

Punjab & Sind Bank

H-Block, Connaught Place New Delhi 110 001, India Tel: (91 11) 2335 4445 Fax: (91 11) 23320310 Email: d0013@psb.org.in

Housing Development Finance Corporation Limited

The Capital Court, OLOF Palme Marg Munirka, New Delhi 110 067, India Tel: (91 11) 4159 6521 Fax: (91 11) 2619 4617 Email: annindyab@hdfcindia.com

ICICI Home Finance Company Limited

1st Floor, S-26, Veera Towers Uphar Cinema Complex Green Park Extension New Delhi-110016, India Tel: (91 11) 3063 4000 Fax: (91 11) 3063 4066 Email: vivek.taneja@icicihfc.com

Statement of Inter se Allocation of Responsibilities for the Issue

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

S.No.	Activity	Responsibility	Coordinator
1.	Capital structuring with relative components and formalities	JM Financial, Enam, Kotak, JP Morgan, Macquarie	JM Financial
2.	Drafting and approval of all statutory advertisements.	JM Financial, Enam, Kotak, JP Morgan, Macquarie	JM Financial
3.	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.	J JM Financial, Enam, Kotak, JP Morgan, Macquarie	JM Financial
	The BRLMs and CBRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalisation of the Prospectus and RoC filing.		
4.	Drafting and approval of all publicity material other than statutory advertisements as mentioned above, including corporate advertising, brochures, etc.	JM Financial, Enam, Kotak, JP Morgan, Macquarie	Kotak
5.	Appointment of other intermediaries including Registrar to the Issue, printers, advertising agency and Bankers to the Issue.	JM Financial, Enam, Kotak, JP Morgan, Macquarie	Enam
6.	 Non-institutional and Retail marketing of the Issue, which will cover, <i>inter alia</i>: Finalising media, marketing and public relations strategy; Finalising centre for holding conferences for brokers, etc.; Follow-up on distribution of publicity and Issue material including forms, the Prospectus and deciding on the quantum of Issue material; and Finalising cells the prospectus 	JM Financial, Enam, Kotak, JP Morgan, Macquarie	Enam
7.	 Finalising collection centres. Domestic institutional marketing of the Issue, which will cover, <i>inter alia</i>: Finalising the list and division of investors for one to one meetings, institutional allocation 	JM Financial, Enam, Kotak, JP Morgan, Macquarie	JP Morgan
8.	 International institutional marketing of the Issue, which will cover, <i>inter alia</i>: Finalising the list and division of investors for one-to-one meetings, institutional allocation; and 	JM Financial, Enam, Kotak, JP Morgan, Macquarie	Macquarie
9.	Marketing and road show presentation	JM Financial, Enam, Kotak, JP Morgan, Macquarie	Kotak
10.	Pricing, managing the book, co-ordination with the Stock Exchanges and allocation to QIB Bidders.	JM Financial, Enam, Kotak, JP Morgan, Macquarie	JM Financial
11.	Post-Bidding activities including management of escrow accounts, co-coordinating underwriting, co-ordination of non-institutional allocation, announcement of allocation and dispatch of refunds to Bidders, etc. The post-Issue activities will involve essential follow up steps, including the finalisation of trading, dealing of instruments, and demat of delivery of shares with the various agencies connected with the work such as the	JM Financial, Enam, Kotak, JP Morgan, Macquarie	Enam
	Registrars to the Issue, the Bankers to the Issue, the bank handling refund business and SCSBs. The BRLMs and CBRLMs shall be responsible for ensuring that these agencies fulfill their functions and discharge this responsibility through suitable agreements with the Company.		

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

suitable agreements with our Company.

Credit Rating

As the Issue is of Equity Shares, credit rating is not required.

IPO Grading

This Issue has been graded by $[\bullet]$, a SEBI registered credit rating agency, as $[\bullet]$ indicating $[\bullet]$ fundamentals pursuant to Regulation 26(7), $[\bullet]$ of the ICDR Regulations. The IPO grade is assigned on a five point scale from 1 to 5, with IPO grade 5/5 indicating strong fundamentals and IPO grade 1/5 indicating poor fundamentals. A copy of the report provided by $[\bullet]$, furnishing the rationale for its grading is available for inspection at our Registered Office from 10.00 a.m. to 4.00 p.m. on Business Days during the Bidding Period.

Trustees

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

Monitoring Agency

IFCI Limited has been appointed as the Monitoring Agency to our Issue pursuant to Regulation 16 of the ICDR Regulations.

Project Appraisal

There is no project being appraised, as there is no such mandatory requirement.

Experts

Except the report of $[\bullet]$ in respect of the IPO grading of this Issue annexed herewith and the opinions from the Architects, with respect to the Developable Area, Saleable Area/leasable area and development and construction costs of our projects disclosed in this Draft Red Herring Prospectus, the Company has not obtained any expert opinions. Details of the Architects are as follows:

A.K. Ganju & Associates

S 149, Greater Kailash 2 New Delhi 100 048 Tel : (91 11) 2921 9723 Fax: (91 11) 2922 5799

Grid Architecture Interiors Private Limited

116, New Manglapuri New Delhi 110 030 Tel: (91 11) 2680 9974 / 76 Fax: (91 11) 2680 8384

Achal Kataria Architects

E 15, South Extension Part -I, New Delhi 110 049 Tel: (91 11) 2462 0910 Fax: (91 11) 2464 0911

Book Building Process

Book Building Process refers to the process of collection of Bids, on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is fixed after the Bid Closing Date.

The principal parties involved in the Book Building Process are:

(a) Our Company;

- (b) Book Running Lead Managers;
- (c) Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the Stock Exchanges and eligible to act as underwriters. Syndicate Members are appointed by the BRLMs;
- (d) Registrar to the Issue; and
- (e) Escrow Collection Banks.

This is an Issue of less than 25% of the post Issue Equity Share capital of our Company and is being made pursuant to Rule 19(2)(b) of the SCRR through the 100% Book Building Process wherein at least 60% of the Issue size is required to be allotted to QIBs on a proportionate basis. Provided that, our Company may, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% and 30% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.

In accordance with the ICDR Regulations, QIBs bidding in the Net QIB Portion are not allowed to withdraw their Bid(s) after the Bid Closing Date. In addition, QIBs bidding in the Net QIB Portion are required to pay at least 10% of the Bid Amount upon submission of the Bid cum Application Form during the Bidding Period and allocation to such QIBs will be on a proportionate basis. However, Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. In addition, Anchor Investors are required to pay at least 25% of the Bid Amount upon submission of the Bid cum Application Form and allocation to the Anchor Investors will be on a discretionary basis. For further details, see "Issue Structure" on page 339.

Our Company shall comply with regulations issued by SEBI for this Issue. In this regard, our Company has appointed JM Financial Consultants Private Limited, Enam Securities Private Limited, J.P. Morgan India Private Limited, Macquarie Capital Advisers (India) Private Limited and Kotak Mahindra Capital Company Limited as the BRLMs to manage the Issue and to procure subscriptions to the Issue.

The Book Building Process 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 in the Issue.

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

Bidders (excluding the ASBA bidders who can only bid at cut-off price) can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per equity share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book 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 (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

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

Steps to be taken by the Bidders for Bidding

- 1. Check eligibility for making a Bid (For further details see "*Issue Procedure Who Can Bid*") on page 344.
- 2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form and the ASBA Bid cum Application Form.
- 3. Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, for Bids of all values ensure that you have mentioned your PAN allotted under the I.T. Act in the Bid cum Application Form and the ASBA Bid cum Application Form (see "*Issue Procedure Permanent Account Number or PAN*" on page 364).
- 4. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form and the ASBA Bid cum Application Form.
- 5. Ensure the correctness of your demographic details (as defined in the "*Issue Procedure-Bidders Depository Account Details*" on page 359) given in the Bid cum Application Form and the ASBA Bid cum Application Form, with the details recorded with your Depository Participant.
- 6. Bids by QIBs (including Anchor Investors) will have to be submitted to the BRLMs.
- 7. Bids by ASBA Bidders will have to be submitted to the designated branches of the SCSBs. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that the ASBA Bid cum Application Form is not rejected.

Withdrawal of the Issue

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

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

Bid/Issue Period

Bid closes on:	Bid opens on:	[•]
	Bid closes on:	[•]

* Anchor Investors shall submit their Bid one day prior to the Bid Opening Date.

Bids and any revision in Bids will be accepted **only between 10 a.m. and 3 p.m**. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned in the Bid cum Application Form **except that on the Bid Closing Date, Bids excluding ASBA Bids shall be accepted only between 10 a.m. and 3 p.m.** (Indian Standard Time) and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders; and (ii) 5.00 pm or until such time as permitted by the Stock Exchanges in case of Bids by Retail Individual Bidders. Due to limitation of time available for uploading the Bids on the Bid Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid Closing Date, as is typically experienced in IPOs, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation in the Issue. If such Bids are not uploaded, the Company, the BRLMs, and the Syndicate Members shall not be responsible. Bids will be accepted only on Business Days, i.e. Monday to Friday (excluding any public holiday).

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

Our Company reserves the right to revise the Price Band during the Bidding Period in accordance with ICDR Regulations in consultation with the BRLMs. The Cap Price shall not be more than 20% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the floor price originally disclosed in the Red Herring Prospectus and the Cap Price will be revised accordingly.

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

Underwriting Agreement

After the determination of the Issue Price 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 shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill their underwriting obligations. The Underwriting Agreement is dated $[\bullet]$.

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

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

Name, address, telephone, fax and email of the Underwriters	Indicative Number of	(Amount in Rs. million) Amount
	Equity Shares to be Underwritten	Underwritten
[•]	[•]	[•]
[•]	[•]	[•]
[●]	[•]	[•]
[●]	[•]	[•]
[●]	[•]	[•]
[•]	[•]	[•]

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

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

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscriptions for/subscribe to Equity Shares to the extent of the defaulted amount, except in cases where the allocation to QIB is less than 60% of the Issue, in which case the entire subscription monies will be refunded.

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

GREEN SHOE OPTION

Our Company proposes to avail of an option for allocating Equity Shares in excess of the Equity Shares included in the Issue in consultation with the BRLMs, in order to operate a post listing price stabilizing mechanism, in accordance with the ICDR Regulations, that is, the Green Shoe Option. The shareholders of the Company at the extraordinary general meeting held on September 21, 2009 have authorized the Green Shoe Option.

JM Financial Consultants Private Limited has agreed to act as the Stabilizing Agent for the purposes of effectuating the Green Shoe Option, as envisaged under Regulation 45 of the ICDR Regulations.

Aman Holdings Private Limited, one of our Group Entities presently holding 33,620,833 Equity Shares of the Company, has agreed to act as a Green Shoe Lender for lending the Loaned Shares to the Stabilizing Agent for the purposes of effectuating the Green Shoe Option. The number of Equity Shares issued pursuant to the Green Shoe Option shall not exceed 15% of the Issue.

The Stabilizing Agent shall be responsible for, *inter alia*, price stabilization post listing, if required, but there is no obligation to conduct stabilizing measures. If commenced, stabilizing will be conducted in accordance with applicable laws and regulations and may be discontinued at any time. In any event, the stabilizing activities shall not continue for a period exceeding 30 days from the date of the receipt of permission for trading of the Equity Shares from the Stock Exchanges. For the purposes of the Green Shoe Option, the Stabilizing Agent shall borrow the Loaned Shares from the Green Shoe Lender. The Loaned Shares and/or Equity Shares purchased from the market for stabilizing purposes will be in dematerialised form only. In this regard, the Green Shoe Lender has undertaken to convert its Equity Shares in the Company equivalent to the Green Shoe Option Portion into dematerialized form within 21 days of the Stabilization Agreement dated September 24, 2009 and not later than the date of filing the Red Herring Prospectus with the Registrar of Companies.

The Equity Shares available for allocation under the Green Shoe Option will be available for allocation to QIBs, Non-Institutional Bidders and Retail Individual Bidders in the ratio of 60:10:30 assuming full demand in each category.

The Company has entered into the Stabilization Agreement with the Green Shoe Lender and the Stabilizing Agent for the exercise of the Green Shoe Option on the terms and conditions detailed therein.

The terms of the Stabilization Agreement provide that:

1. Stabilization Period

Stabilization Period shall mean the period commencing from the date of obtaining trading permission from the Stock Exchanges for the Equity Shares under the Issue, and ending 30 days thereafter, unless terminated earlier by the Stabilizing Agent.

The primary objective of the Green Shoe Option is stabilization of the market price of Equity Shares after listing. Towards this end, after listing of Equity Shares, in case the market price of the Equity Shares falls below the Issue Price, then the Stabilizing Agent, at its discretion, may purchase Equity Shares from the market with the objective of stabilization of the market price of the Equity Shares.

2. Decision regarding Exercise of Green Shoe Option

- (i) On the Pricing Date, the BRLMs, in consultation with the Company and the Stabilizing Agent, shall take a decision relating to the exercise of the Green Shoe Option.
- (ii) In the event, it is decided that the Green Shoe Option shall be exercised, the Company in consultation with the Stabilizing Agent, shall make over-allotment of Equity Shares as per the procedure detailed below.

4. **Procedure for Over Allotment and Stabilization**

(i) The allotment of the Over Allotment Shares shall be done pro rata with respect to the

proportion of Allotment in the Issue to various categories.

- (ii) The monies received from the Bidders for Equity Shares in the Issue against the over allotment shall be kept in the GSO Bank Account distinct and separate from the Public Issue Account and shall be used only for the purpose of buying shares from the market during the Stabilization Period for the stabilization of the post listing price of the Equity Shares.
- (iii) Upon such allotment, the Stabilizing Agent shall transfer the Over Allotment Shares from the GSO Demat Account to the respective depository accounts of the successful Bidders.
- (iv) For the purpose of purchasing the Equity Shares, the Stabilizing Agent shall use the funds lying to the credit of GSO Bank Account.
- (v) The Stabilizing Agent shall determine the timing of buying the Equity Shares, the quantity to be bought and the price at which the Equity Shares are to be bought from the market for the purposes of stabilization of the post listing price of the Equity Shares.
- (vi) The Equity Shares purchased from the market by the Stabilizing Agent, if any, shall be credited to the GSO Demat Account and shall be returned to the Green Shoe Lender within two working days from the expiry of the Stabilization Period.
- (vii) In the event the Equity Shares lying to the credit of the GSO Demat Account at the end of the Stabilization Period but before the transfer to the Green Shoe Lender is less than the Over Allotment Shares, upon being notified by the Stabilization Agent and the equivalent amount being remitted to the Company from the GSO Bank Account, the Company shall within four business days of the receipt of the notice from the Stabilization Agent (and in any case within five business days of the end of the Stabilization Period), allot new Equity Shares in dematerialized form in an amount equal to such shortfall to the credit of the GSO Demat Account. The newly issued Equity Shares shall be returned by the Stabilizing Agent to the Green Shoe Lender in the final settlement of Equity Shares borrowed, within two working days of them being credited into the GSO Demat Account, time being of essence in this behalf.
- (viii) Upon the return of Equity Shares to the Green Shoe Lender pursuant to and in accordance with sub-clauses (vi) and (vii) above, the Stabilizing Agent shall close the GSO Demat Account.
- (ix) The Equity Shares returned to the Green Shoe Lender shall be subject to remaining lock-inperiod, if any, as provided in the ICDR Regulations.

5. **GSO Bank Account**

The Stabilizing Agent shall remit from the GSO Bank Account to the Company, an amount, in Rupees, equal to the number of Equity Shares allotted by the Company to the GSO Demat Account at the Issue Price. The amount left in this account, if any, after this remittance and deduction of expenses including depository, brokerage, transfer fee etc and net of taxes, if any, incurred by the Stabilizing Agent shall be transferred to the Investor Protection and Education Fund established by the SEBI. Upon transfer of monies as above, the GSO Bank Account shall be closed by the Stabilizing Agent.

6. **Reporting**

During the Stabilization Period, the Stabilizing Agent shall submit a report to the Stock Exchanges on a daily basis. The Stabilizing Agent shall also submit a final report to SEBI in the format prescribed in Schedule XII of the ICDR Regulations. Further, the Stabilization Agent shall maintain a register for a period of at least three years from the end of the Stabilization Period containing the following details:

- a) Names of promoters or pre-Issue shareholders from whom the specified securities were borrowed along with number of securities borrowed from each of them;
- b) Price, date and time in respect of each transaction effected in the course of the stabilization process; and

c) Details of allotment made by the Company on expiry of the Stabilization period.

7. **Rights and Obligations of the Stabilizing Agent**

- (i) Open a special bank account which shall be the GSO Bank Account under the name of "Special Account for GSO proceeds of Ambience Limited" and deposit the monies received for the Over Allotment Shares, in the GSO Bank Account.
- (ii) Open a special account for securities which shall be the GSO Demat Account under the name of "Special Account for GSO shares of Ambience Limited." and credit the Equity Shares bought by the Stabilizing Agent, if any, during the Stabilization Period to the GSO Demat account.
- (iii) Stabilize the market price as per the ICDR Regulations, only in the event of the market price falling below the Issue Price, including *inter alia* the determination of the price at which such Equity Shares are to be bought and the timing of such purchase.
- (iv) On or prior to the Pricing Date, to request the Green Shoe Lender to lend the Loaned Shares which shall be lent prior to allotment;
- (vi) Transfer funds from the GSO Bank Account to the Company within a period of three working days of close of the Stabilization Period.
- (vi) The Stabilizing Agent, at its discretion, would decide the quantity of Equity Shares to be purchased, the purchase price and the timing of purchase.
- (viii) On expiry of the Stabilization Period, to return the Equity Shares to the Green Shoe Lender either through market purchases as part of stabilizing process or through issue of fresh Equity Shares by the Company.
- (ix) To submit daily reports to the Stock Exchanges during the Stabilization Period and to submit a final report to SEBI.
- (x) To maintain a register of its activities and retain the register for three years.
- (xi) To transfer net gains on account of market purchases in the GSO Bank Account net of all expenses and net of taxes, if any, equally, to the Investor Protection and Education Funds established by the SEBI.

8. **Rights and Obligations of the Company**

- (i) On expiry of the Stabilization Period, if the Stabilizing Agent buys the Equity Shares from the market, to issue the Equity Shares to the GSO Demat Account to the extent of Over Allotment Shares, which have not been bought from the market.
- (ii) If no Equity Shares are bought from the market, then to issue Equity Shares to GSO Demat Account to the entire extent of Over Allotment Shares.

9. **Rights and obligations of the Green Shoe Lender**

- (i) The Green Shoe Lender undertakes to execute and deliver all necessary documents and give all necessary instructions to procure that all rights, title and interest in the Loaned Shares shall pass to the Stabilizing Agent/GSO Demat Account free from all liens, charges and encumbrances.
- (ii) Upon receipt of instructions from the Stabilizing Agent on or prior to the Pricing Date, to transfer the Loaned Shares to the GSO Demat Account.
- (iii) The Green Shoe Lender will not recall or create any lien or encumbrance on the Loaned

Shares until the completion of the settlement under the stabilization.

10. Fees and Expenses

- (i) The Company will pay to Green Shoe Lender a fee of Re. 1.
- (ii) The Company will pay the Stabilizing Agent a fee of Re. 1 plus service tax.

For details of the increase in share capital of our Company, post-Issue shareholding pattern see "*Capital Structure*" on page 56. For details of use of proceeds from the Green Shoe Option see "*Objects of the Issue*" on 65.

CAPITAL STRUCTURE

Our share capital as of the date of this Draft Red Herring Prospectus is set forth below:

		Aggregate value at face value	(Rs. in million) Aggregate value at Issue Price
A)	Authorised Share Capital		
	400,000,000 Equity Shares of Rs. 10 each	4,000.00	-
B)	Issued, subscribed and paid up share capital		
	302,837,500 Equity Shares of Rs. 10 each	3,028.38	-
C)	Issue in terms of this Draft Red Herring Prospectus*		
	[•] Equity Shares of Rs. 10 each	[•]	[•]
	Of which		
	QIB Portion	[•]	[•]
	Non Institutional Portion	[•]	[•]
	Retail Portion	[•]	[•]
D)	Green Shoe Option		
	Up to [•] Equity Shares of Rs. 10 each	[•]	[•]
E)	Equity Capital after the Issue		
	[•] Equity Shares of Rs. 10 each (excluding the Green Shoe Option)	[•]	[•]
	[•] Equity Shares of Rs. 10 each (including the Green Shoe Option)	[•]	[•]
F)	Share Premium Account		
	Before the Issue	Nil	[•]
	After the Issue	[•]	[•]

* The present Issue and Green Shoe Option has been authorised by our Board of Directors at their meeting on September 16, 2009 and our shareholders at their meeting on September 21, 2009.

For details in change of the authorised capital of the Company, see "*History and Certain Corporate Matters*" on page 122.

Notes to Capital Structure

1. Share Capital History of the Company:

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

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue (Price (Rs.)	Consideration (cash, other than cash)	Nature of Allotment	Cumulative Equity Share Capital (Rs.)
April 14, 1986	20	10	10	Cash	Subscription to Memorandum of Association	200
July 23, 1986	18,740	10	10	Cash	Preferential allotment	187,600
December 30, 1988	31,240	10	10	Cash	Preferential allotment	500,000
March 20, 1989	50,000	10	10	Cash	Preferential allotment	1,000,000

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue (Price (Rs.)	Consideration (cash, other than cash)	Nature of Allotment	Cumulative Equity Share Capital (Rs.)
August 1, 1992	27,000	10	10	Cash	Preferential allotment	1,270,000
August 18, 1992	10,000	10	10	Cash	Preferential allotment	1,370,000
December 29, 1993	61,500	10	10	Cash	Preferential allotment	1,985,000
April 4, 1994	801,500	10	10	Cash	Preferential allotment	10,000,000
March 31, 2004	57,500	10	200	Cash	Preferential allotment	10,575,000
March 29, 2006	1,800,000	10	250	Cash	Preferential allotment	28,575,000
February 27, 2007	571,500	10	500	Cash	Rights issue (5:1)	34,290,000
March 23, 2007	92,583,000	10	NA	NA	Bonus issue* (27:1)	960,120,000
October 26, 2007	24,003,000	10	NA	NA	Bonus issue (1:4)**	1,200,150,000
December 26, 2007	400,000	10	1,000	Cash	Preferential allotment	1,204,150,000
January 31, 2008	60,207,500	10	NA	NA	Bonus issue (1:2)*	1,806,225,000
September 30, 2008	1,080,000	10	1,000	Cash	Preferential allotment	1,817,025,000
August 28, 2009	121,135,000	10	NA	NA	Bonus (2:3) ***	3,028,375,000

* The bonus issue is out of share premium account and credit balance in the profit and loss account.

** The bonus issue is out of general reserve account and credit balance in the profit and loss account.

*** The bonus issue is out of share premium account, general reserve account and balance in profit and loss account

2. Issue of Equity Shares in the last one year

Our Company has issued 1,080,000 Equity Shares to all our Promoters and certain Promoter Group entities, namely Aman Growth Fund Private Limited, Nutan Growth Fund Private Limited, Rajsheela Growth Fund Private Limited and Aman Holdings Private Limited on September 30, 2008 at an issue price of Rs. 1,000 each. The preferential allotment was made to fund the construction and development of existing and upcoming projects of the Company.

Additionally, on August 28, 2009, our Company made a bonus issue of 121,135,000 Equity Shares (in the ratio of 2:3), by capitalising our profits, reserves and amounts outstanding in the share premium account to the existing shareholders of the Company.

3. Promoter Contribution and Lock-in

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

Detailed below is the build up of our Promoters total shareholding in our Company:

Name of Promoter	Date of transfer/ allotment*	Reasons for Acquisition	Consideration	No. of Equity Shares	Acquisiti on Price (Rs. per Equity Share)	Pre-Issue paid-up capital (%)	Post-Issue paid-up capital (%)
Mr. Raj Singh	April 14, 1986	Subscribers to MoA	Cash	10	10	NA	NA
Gehlot	July 23, 1986	Preferential allotment	Cash	1,240	10	NA	NA
	December 30, 1988	Preferential allotment	Cash	6,240	10	NA	NA
	March 20, 1989	Preferential allotment	Cash	5,000	10	NA	NA
	April 4, 1994	Preferential allotment	Cash	36,500	10	NA	NA
	March 30,	Transfer of	Cash	(48,000)	10	NA	NA

Name of Promoter	Date of transfer/ allotment*	Reasons for Acquisition	Consideration	No. of Equity Shares	Acquisiti on Price (Rs. per Equity Share)	Pre-Issue paid-up capital (%)	Post-Issue paid-up capital (%)
	2000	shares					
	March 30, 2003	Transfer of shares	Cash	(990)	10	NA	NA
	March 29, 2006	Preferential allotment	Cash	200,000	250	NA	NA
	August 14, 2006	Transfer of shares	Cash	(200,000)	250	NA	NA
	February 15, 2007	Transfer of shares	Cash	317,500	10	0.10	[•]
	February 27, 2007	Rights issue	Cash	63,500	500	0.02	[•]
	March 23, 2007	Bonus issue (27:1)	NA	10,287,000	NA	3.40	[•]
	October 26, 2007	Bonus issue (1:4)	NA	2,667,000	NA	0.88	[•]
	January 31, 2008	Bonus issue (1:2)	NA	6,667,500	NA	2.20	[•]
	February 16, 2008	Transfer of shares	Cash	100,000	233	0.03	[•]
	September 30, 2008	Preferential allotment	Cash	120,000	1,000	0.04	[•]
	August 28, 2009	Bonus issue (2:3)	NA	13,481,667	NA	4.45	[•]
	Sub- total	()		33,704,167		11.13	[•]
Mrs. Sheela	July23,1986	Preferential allotment	Cash	2,000	10	NA	NA
Gehlot	December 30, 1988	Preferential allotment	Cash	2,500	10	NA	NA
	March 20, 1989	Preferential allotment	Cash	5,000	10	NA	NA
	April 4, 1994	Preferential allotment	Cash	40,500	10	NA	NA
	March 30, 2000	Transfer of shares	Cash	(50,000)	10	NA	NA
	March 29, 2006	Preferential allotment	Cash	200,000	250	NA	NA
	August 14, 2006	Transfer of shares	Cash	(200,000)	250	NA	NA
	February 15, 2007	Transfer of shares	Cash	317,500	10	0.10	[•]
	February 27, 2007	Rights issue	Cash	63,500	500	0.02	[•]
	March 23, 2007	Bonus issue (27:1)	NA	10,287,000	NA	3.40	[•]
	October 26, 2007	Bonus issue (1:4)	NA	2,667,000	NA	0.88	[•]
	January 31, 2008	Bonus issue (1:2)	NA	6,667,500	NA	2.20	[•]
	February 16, 2008	Transfer of Shares	Cash	100,000	233	0.03	[•]
	September 30, 2008	Preferential Allotment	Cash	120,000	1,000	0.04	[•]
	August 28, 2009	Bonus issue (2:3)	NA	13,481,667	NA	4.45	[•]
	Sub-total	()		33,704,167		11.13	[•]
Mr. Aman	December 30, 1988	Preferential allotment	Cash	1,500	10	NA	NA
Singh Gehlot	April 4, 1994	Preferential allotment	Cash	43,500	10	NA	NA
	September 2,	Transfer of	Cash	25,000	10	NA	NA

Name of Promoter	Date of transfer/ allotment*	Reasons for Acquisition	Consideration	No. of Equity Shares	Acquisiti on Price (Rs. per Equity Share)	Pre-Issue paid-up capital (%)	Post-Issue paid-up capital (%)
	1996	shares			· · · · · · · · · · · · · · · · · · ·		
	March 30, 2000	Transfer of shares	Cash	(70,000)	10	NA	NA
	March 30, 2002	Transfer of shares	Cash	30,000	10	NA	NA
	March 30, 2003	Transfer of shares	Cash	(30,000)	10	NA	NA
	March 29, 2006	Preferential allotment	Cash	80,000	250	NA	NA
	August 14, 2006	Transfer of shares	Cash	(80,000)	250	NA	NA
	February 15, 2007	Transfer of shares	Cash	317,500	10	0.10	[•]
	Eebruary 27, 2007	Rights issue	Cash	63,500	500	0.02	[•]
	March 23, 2007	Bonus issue (27:1)	NA	10,287,000	NA	3.40	[•]
	October 26, 2007	Bonus issue (1:4)	NA	2,667,000	NA	0.88	[•]
	January 31, 2008	Bonus issue (1:2)	NA	6,667,500	NA	2.20	[•]
	February 16, 2008	Transfer of shares	Cash	50,000	233	0.02	[•]
	September 30, 2008	Preferential allotment	Cash	120,000	1,000	0.04	[•]
	August 28, 2009	Bonus Issue (2:3)	NA	13,448,333	NA	4.44	[•]
	Sub Total	(2.3)		33,620,833		11.10	[•]
Mr. Arjun	April 4, 1994	Preferential allotment	Cash	45,000	10	NA	NA
Singh Gehlot	September 2, 1996	Transfer of shares	Cash	25,000	10	NA	NA
Gemet	March 30, 2000	Transfer of shares	Cash	(70,000)	10	NA	NA
	August 31, 2006	Transfer of shares	Cash	964,590	10	NA	NA
	February 15, 2007	Transfer of shares	Cash	(647,090)	10	NA	NA
	February 27, 2007	Rights issue	Cash	63,500	500	0.02	[•]
	March 23, 2007	Bonus issue (27:1)	NA	10,287,000	NA	3.40	[•]
	October 26, 2007	Bonus issue (1:4)	NA	2,667,000	NA	0.88	[•]
	January 31, 2008	Bonus issue (1:2)	NA	6,667,500	NA	2.20	[•]
	February 16,	Transfer of	Cash	50,000	233	0.02	[•]
	2008 September	shares Preferential	Cash	120,000	1,000	0.04	[•]
	30, 2008 August 28,	allotment Bonus issue	NA	13,448,333	NA	4.44	[•]
	2009 Sub Total	(2:3)		33,620,833		11.10	[•]
Raj Singh &Sons	December 30, 1988	Preferential allotment	Cash	2,500	10	NA	[●] NA
(HUF)	March 20, 1989	Preferential allotment	Cash	5,000	10	NA	NA
	April 4, 1994	Preferential allotment	Cash	42,500	10	NA	NA

Name of Promoter	Date of transfer/ allotment*	Reasons for Acquisition	Consideration	No. of Equity Shares	Acquisiti on Price (Rs. per Equity Share)	Pre-Issue paid-up capital (%)	Post-Issue paid-up capital (%)
	March 30, 2003	Transfer of shares	Cash	(50,000)	10	NA	NA
	August 31, 2005	Transfer of shares	Cash	83,900	10	NA	NA
	August 31, 2006	Transfer of shares	Cash	1,000,000	10	NA	[•]
	February 15, 2007	Sale of shares	Cash	(766,400)	10	0.10	[•]
	February 27, 2007	Rights issue	Cash	63,500	500	0.02	[•]
	March 23, 2007	Bonus issue (27:1)	NA	10,287,000	NA	3.40	[•]
	October 26, 2007	Bonus issue (1:4)	NA	2,667,000	NA	0.88	[•]
	January 31, 2008	Bonus issue (1:2)	NA	6,667,500	NA	2.20	[•]
	February 16, 2008	Transfer of shares	Cash	100,000	233	0.03	[•]
	September 30, 2008	Preferential allotment	Cash	120,000	1,000	0.04	[•]
	August 28, 2009	Bonus issue (2:3)	NA	13,481,668	NA	4.45	[•]
	Sub Total	. /		33,704,168		11.13	[•]

* The Equity Shares were fully paid up on the same date.

Note: Share transfer forms in relation to the sale and purchase of the Equity Shares by the Promoters is not available and accordingly, the information disclosed above in respect of the same has been obtained from the books of records of the Company.

(b) **Details of Promoters Contribution locked in for three years are as follows:**

Pursuant to the ICDR Regulations, an aggregate of 20% of the post-Issue Equity Share Capital of our Company shall be locked in by the Promoters for a period of three years from the date of Allotment.

 $[\bullet]$ Equity Shares, aggregating up to 20% of the post-Issue equity capital of the Company, held by the Promoters shall be locked in for a period of three years from the date of Allotment in the Issue. Details of the same as are follows:

Date of transfer/ allotment	Nature of allotment	Consid eration	Number of Shares locked in (assuming GSO not exercised)*	Number of Shares locked in (assuming GSO exercised in full)*	Acquisiti on Price (Rs. per Equity Share)	% of post- Issue paid-up capital (assuming GSO not exercised)*	% of post- Issue paid-up capital (assuming GSO exercised in full)*
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]

The Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as promoters under the ICDR Regulations.

The Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution under Regulation 33 of the ICDR Regulations. In this connection, we confirm the following:

(i) The Equity Shares offered for minimum 20% Promoters' contribution have not been acquired in the last three years for consideration other than cash and revaluation of assets or capitalization of

intangible assets or bonus shares out of revaluation reserves or unrealized profits of our Company or against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;

- (ii) The minimum Promoters' contribution does not include any Equity Shares acquired during the preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- (iii) Our Company has not been formed by the conversion of a partnership firm into a company;
- (iv) The Equity Shares held by the Promoters and offered for minimum 20% Promoters' contribution are not subject to any pledge; and
- (v) The minimum Promoters' contribution does not consist of Equity Shares for which specific written consent has not been obtained from the respective Promoters for inclusion of their subscription in the minimum Promoters' contribution subject to lock-in.

(c) Details of other Equity Shares locked in

Other than the above Equity Shares that are locked in for three years, the entire pre-Issue capital and the Equity Shares issued by the Company, if any, pursuant to the exercise of the Green Shoe Option would be locked-in for a period of one year from the date of Allotment in the Issue. Provided that in the event the overallotment of Equity Shares pursuant to Green Shoe Option is made, Equity Shares held by the Green Shoe Lender, which are lent to the Stabilizing Agent shall be exempt from the one year lock-in, for the period between the date when the Equity Shares are lent to the Stabilizing Agent to the date when they are returned to the Green Shoe Lender in accordance with the ICDR Regulations. If the Equity Shares are returned to the Green Shoe Lender in accordance with the ICDR Regulations, such Equity Shares shall be subject to a lock in for the remaining period from the date on which they are returned to the Green Shoe Lender.

Further, Equity Shares Allotted to Anchor Investors, in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment of Equity Shares in the Issue.

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

The locked in Equity Shares held by the Promoters can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan. However, Equity Shares locked in as Promoters Contribution can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue.

The Equity Shares held by persons other than Promoters prior to the Issue may be transferred to any other person holding 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 Takeover Code.

The Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters 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 Takeover Code.

4. Shareholding Pattern

The table below presents our shareholding pattern before and after the proposed Issue:

Category/ Name of	Pre-Is	sue		Post	-Issue	
Shareholder	No. of Equity Shares	Percenta ge	No. of Equity Shares (assuming GSO not exercised)	Percentage of Equity Share capital (assuming GSO not	No. of Equity Shares (assuming GSO exercised	Percentage of Equity Share capital (assuming GSO exercised in
			,	exercised)	in full)	full)
Promoters						
Mr. Raj Singh Gehlot*	33,704,167	11.13	33,704,167	[•]	33,704,167	[•]
Mrs. Sheela Gehlot	33,704,167	11.13	33,704,167	[•]	33,704,167	[•]
Mr. Aman Singh Gehlot*	33,620,833	11.10	33,620,833	[•]	33,620,833	[•]

Category/ Name of	Pre-Is	sue		Post	-Issue	
Shareholder	No. of Equity Shares	Percenta ge	No. of Equity Shares (assuming GSO not exercised)	Percentage of Equity Share capital (assuming GSO not exercised)	No. of Equity Shares (assuming GSO exercised in full)	Percentage of Equity Share capital (assuming GSO exercised in full)
Mr. Arjun Singh Gehlot	33,620,833	11.10	33,620,833	[•]	33,620,833	[•]
Raj Singh and Sons (HUF)	33,704,168	11.13	33,704,168	[•]	33,704,168	[•]
Promoter Group						
Aman Growth Fund Private Limited	33,620,833	11.10	33,620,833	[•]	33,620,833	[•]
Aman Holdings Private Limited	33,620,833	11.10	33,620,833	[•]	33,620,833	[•]
Nutan Growth Fund Private Limited	33,620,833	11.10	33,620,833	[•]	33,620,833	[•]
Raj Sheela Growth Fund	33,620,833	11.10	33,620,833	[•]	33,620,833	[•]
Private Limited						
Public	Nil	Nil	[•]	[•]	[•]	[•]
Total	302,837,500	100.00	[•]	100.00	[•]	100.00

* Directors of the Company

Except as disclosed above, none of the BRLMs, our Promoters, Promoter Group, Directors and key managerial personnel hold any Equity Shares.

- 5. The list of our top 10 shareholders and the number of Equity Shares held by them is provided below:
 - (a) Our top shareholders as on the date of filing and 10 days prior filing of this Draft Red Herring Prospectus are as follows:

S. No.	Name of Shareholder	No. of Equity Shares	Percentage
1.	Mr. Raj Singh Gehlot	33,704,167	11.13
2.	Mrs. Sheela Gehlot	33,704,167	11.13
3.	Mr. Aman Singh Gehlot	33,620,833	11.10
4.	Mr. Arjun Singh Gehlot	33,620,833	11.10
5.	Raj Singh and Sons (HUF)	33,704,168	11.13
6.	Aman Growth Fund Private Limited	33,620,833	11.10
7.	Aman Holdings Private Limited	33,620,833	11.10
8.	Nutan Growth Fund Private Limited	33,620,833	11.10
9.	Raj Sheela Growth Fund Private Limited	33,620,833	11.10
	Total	302,837,500	100.00

(b) Our top shareholders as of two years prior to filing this Draft Red Herring Prospectus, i.e. September 21, 2007 were as follows:

S. No.	Name of Shareholders	Number of Equity Shares	Percentage
1.	Mr. Raj Singh Gehlot	10,668,000	11.11
2.	Mrs. Sheela Gehlot	10,668,000	11.11
3.	Mr. Aman Singh Gehlot	10,668,000	11.11
4.	Mr. Arjun Singh Gehlot	10,668,000	11.11
5.	Raj Singh & Sons (HUF)	10,668,000	11.11
6.	Aman Holdings Private Limited	10,668,000	11.11
7.	Aman Growth Fund Private Limited	10,668,000	11.11
8.	Nutan Growth Fund Private Limited	10,668,000	11.11
9.	Raj Sheela Growth Fund Private Limited	10,668,000	11.11
	Total	96,012,000	100.00

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

- 7. None of our Promoters, Promoter Group, Directors, nor their immediate relatives have purchased or sold any Equity Shares within the six months preceding the date of filing of this Draft Red Herring Prospectus with SEBI.
- 8. In terms of Rule 19 (2) (b) of the SCRR, this is an Issue for less than 25% of the post–Issue capital, therefore, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be Allotted to QIBs on a proportionate basis. Provided that, our Company may, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% and 30% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.
- 9. An investor cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
- 10. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with SEBI until the Equity Shares to be issued pursuant to the Issue have been listed.
- 11. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into our Equity Shares.
- 12. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
- 13. As on the date of this Draft Red Herring Prospectus, the total number of holders of Equity Shares is nine.
- 14. We have not raised any bridge loans against the proceeds of the Issue.
- 15. There are no partly paid up Equity Shares in our Company. All the Equity Shares will be fully paid up at the time of Allotment.
- 16. We have not issued any Equity Shares out of revaluation reserves. Our Company has not issued any Equity Shares for consideration other than cash.
- 17. We presently do not intend or propose to alter our capital structure for a period of six months from the date of listing and trading of our Equity Shares, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. However, when we enter into acquisitions or joint ventures, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares for participation in such acquisitions or joint ventures as consideration for such joint ventures.
- 18. The Equity Shares held by the Promoters are not subject to any pledge.
- 19. An oversubscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot while finalizing the basis of Allotment.
- 20. Our Promoters and members of the Promoter Group will not participate in the Issue.
- 21. As per the ICDR Regulations, the Company may avail of the Green Shoe Option for stabilizing the post-listing price of the Equity Shares. The Company has appointed JM Financial Consultants Private

Limited as the Stabilizing Agent. The Green Shoe Option consists of an option to over-allot up to $[\bullet]$ Equity Shares at the Issue Price, aggregating Rs. 1,687.50 million, representing up to 15% of the Issue, exercisable during the stabilization period.

Maximum number of Equity Shares	[•] Equity Shares
The maximum increase in the Equity Share capital if	
the Company is required to utilise the full over-	[•] Equity Shares
allotment in the Issue	
Green Shoe Option Portion	Up to 15% of the Issue
Maximum number of Equity Shares that may be	[•] Equity Shares
borrowed	[•] Equity Shares
Dro Logue helding of the Green Shee Londer	33,620,833 Equity Shares representing 11.10% of the
Pre-Issue holding of the Green Shoe Lender	pre-Issue paid up share capital of the Company

OBJECTS OF THE ISSUE

The objects of the Issue are to:

- Fund the development and construction of certain of our projects;
- Fund the payment of statutory development charges relating to our "Ambience City" township at Panipat;
- Prepay certain loans;
- Fund expenditure for general corporate purposes; and
- Achieve the benefits of listing on the Stock Exchanges.

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

We operate in a highly competitive, dynamic market, and may have to revise our estimates from time to time on account of new projects, modifications in existing planned developments and other initiatives that we may pursue. We may also reallocate expenditure to newer projects or those with earlier completion dates in the case of delays in our Ongoing and Planned projects. Consequently, our fund requirements may also change accordingly. Any such change in our plans may require rescheduling of our expenditure programs for specific projects, commencing projects which are not currently planned, discontinuing projects currently planned and an increase or decrease in the expenditure for a particular project or land development rights in relation to current plans, at the discretion of the management of the Company. The fund requirements and the intended use of the Net Proceeds of the Issue as described herein are based on management estimates and estimates of independent Architects, and have not been independently appraised by any bank or financial institution. These are based on current conditions and are subject to change on account of changes in external circumstances or costs, or other financial conditions, business or strategy.

Proceeds of the Issue

The details of the proceeds of the Issue are summarized in the table below:

	(Rs. in millions)
Particulars	Amount
Gross proceeds of the Issue	11,250
Estimated Issue expenses ⁽¹⁾	[•]
Net Proceeds of the Issue ⁽¹⁾	[•]
(1) To be finalized upon determination of Issue Price	

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

Additionally, any funds received by the Company, pursuant to the exercise of the Green Shoe Option and consequent overallotment of Equity Shares, will form a part of the gross proceeds of the Issue.

Requirement of Funds and Use of Net Proceeds of the Issue

The intended use of the Net Proceeds of the Issue is summarized in the table below:

S.No.	Des	scription	Estimated Cost	Amount Deployed as on July 31, 2009 ⁽⁴⁾	Amount to be Deployed	Amount to be Amount to be funded through the Net Proceeds of the Issue	(Rs. in millic e Deployed Amount to be funded through Debt
1.	and	the development construction of cain of our projects					
	a)	"Caitriona" condominium complex, Gurgaon	6,161.97 ⁽¹⁾	3,768.29	2,393.68	2,143.68	250.00
	b)	Office complex, Gurgaon	1,406.29 ⁽²⁾	-	1,406.29	1,406.29	-
	c)	"Ambience City",	1,158.94 ⁽³⁾	-	1,158.94	1,158.94	-

S.No.	Description	Estimated	Amount	Amount to	Amount to be	e Deployed
		Cost	Deployed as on July 31, 2009 ⁽⁴⁾	be Deployed	Amount to be funded through the Net Proceeds of the Issue	Amount to be funded through Debt
	Panipat					
2.	Fund the payment of	1,562.79	-	1,562.79	1,562.79	-
	statutory development					
	charges relating to our					
	"Ambience City"					
	township at Panipat					
3.	Prepay certain loans	4,750.00	-	4,750.00	4,750.00	-
4.	General corporate purposes ⁽⁵⁾	-	-	[•]	[•]	-
(1)	Total				[•]	

⁽¹⁾ As per the certificate of A.K. Ganju & Associates, Architects dated September 18, 2009.

⁽²⁾ As per the certificate of Grid Architecture Interiors Private Limited, Architects dated September 18, 2009.

⁽³⁾ As per the certificate of Grid Architecture Interiors Private Limited, Architects dated September 15, 2009.

⁽⁴⁾ As per certificate of BLY & Associates, Chartered Accountants dated September 19, 2009.

⁽⁵⁾ To be finalized upon determination of Issue Price.

With regards to the amount to be funded through debt in relation to the development and construction of the "Caitriona" condominium complex, our Company has entered into a loan agreement dated March 30, 2009 with Housing Development Finance Corporation Limited for an amount of Rs. 1,900.00 million. As per the certificate of BLY & Associates, Chartered Accountants dated September 19, 2009, as on July 31, 2009, the Company had drawn down an amount of Rs. 1,650.00 million which was utilized towards the development and construction cost for the aforementioned complex. The balance Rs. 250.00 million is proposed to be utilized towards the remaining development and construction cost.

Except as disclosed above, the entire requirements of the objects detailed above are intended to be funded from the Net Proceeds. In view of above, we confirm that the Company has made firm arrangement of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through proposed issue and existing identifiable internal accruals.

The year-wise break down of the Net Proceeds of the Issue to be utilized is set forth below in the following table:

				(Rs. in millions)
S.No.	Description	Fiscal 2010	Fiscal 2011	Fiscal 2012
1.	Fund the development and construction of certain of			
	our projects			
	a) "Caitriona" condominium complex, Gurgaon	900.00	1,243.68	-
	b) Office complex, Gurgaon	300.00	800.00	306.29
	c) "Ambience City", Panipat	-	500.00	658.94
2.	Fund the payment of statutory development charges	1,562.79	-	-
	relating to our "Ambience City" township at Panipat			
3.	Prepay certain loans	4,750.00	-	-
4.	General corporate purposes ⁽⁵⁾	[•]	[•]	[•]
(1) = 1				

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

The Net Proceeds of the Issue will not be used to meet the Company's working capital requirements. In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. Furthermore, any expenditure incurred in relation to the aforementioned objects after the date of filing of this Draft Red Herring Prospectus may be recouped in due course out of the Net Proceeds of the Issue. In case of any shortfall in the Net Proceeds of the Issue or cost overruns, we intend to meet our estimated expenditure from our internal accruals and debts.

Details of the Objects

1) Fund the development and construction of certain of our projects

We are developing and constructing various residential and commercial projects primarily in the NCR. We intend to deploy a total of Rs. 3,549.97 million from the Net Proceeds of the Issue to fund the development and construction costs of the "Caitriona" condominium complex and an office complex at our "Ambience Island" township at Gurgaon in Haryana. In addition, we intend to deploy Rs. 1,158.94 million from the Net Proceeds of the Issue to finance the development cost of our "Ambience City" township at Panipat in Haryana. The details of the aforementioned are as set forth below:

a. Development and construction of the "Caitriona" condominium complex at "Ambience Island", Gurgaon

The "Caitriona" condominium complex is one of our premium residential developments and is located at our "Ambience Island" township in Gurgaon, Haryana. The complex comprises 240 ultra-luxury "ready-to-live-in" condominiums ranging from approximately 6,400 square feet to 7,700 square feet in 10 towers, and has an estimated Developable Area of approximately 1.87 million square feet.

We commenced the development of the project in February, 2008. We have completed the work relating to the development of the site and have begun construction of the residential towers. We intend to utilise Rs. 2,143.68 million from the Net Proceeds of the Issue to finance the remaining development and construction cost in relation to this project. For further details see "*Our Business*" on page 92.

Development and construction cost

The total development and construction cost in relation to the "Caitriona" condominium complex is estimated at Rs. 6,161.97 million as per the certificate of A.K. Ganju & Associates, Architects dated September 18, 2009. The break-up of the development and construction cost for this project, as per the certificate of A.K. Ganju & Associates, Architects dated September 18, 2009, is given below:

	(Rs. in millions)
Particulars	Amount
Construction of basement and service area	761.47
Construction of built-up area	1,334.62
Furnishing and finishing	1,779.48
Air-conditioning, lifts and other services	778.52
Infrastructure, development, and other amenities relating to the project	935.00
Others ⁽¹⁾	572.88
Total	6,161.97

⁽¹⁾ Includes consultancy costs (taken as 5% of balance costs) and contingency (taken as 5% of balance costs including consultancy costs)

Development and construction schedule

The expected schedule of key development and construction activities for the project, is given below:

Particulars	Expected Completion
Excavation	Completed
Civil structure for basement	Completed
Civil structure for superstructure	Fiscal 2010
Finishing/ services and development works	Fiscal 2011
Completion	Fiscal 2011

Deployment of funds and means of finance

The amount already deployed and means of financing the remaining development and construction cost relating to the "Caitriona" condominium complex is given below:

	(Rs. in millions)
Particulars	Amount
Estimated Cost ⁽¹⁾	6,161.97
Amount deployed as on July 31, 2009 ⁽²⁾	
– Debt	1,650.00
 Customer advances 	1,354.86
 Share capital, reserves and surplus 	763.43
Total amount deployed as on July 31, 2009	3,768.29
Amount to be Deployed	2,393.68
Of which:	
Amount to be funded through the Net Proceeds of the Issue	2,143.68
Amount to be funded through Debt	250.00

⁽¹⁾ As per the certificate of A.K. Ganju & Associates, Architects dated September 18, 2009.

⁽²⁾ As per the certificate of BLY & Associates, Chartered Accountants dated September 19, 2009.

With regards to the amount to be funded through debt in relation to the development and construction of the "Caitriona" condominium complex, our Company has entered into a loan agreement dated March 30, 2009 with Housing Development Finance Corporation Limited for an amount of Rs. 1,900.00 million. As per the certificate of BLY & Associates, Chartered Accountants dated September 19, 2009, as on July 31, 2009, the Company had drawn down an amount of Rs. 1,650.00 million which was utilized towards the development and construction cost for the aforementioned complex. The balance Rs. 250.00 million is proposed to be utilized towards the remaining development and construction cost.

The schedule of the fund deployment with regards to the remaining development and construction of the "Caitriona" condominium complex has been set forth below in the following table:

	(Rs. in millions)
Particulars	Amount
Fiscal 2010	1,150.00
Fiscal 2011	1,243.68
Total	2,393.68

b. Development and construction of office complex, at "Ambience Island", Gurgaon

We have commenced the development of a 12 storey office complex with a four level basement on land measuring approximately 3.71 acres at our "Ambience Island" township in Gurgaon, Haryana. . The office complex will offer central air conditioning, 100% power back-up, high speed elevators, service lifts, multi-level car parking and other contemporary facilities. This project has an estimated Developable Area of approximately 0.74 million square feet.

We commenced the excavation work in August, 2009 and expect to complete the construction by December 2011. We intend to utilise Rs. 1,406.29 million from the Net Proceeds of the Issue to finance the entire development and construction cost in relation to this project. For further details see "*Our Business*" on page 92.

Development and construction cost

The total development and construction cost in relation to the project is estimated at Rs. 1,406.29 million as per certificate of Grid Architecture Interiors Private Limited, Architects dated September 18, 2009. The break-up of the development and construction cost for this project, as per certificate of Grid Architecture Interiors Private Limited, Architects dated September 18, 2009, is given below:

(Rs. in millions)
Amount
40.37
811.33
282.56
141.28
130.75
1,406.29

⁽¹⁾ Includes consultancy costs (taken as 5% of balance costs) and contingency (taken as 5% of balance costs including consultancy costs)

Development and construction schedule

The expected schedule of key development and construction activities for the project, is given below:

Particulars	Expected Completion
Completion of excavation	Fiscal 2010
Completion of civil structure	Fiscal 2011
Completion of building	Fiscal 2012

Deployment of funds and means of finance

As per the certificate of BLY & Associates, Chartered Accountants dated September 19, 2009, as on July 31, 2009 we have not deployed any funds towards the development and construction cost of the aforementioned project. We intend to finance the entire development and construction cost of Rs. 1,406.29 million from the Net Proceeds of the Issue.

For the schedule of fund deployment with regards to development and construction of the office complex please see "*Requirement of Funds and Use of Net Proceeds of the Issue*" above.

c. Development of the "Ambience City" township at Panipat

We own approximately 334.95 acres of land at Panipat in Haryana where we plan to develop our "Ambience City" township. This township will have a mix of residential plots, bungalows, multi-storied group housing, commercial and retail developments. We plan to commence the development work at this township in April, 2010. The development activities we plan to carry out in this township will essentially consist of laying of sewerage lines, water lines, drainage systems and electrical cables, installation of electrical sub-stations, sewerage treatment plant and external electrification, landscaping, laying of roads and paths, etc. We intend to utilise Rs. 1,158.94 million from the Net Proceeds of the Issue to finance the development cost in relation to this township. For further details see "*Our Business*" on page 92.

Development cost

The total development cost in relation to the "Ambience City" township at Panipat is estimated at Rs. 1,158.94 million as per the certificate of Grid Architecture Interiors Private Limited, Architects dated September 15, 2009. The break-up of the development cost, as per certificate of Grid Architecture Interiors Private Limited, Architecture Interiors Private Limited, Architects dated September 15, 2009, is given below:

	(Rs. in millions)
Particulars	Amount
Levelling and strengthening	115.22
Sewerage and drainage systems	271.10
External electrical and related systems	203.32
Roads and paths	210.10
Water supply facilities	149.10
Other development costs	210.10
Total	1,158.94

We plan to commence the development work at this township in April, 2010. We expect to complete the levelling and strengthening by October, 2010 and other development activities by Fiscal 2012.

Deployment of funds and means of finance

As per the certificate of BLY & Associates, Chartered Accountants dated September 19, 2009, as on July 31, 2009 we have not deployed any funds towards the development cost of our "Ambience City" township at Panipat. We intend to finance the entire development cost of Rs. 1,158.94 million from the Net Proceeds of the Issue.

For the schedule of fund deployment with regards to the development of the "Ambience City" township at Panipat please see "*Requirement of Funds and Use of Net Proceeds of the Issue*" above.

2) Fund the payment of statutory development charges relating to our "Ambience City" township at Panipat

As indicated above, we propose to develop our "Ambience City" township at Panipat, Haryana and are in advanced stages of obtaining approvals from authorities required to begin developmental work at the site. As per the terms of a letter dated July 30, 2009 from the Director Town and Country Planning ("DTCP"), Haryana, the DTCP has proposed to grant us a license for the development 314.808 acres at the our Panipat township on payment of specified statutory dues and fulfilment of other conditions within a period of 30 days from the date of issuance of the letter. The aforementioned letter has raised a demand of Rs. 1,200.19 million towards external development works and Rs. 362.60 million towards infrastructure development charges (together the "Statutory Development Charges"). We intend to utilize Rs. 1,562.79 million of the Net Proceeds of the Issue towards payment of the aforementioned Statutory Development Charges. We have applied to the DTCP, Haryana for an extension in the period for making payments and fulfilment of other conditions specified in the letter dated July 30, 2009.

As per the certificate of BLY & Associates, Chartered Accountants dated September 19, 2009 as on July 31, 2009 we have not deployed any funds towards the payment of the aforementioned Statutory Development Charges.

3) Prepay certain loans

We have entered into various financing arrangements with a number of lenders. We intend to prepay up to Rs. 4,750.00 million of outstanding loans taken by Ambience Limited and our subsidiaries, Ambience Commercial Developers Private Limited ("ACDPL") and Ambience Developers and Infrastructure Private Limited ("ADIPL") from the Net Proceeds of the Issue. The following are the details of the loans taken by Ambience Limited, ACDPL and ADIPL in which prepayment of some is proposed:

Bank	Company/ Subsidiary	Date of Sanction Letter/ Loan Agreement	Nature of Loan	Interest	Purpose ⁽¹⁾	Amount Sanctioned (1)	Amount Drawn Down as on July 31, 2009	Loan Amount Outstanding as on July 31, 2009 ⁽¹⁾
Bank of Baroda	Ambience Limited	Demand loan agreement dated June 19, 2009	Demand loan	1.25 % above Bank of Baroda's PLR per annum with monthly rests. The prevalent lending rate was 15.25% per annum.	Working capital loan.	950.00	950.00	950.00
UCO Bank	Ambience Limited	Loan agreement dated October 18, 2007	Working capital term loan	2% above UCO Bank's PLR per annum with monthly rests. The prevelant lending rate was 13.5%	For construction activity.	600.00	600.00	600.00
Allahabad Bank	ACDPL	Term loan agreement dated March 28, 2009	Term loan	Allahabad Bank's PLR per annum with monthly rests. The prevalent lending rate was 12.5% per annum.	For repayment of current loans and loans of Ambience Limited and ADIPL.	2,000.00	2,000.00	2,000.00
Indian Overseas Bank	ACDPL	Sanction letter dated March 23, 2009 as amended by letter dated March 27, 2009	Term loan	India Overseas Bank's PLR per annum less 0.5% with monthly rests. The prevalent lending rate was 12.0% per annum.	- For repayment of existing debt - Interest on the current loan	1,000.00	995.00	995.00
J&K Bank	ACDPL	Sanction Letter dated March 26,	Term loan	J&K Bank's PLR per annum with monthly rests.	- For prepayment of existing term	838.70	838.70	838.70

Bank	Company/ Subsidiary	Date of Sanction Letter/ Loan Agreement	Nature of Loan	Interest	Purpose ⁽¹⁾	Amount Sanctioned (1)	Amount Drawn Down as on July 31, 2009	Loan Amount Outstanding as on July 31, 2009 ⁽¹⁾
		2009		The prevalent lending rate was 14.5% per annum.	loans - General corporate purpose			
Oriental Bank of Commerce (OBC)	ACDPL	Term loan agreement dated February 13, 2009	Term loan	OBC's PLR per annum plus 1% with monthly rests. The prevalent PLR lending rate was 13.5% per annum.	- For prepayment of existing debt - Interest on the current loan - General corporate purpose	2,000.00	2,000.00	2,000.00
Punjab National Bank	ACDPL	Term loan cum hypothecati on agreement dated February 13, 2009	Term loan	Punjab National Bank's PLR and additional 0.50 % term premia and 2%, i.e., 14% per annum floating linked to BPLR with monthly rests.	For repaying the existing borrowings and for interest on the present term loan for first nine months	3,250.00	3,176.80	3,176.80
Bank of India (BOI)	ACDPL	Memorand um of entry dated March 20, 2008 as amended vide letter dated January 17, 2009	Short term loan	BOI's PLR and additional 1.25 % per annum with monthly rests. The prime lending rate was 12.75% per annum.	 For upgradation of interiors relating to the Vasant Kunj project For procurement and installation of dual piping system and other refurbishing of equipment 	500.00	500.00	500.00 ⁽²⁾
HDFC Limited	ADIPL	Loan agreement dated September 29, 2008 as amended	Term loan	11.50% per annum, until revised	For repaying the existing borrowings and other general corporate purposes	1,500.00	1,500.00	1,418.66

⁽¹⁾ As per certificate from BLY & Associates, Chartered Accountants dated September 19, 2009.

⁽²⁾ Excludes interest capitalised up to July 31, 2009.

For details see "Financial Indebtedness" on page 281.

Our Company intends to utilize the proceeds of the Net Issue towards prepayment of some of the aforementioned facilities. Our Company will give preference to repaying high cost debts in order to reduce the interest burden. Our Company will approach the banks/ financial institutions/ lenders or clients after the completion of this Issue for pre-payment of some of the above loans. Some of the loan documents provide for payment of pre-payment penalties and our Company may have to pay such excess amounts. Our Company will take these provisions into consideration in prepaying its debt from the proceeds of the Net Proceeds of the Issue. In view of the dynamic nature of our industry, the Company may have to revise its business plan from time to time and consequently our fund requirement may also change. Thus, the Company may reduce or increase the amount of prepayment of debt.

With regards to prepayment of loans by ACDPL and AIDPL, the Company intends to subscribe to the equity shares of ACDPL and AIDPL to the extent of the amount required for prepayment of these loans. We confirm that there are no assured dividends that are proposed to accrue to the Company consequent to such an

investment in ACDPL and ADIPL. The investments by the Company in ACDPL and ADIPL for prepayment of the aforementioned loans, will help reduce the indebtedness in these companies.

As confirmed by the certificate from BLY & Associates, Chartered Accountants dated September 19, 2009, Ambience Limited, ACDPL and ADIPL have utilized the aforementioned loans for the purposes for which they were sanctioned.

4) General Corporate Purposes

We intend to deploy the balance Net Proceeds aggregating to Rs. $[\bullet]$, million, towards general corporate purposes, including but not restricted to acquisition development rights, construction of projects, strategic initiatives and acquisition of fixed assets, repayment/ prepayment of balance debt, brand building exercises, purchasing equipment and the strengthening of our marketing capabilities. Further any additional funds received by the Company pursuant to the exercise of the Green Shoe Option and consequent overallotment of Equity Shares, will be utilised towards general corporate purposes. Our management, in accordance with the policies of the Board, will have the flexibility in utilizing the sum earmarked for general corporate purposes and any surplus amounts from the Net Proceeds.

5) Achieve the benefits of listing on the Stock Exchanges

We believe that equity capital markets is an ideal source for meeting long term funding requirements of a growing real estate and development company like ours. In addition, the listing of our Equity Shares will, *inter alia*, enhance our visibility and brand name among our existing and potential customers. We also believe that as a listed entity we would be able to attract high quality and talented personnel.

Issue Related Expenses

The Issue related expenses include, among others, lead management, underwriting and selling commissions, advertisement and marketing expenses, printing and stationary expenses, and registrar, legal fees and depository fees. The estimated Issue expenses are as follows:

S.No.	Activity Expense	Amount (Rs. millions)	Percentage of Total Issue Expenses	Percentage of Total Issue Size
1.	Lead management fees*			
2.	Underwriting and selling commission*(including	[•]	[•]	[•]
	commission to SCSBs for ASBA Applications *)			
3.	Registrar's fees*	[•]	[•]	[•]
4.	Advertisement and marketing expenses*	[•]	[•]	[•]
5.	Printing and distribution expenses*	[•]	[•]	[•]
6.	IPO Grading expenses*	[•]	[•]	[•]
7.	Advisors*	[•]	[•]	[•]
8.	Bankers to the Issue*	[•]	[•]	[•]
9.	Others (SEBI filing fees, bidding software expenses,	[•]	[•]	[•]
	depository charges, listing fees, etc.) *			

*Will be incorporated at the time of filing of the Prospectus.

Appraisal Report

None of the projects for which the Net Proceeds will be utilised have been financially appraised. The estimates of the costs of objects mentioned above are based on internal estimates of our Company and certifications received from the Architects.

Interim use of funds

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

Monitoring Utilization of Funds

In terms of Regulation 16 of the ICDR Regulations, our Company has appointed IFCI Limited as the monitoring agency, to monitor the utilization of the Net Proceeds. The Company in accordance with the Listing Agreement undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. The Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the ICDR Regulations, the Listing Agreements with the Stock Exchanges and any other applicable law or regulations, clearly specifying the purposes for which the Net Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Issue Proceeds that have not been utilized, if any, of such currently unutilized Net Issue Proceeds.

In accordance with clause 43A of the Listing Agreement the Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including material deviations if any, in the utilization of the proceeds of the Issue for 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. In the event, the Monitoring Agency points out any deviation in the use of proceeds of the Issue from the objects of the Issue as stated above, or has given any other reservations about the end use of funds, the Company shall intimate the same to the Stock Exchanges without delay. Further, on an annual basis, we shall prepare a statement of funds utilised for purposes other than those stated in this Draft Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the full money raised through the Issue has been fully spent. The statement shall be certified by our statutory auditors.

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds of the Issue or estimated cost as above with the Promoters, the Directors, the Company's key management personnel, associate and group companies. No part of the proceeds from the Issue will be paid by us as consideration to our Promoters, Promoter Group, our Directors, group companies or key managerial employees, except in the normal course of our business.

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 through the Book Building Process. The face value of the equity shares is Rs. 10 and the Issue Price is $[\bullet]$ times the face value at the lower end of the Price Band and $[\bullet]$ times the face value at the higher end of the Price Band.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the real estate sector:

- a) Ability to conceptualise, build and operate large and innovative projects;
- b) 'Ambience' brand which is associated with premium developments;
- c) Mixed sale and lease business model for our real estate development business;
- d) Land Reserves in strategic locations;
- e) In-house construction, marketing and property management capabilities;
- f) Diversified development mix; and
- g) Strong leadership and experienced management

For further details, see "Our Business - Our Strengths" on page 94.

Quantitative Factors

The information presented below relating to the Company is based on the Restated Unconsolidated Summary Statements for Fiscals 2007, 2008 and 2009 and Restated Consolidated Summary Statements for Fiscals 2007, 2008 and 2009 prepared in accordance with Indian GAAP. For details, see "Auditor's Report - Restated Unconsolidated Summary Statements" and "Auditor's Report - Restated Consolidated Summary Statements on pages 152 and 200, respectively.

Information presented in this section is derived from our standalone and consolidated restated summary statements prepared in accordance with Indian GAAP.

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

1. Earning Per Share (EPS) (as adjusted for change in capital):

As per our Restated Unconsolidated Summary Statements:

Year ended	Basic EPS (in Rs.)	Diluted EPS (in Rs.)	Weight
March 31, 2007	2.62	1.40	1
March 31, 2008	3.54	3.54	2
March 31, 2009	1.93	1.93	3
Weighted Average	2.58	2.38	

As per our Restated Consolidated Summary Statements:

Year ended	Basic EPS (in Rs.)	Diluted EPS (in Rs.)	Weight
March 31, 2007	2.76	1.47	1
March 31, 2008	3.76	3.76	2
March 31, 2009	2.16	2.16	3
Weighted Average	2.79	2.58	

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

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

- a. P/E based on EPS as per our Restated Unconsolidated Summary Statements for year ended March 31, 2009 is [•] at the Floor Price and Rs. [•] at the Cap Price
- b. P/E based on EPS as per out Restated Consolidated Summary Statements for year ended March 31, 2009 is [•] at the Floor Price and Rs. [•] at the Cap Price

c. Industry P/E
(i) Highest: 112.90
(ii) Lowest: Nil
(iii) Industry Composite: 32.10

Source: "Capital Market" magazine Vol. no. XXIV/14 dated September 07 - 20, 2009 (Industry – Construction Sector)

Peer group includes Ansal Properties, Parsvnath Developers, Omaxe, Unitech and DLF.

3. Return on Net Worth as per restated Indian GAAP financials:

Return on Net Worth as per our Restated Unconsolidated Financial Statements:

Year ended	RONW (%)	Weight
March 31, 2007	25.37	1
March 31, 2008	31.60	2
March 31, 2009	10.13	3
Weighted Average	19.83	

Return on Net Worth as per our Restated Consolidated Financial Statements:

Year ended	RONW (%)	Weight
March 31, 2007	12.27	1
March 31, 2008	18.21	2
March 31, 2009	7.43	3
Weighted Average	11.83	

Note: The return on net worth has been computed by dividing Profit after Tax by Net Worth. The weighted average of Return on Net Worth (%) and adjusted Return on Net Worth (%) for these fiscal years have been computed by giving weights of 1, 2 and 3 for fiscal years ending March 31, 2007, 2008 and 2009 respectively.

4. Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2009:

Based on standalone restated summary statements:

a. At the Floor Price $- [\bullet]\%$

b. At the Cap Price $- [\bullet]\%$

Based on consolidated restated summary statements:

- a. At the Floor Price $[\bullet]\%$
- b. At the Cap Price $[\bullet]\%$

5. Net Asset Value per Equity Share of face value Rs. 10/- each

- a. As of March 31, 2009, as per our Restated Unconsolidated Summary Statements is Rs. 19.00
- b. As of March 31, 2009, as per our Restated Consolidated Summary Statements is Rs. 29.01
- c. After the Issue, as per our Restated Unconsolidated Summary Statements: [•]
- d. After the Issue, as per our Restated Consolidated Summary Statements: [•]
- e. Issue Price: Rs. [•]*

*Issue Price per Share will be determined on conclusion of book building process.

Net Asset Value per Equity Share represents Net Worth, as restated divided by the number of Equity Shares outstanding at the end of the period.

6. Comparison with Industry Peers:

Name of the Company	Face Value (Rs.)	E.P.S (Rs.)	Book Value (Rs.) as on March 31, 2009	RONW (%) for Fiscal 2009	P/E Multiple
Ansal Properties	5.00	4.80	98.5	16.20	19.80
Parsvnath Developers	10.00	6.10	103.90	43.20	41.50

Omaxe	10.00	4.50	74.60	52.50	52.00
Unitech	2.00	3.00	30.40	29.60	44.70
DLF	2.00	9.10	71.50	43.20	76.00
Ambience (on consolidated basis)	10.00	2.16	29.01	7.43	[•]

Source: "Capital Market" magazine Vol. no. XXIV/14 dated September 07 - 20, 2009 (Industry – Construction Sector) Notes:

1. Face value, EPS, NAV per share and RoNW of the Company as at and for the year ended March 31, 2009, have been taken from the *"Financial Statements"* on page 152.

2. Basic/ Diluted EPS of the Company for the year ended March 31, 2009.

The Issue Price of Rs. $[\bullet]$ has been determined by our Company in consultation with the BRLMs and on the basis of assessment of market demand for the Equity Shares through the Book Building Process. The BRLMs believe that the Issue Price of Rs. $[\bullet]$ 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 10 and 152, respectively, to have a more informed view. The trading price of the Equity Shares of the Company could decline due to the factors mentioned in "*Risk Factors*" on page 10 and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

То

The Board of Directors Ambience Limited L-4, Green Park Extension New Delhi 110 016 India

Sub. : Statement of possible tax benefits available to Ambience Ltd and its shareholders

Dear Sirs,

We hereby report that the enclosed statement states the probable tax benefits that may be available to Ambience Limited (the "Company") and to the shareholders of the Company under the provisions of the Income Tax Act, 1961, Wealth Tax Act, 1957 and SEZ Act, 2005, presently prevailing and in force in India. Several of these benefits are subject to the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to tax benefits is subject to fulfillment of such conditions, which is based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are neither exhaustive nor are they conclusive. This statement is only intended to provide general information and to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the consequences, the changing tax laws, each investor is advised to consult his or her own consultants with respect to the specific tax implication arising out of their participation in the issue.

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

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

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

This report is provided solely for information and for the inclusion in the offer Document 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 BLY & Associates Chartered Accountants

B.L. Yadav Proprietor Membership No.091601

Place: New Delhi Date: September 22, 2009

1. Benefits available under Income Tax Act, 1961 ("the IT Act")

A) Benefits available to the Company

General tax benefits

- a. Under section 10(34) of the IT Act, income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after April 1, 2003) received on shares of any domestic company is exempt from tax.
- b. Under section 10(38) of the IT Act, long term capital gains arising to a shareholder company on transfer of equity shares held in another Company as investment would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax. However, as amended by Finance Act, 2006 from A.Y.2007-08, long term capital gain needs to be taken into account in computing the book profit and income tax payable under section 115 JB.
- c. Under section 32 of IT Act, the deduction for depreciation will be available at the prescribed rates on tangible assets such as building, plant and machinery, furniture and fixtures, etc. and intangible assets such as patent, trademark, copy right, know how, licenses etc if acquired after March 31, 1998.
- d. Under section 32(2) of the IT Act, the unabsorbed depreciation arising due to absence/ insufficient of profits or gains chargeable for the previous year can be carried forward. The amount is allowed to be carried forward and set off for the succeeding previous years until the amount is exhausted without any time limit.
- e. Under section 10(35) of the IT Act, any income received in respect of the units of a Mutual Fund specified under section 10(23D) of the IT Act is exempt from tax.
- f. Under section 35D of the IT Act, the deduction will be available equal to 1/5th of the expenditure incurred of the nature specified in the said section, including expenditure on present issue, such as underwriting commission, brokerage and other charges, as specified in the provisions, by way of amortization over a period of 5 successive years, beginning with the previous year in which the business commences, subject to prescribed limits.
- g. As per the provisions of section 71B of the IT Act, house property losses can be carried forward for a period of 8 consecutive assessment years commencing from the assessment year when the loss were first computed and set off such losses from the income chargeable under the head "Income from house property".
- h. As per the provisions of section 80G of the IT Act, the deductions will be available in respect of amounts contributed as donations to various charitable institutions and funds covered under that section, subject to fulfillment of conditions specified therein.
- i. Under section 24(a) of the IT Act, the Company is eligible for deduction of thirty percent of the annual value of the property (i.e. actual rent received or receivable on the property or any part of the property which is let out).
- j. Under section 24(b) of the IT Act, where the property has been acquired, constructed, repaired, renewed or reconstructed with borrowed capital, the amount of interest payable on such capital shall be allowed as a deduction in computing the income from house property. In respect of property acquired or constructed with borrowed capital, the amount of interest payable for the period prior to the year in which the property has been acquired or constructed shall be allowed as deduction in computing the income from house property as deduction in computing the income from house property has been acquired or constructed shall be allowed as deduction in computing the income from house property in five equal installments beginning with the year of acquisition or construction.
- k. Under section 48 of the IT Act which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, as per second proviso to section 48 of the IT Act, in respect of Long Term

Capital Gains arising out of transfer of Long Term Capital Assets i.e. shares held in Indian Company for a period exceeding 12 months or other capital assets held for a period exceeding 36 months, it permits substitution of cost of acquisition / improvement with the indexed cost of acquisition/improvement, which adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed from time to time.

1. Under section 115JAA (1A) of the IT Act, tax credit shall be allowed in respect of any tax paid (MAT) under section 115JB of the Act for any Assessment Year commencing on or after 1st April, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for set-off beyond ten years immediately succeeding the year in which the MAT credit initially arose.

Special tax benefits

- a. Under section 80IAB of the IT Act, the deduction equal to 100% of profits derived from the business of developing the "Special Economic Zone" (SEZ) will be available for a period of ten consecutive assessment years out of a block of 15 years beginning from the year in which the SEZ is notified by Central Government, subject to approval from the state Ministry of Commerce for developing SEZ.
- b. The provisions of section 115JB of the IT Act in respect of Minimum alternative tax will not apply on or after 1, 2005 to the profits and gains derived by the company from any business of developing SEZ.
- c. The SEZ developer company is not liable to pay dividend distribution tax under the provisions of section 1150 of the IT Act, on any amount declared, distributed or paid by way of dividends (whether interim or otherwise) on or after 1, 2005 for the profits and gains derived by the company from any business of developing SEZ.

B. Benefits available to resident shareholders

General tax benefits

- a. Under section 10(34) of the IT Act, income by way of dividends referred to in section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders.
- b. Under section 10(38) of the IT Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.
- c. Under section 48 of the IT Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, as per second proviso to section 48 of the IT Act, in respect of long term capital gains (i.e. shares held for a period exceeding 12 months) from transfer of shares of Indian Company, it permits substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed from time to time.
- d. Under section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) notified by Central Government in the official gazette issued by:
 - 1) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
 - 2) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion. The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income-tax under Section 80C of the IT Act for any assessment year beginning on or after April 1, 2006.

- e. Under section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.
- f. Under section 111A of the IT Act and other relevant provisions of the IT Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short-term capital gains arising from transfer of shares in a Company, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.
- g. However In the case of an Individual or a Hindu Undivided Family, being resident, where the total income as reduced by such short term capital gains is below the maximum amount which is not chargeable to Income Tax then, such short term capital gain shall be reduced by the amount by which total income as so reduced falls short of the maximum amount which is not chargeable to income tax and the tax on the balance of such short term capital gains shall be computed at the rate of ten percent. Where the gross total income of an assessee includes any short term capital gain referred herein above then the deduction under chapter VI A shall be allowed from the gross total income as reduced by such capital gains.
- h. Under section 112 of the IT Act and other relevant provisions of the IT Act, long term capital gains, (other than those exempt under section 10(38) of the IT Act) arising on transfer of shares in the Company, would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess) after indexation. The amount of such tax should however be limited to 10% (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.

Provided that in the case of an Individual or a Hindu Undivided Family where the total income as reduced by such long term capital gains is below the maximum amount which is not chargeable to income tax, then, such long term capital gain shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income tax and the balance of such long term capital gains shall be computed at the rate of 20%.

Special tax benefits

There are no special tax benefits available to the resident shareholder.

C. Benefits available to non resident shareholders/other than Foreign Institutional Investors and Foreign Venture Capital Investors.

General tax benefits

a. Under section 10(34) of the IT Act, income by way of dividends referred to in section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders.

- b. Under section 10(38) of the IT Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.
- c. Under section 48 of the IT Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, as per second proviso to section 48 of the IT Act, in respect of long term capital gains (i.e. shares held for a period exceeding 12 months) from transfer of shares of Indian Company, it permits substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed from time to time.
- d. Under section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) notified by Central Government in the official gazette issued by:
 - 1) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
 - 2) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion. The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income-tax under Section 80C of the IT Act for any assessment year beginning on or after April 1, 2006.

- e. Under section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.
- f. Under section 111A of the IT Act and other relevant provisions of the IT Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short-term capital gains arising from transfer of shares in a Company, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.
- g. Under section 112 of the IT Act and other relevant provisions of the IT Act, long term capital gains, (other than those exempt under section 10(38) of the IT Act) arising on transfer of shares in the Company, would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess) after indexation. The amount of such tax should however be limited to 10% (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.
- h. Taxation of Income from investment and Long Term Capital Gain (other than those exempt u/s 10(38) of the IT Act).

- (1). A non resident Indian i.e. an individual being a citizen of India or person of Indian origin has an option to be governed by the specific provisions contained in Chapter XIIA of the IT Act, i.e. "Special Provisions Relating to certain income of Non- Residents".
- (2). As per the provisions of section 115E of the IT Act, where shares in the company are subscribed for in convertible Foreign Exchange by a non- resident Indian, capital gains arising to the non resident on transfer of shares held for the period exceeding 12 months shall (in case not covered under section 10 (38) of the IT Act,] be concessionally taxed at a flat rate of 10% (plus applicable surcharge and education cess) without indexation benefit but with protection against foreign fluctuation under the first proviso to section 48 of the IT Act.
- (3). Under the provisions of section 115F of the IT Act, long term capital gain (in case not covered under section 10 (38) of the IT Act,) arising to a non- resident Indian from the transfer of shares of the company subscribed to in convertible Foreign Exchange shall be exempt from tax if the net consideration is reinvested in specific assets within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three year from the date of their acquisition.
- (4). Under the provisions of section 115-G of the IT Act, it shall not be necessary for a non resident Indian to furnish his return of income if his only source of income is investment income or long term capital gain or both arising out of assets acquired, purchased of subscribed in convertible foreign exchange and tax deductible at source has been deducted there from.
- (5). As per the provisions of section 115-I of the Act, a non resident Indian may elect not to be governed by the provisions of Chapter XII-A of the IT Act for the any assessment year by furnishing his return of income under section 139 of IT Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year and if he does so the provisions of this Chapter shall not apply to him. In such a case the tax on investment income and long term capital gain would be computed as per normal provisions of the IT Act.

Special tax benefits

There are no special tax benefits available to the non resident shareholder.

C. Benefits available to foreign institutional investors ('FIIs')

General tax benefits

- a. Under section 10(34) of the IT Act, income by way of dividends referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders.
- b. Under section 10(38) of the IT Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.
- c. Under section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) notified by Central Government in the official gazette issued by:
 - 1) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
 - 2) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

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

- d. As per section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FII would prevail over the provisions of the IT Act to the extent they are more beneficial to the FII.
- e. Under section 115AD of the IT Act, income by way of long term capital gain arising from the transfer of shares (in cases not covered under section 10(38) of the Act) held in the company will be taxable @10% (plus applicable surcharge and education cess). It is to be noted that the benefits of indexation and foreign currency fluctuations are not available to FIIs.

Special tax benefits

There are no special tax benefits available to the Foreign Institutional Investors.

D. Benefits available to venture capital companies / funds

As per the provisions of section 10(23FB) of the IT Act, any income of Venture Capital companies/Funds which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and notified as such in the Official Gazette. Venture capital fund, operating under a registered trust deed or a venture capital scheme made by Unit Trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and fulfilling such conditions as may be notified in the Official Gazette, set up for raising funds for investment in a venture Capital Undertaking, which is set up to raise funds for investment in a venture Capital Undertaking, subject to it falling in the definition of "Venture Capital Undertaking" as per the provisions of the IT Act.

2. 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 held by the shareholders would not be liable to wealth tax.

Notes:

The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;

The above statement of possible direct tax benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;

This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue;

In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and

The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.

SECTION IV: ABOUT THE COMPANY INDUSTRY OVERVIEW

The information in this section is derived from various government publications and other industry sources. Neither we nor any other person connected with the Issue has verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current.

For the convenience of readers, certain amounts reported in US dollars have also been converted into Rupees at the exchange rate of US\$1 = Rs. 48.2426, which was the average noon buying rate for Rupees for August 2009 as certified for customs purposes by the Federal Reserve Bank of New York.

The Indian Economy

According to the Handbook of Statistics on Indian Economy published by the Reserve Bank of India ("RBI"), India had a population of approximately 1.1 billion in fiscal 2008 with a GDP of approximately Rs. 31.23 billion (estimates). This makes India the world's largest democracy and the fifth largest economy in the world in terms of GDP after the European Union, United States of America, China and Japan. (*Source: CIA World Factbook*)

The following table sets forth the key indicators of the Indian economy for the past five fiscal years.

	(Annual percentage change, except for foreign exchange reserves)						
	As at and for the year ended March 31,						
	2005 2006 2007 2008 200						
GDP growth ⁽¹⁾	7.5%	9.5%	9.7%	9.0%	6.7%		
Index of Industrial Production ⁽²⁾	8.4%	8.2%	11.5%	8.5%	2.6%		
Wholesale Price Index ⁽³⁾	6.5%	4.4%	5.4%	4.7%	8.3%		
Foreign Exchange Reserves (in US\$ billions)	135.6	145.1	191.9	309.1	252.0		

(1) GDP at Factor Cost (Constant Prices)

(2) Index of industrial production (General)

(3) All commodities Source: Economic Survey 2008-2009, RBI; Ministry of Statistics and Programme Implementation

As might be expected, the global financial crisis of 2007 and the consequent global economic slowdown negatively effected the Indian economy. Nevertheless, as shown in the table above, India still experienced GDP growth in fiscal 2008 and fiscal 2009. India's ability to weather the global slowdown and its own domestic liquidity crunch has been driven by the country's large domestic savings and corporate retained earnings, which have been used to finance investment. Similarly, although urban consumption has slowed somewhat as a result of a recently sluggish labour market, low export dependence and a large rural consumption and employment have helped to sustain consumption. Finally, fiscal policy, primarily in the form of reduced interest rates, has aided in maintaining private demand, liquidity and short-term rates, and reducing the risk of loan losses. (Nouriel Roubini, "*Are There Bright Spots Amid the Global Recession?*" August 6, 2009, www.forbes.com)

Overview of the Indian Real Estate Sector

The term "real estate" includes land and any building or structure that may be constructed upon it. It covers residential housing, commercial offices, trading spaces such as theatres, hotels and restaurants, retail outlets, industrial buildings such as factories, and government buildings.

Historically, the real estate sector in India was unorganized and characterized by various factors that impeded organized dealing, such as the absence of a centralized title registry providing title guarantee, a lack of uniformity in local laws and their application, non-availability of bank financing, high interest rates, stamp duties and transfer taxes and the lack of transparency in transaction values. The Indian real estate sector has been dominated by regional players, as local know-how and relationships are critical for success in the development phase.

In recent years however, the real estate sector in India has exhibited a trend towards greater organization and transparency by various regulatory reforms. These reforms include:

- Increased availability of financing from banks and other financial institutions;
- FDI being permitted in real estate sector, subject to certain conditions. The new FDI rules mainly relate to the minimum area required to be developed by such a project, minimum amounts to be invested and time limits within which such a project must be completed. For details, see "*Regulations and Policies*" on page 116;
- the support of the Government of India for the repeal of the Urban Land (Ceiling and Regulation) Act, 1976, with nine state governments having already repealed that Act;
- modifications in the Rent Control Act to provide greater protection to homeowners wishing to rent out their properties;
- rationalization of stamp duty on certain instruments in a numbers of states; and
- the proposed computerization of land records.

Further, the last decade has seen the emergence of larger players that have differentiated themselves through superior execution and branding. Whilst, these players are now initiating efforts to develop a broader geographic presence and are seeking to capitalize on their early mover advantage, they tend to remain confined to local or regional markets. In addition, tax and other benefits applicable to SEZs are expected to result in a new source of demand.

The trend towards greater organization and transparency has contributed to the development of reliable indicators of value and organized investment in the real estate sector by domestic and international financial institutions and has also resulted in the greater availability of financing for real estate developments. The nature of demand is also changing, with heightened consumer expectations that are influenced by higher disposable incomes, increased globalization and the introduction of new real estate products and services. These trends have benefited from the recent growth in the Indian economy, which has stimulated demand for land and developed real estate across our business lines. According to Knight Frank, these trends have generally continued despite the global financial crisis, however, in recent months India's commercial real estate segment has softened somewhat in response to tightened credit conditions and reduced demand within key economic sectors. (*Knight Frank, Real Estate Highlights- Q1 2008 and Knight Frank, India Office Market- Q1 2009*)

The Residential Segment

The growth in the residential real estate market in India has been largely driven by rising disposable incomes, a rapidly growing middle class and youth population, low interest rates, fiscal incentives on both interest and principal payments for housing loans, heightened customer expectations, and increased urbanisation and nuclearisation.

A large proportion of the demand for residential developments, especially in urban centres such as Mumbai, Bangalore, Delhi (Gurgaon and Noida) and Pune, is likely to be for high-rise residential buildings. The reasons for the anticipated demand are the lack of space in cities such as New Delhi and proximity to offices and IT parks in places such as Gurgaon, Bangalore and Pune. Knight Frank estimates that approximately 530.50 million square feet of residential space will be developed in the Grade A and B+ categories in the NCR, Mumbai, Pune, Hyderabad, Bangalore, Chennai and Kolkata by 2009-10. (*Residential Market Review-2007*)

The key demand drivers in the residential segment are summarized below:

• Changing demographics and growth in disposable incomes: Housing demand is primarily linked to population growth; however, changing demographics have further spurred demand for residential real estate in India. According to the United Nations, India's rate of urbanization is faster than the rest of the world and as per the State of the World Population Report 2007, the Indian population in urban areas is expected to rise to 40.7% of the total population by 2030. Rising income levels and greater job

creation, particularly in sectors such as business process outsourcing and insurance, are also resulting in enhanced demand for quality housing.

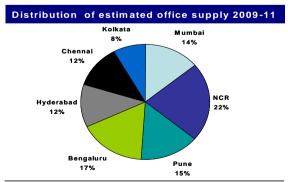
- *Shrinking household size*: The joint family system in India is gradually giving way to nuclear families. Factors such as increasing urbanization and migration for employment opportunities are expected to cause a decrease in the size of the average Indian household. Given India's population, the contraction in the size of the average household offers a positive outlook for housing demand.
- *Fiscal incentives*: Another major contributing factor in boosting the growth of residential housing property is income tax incentives on housing loans. Fiscal incentives are provided to the borrowers of housing loans in the form of exemptions and rebates on interest payment and principal repayment. These have a significant impact on the housing budgets of individuals and provide a boost to the spending on housing facilities. However, these tax incentives may be withdrawn in the future, which would negatively affect the real estate sector.
- *Housing finance*: The upswing in housing construction activity has also been aided by the easy availability of housing finance and low interest rates. According to the 11th Five Year Plan document, housing loans as a percentage of GDP at current market prices increased from 3.2% in 2003-04 to 5.1% in 2005-06. *(Knight Frank, Residential Market Review 2007)* However, interest rates and property prices have increased recently as a result of the global economic slowdown, and this new trend likely to have a direct impact on the demand for new housing.
- *Income growth*: The favorable economic environment in recent years has led to a change in income distribution patterns, with an increasing concentration of Indian families in the middle and higher-income groups. This has resulted in an enhanced demand for better quality housing with increased floor space.

As was mentioned above, one of the key drivers of growth in the Indian residential real estate segment has been housing finance. As a result, the recent tightening of credit by banks (coupled with a slowdown in the business environment) has led to a reduced demand in the residential segment.

The Commercial Segment

Commercial construction comprises the construction of office space, hotels, hospitals, schools, stadiums and other similar structures. In India, most of the investment in this segment is driven by office space construction, and the key demand drivers for this construction include economic sectors such as business services (particularly IT/ITES), banking and financial services, FMCG and telecom.

A large part of the commercial real estate development in India is concentrated in Mumbai – the financial hub of India, Bengaluru – the IT capital and Delhi (including the NCR) - the political centre of India. Other emerging centers include Hyderabad, Chennai, Pune and Kolkata. It is estimated that approximately 183 million square feet of office space is expected to be developed in Mumbai, Pune, NCR, Chennai, Kolkata, Hyderabad, and Bengaluru, over the next three years. (*Knight Frank, India Office Market Review – Q1 2009*). This figure is inclusive of the office space planned in the SEZs.



Source: Knight Frank Research (India Office Market Review Q1 2009)

However, the global financial crisis has effected the Indian commercial real estate market, and a number of major commercial development companies have stalled or offloaded stakes in ongoing projects as a result of tightening credit conditions. (*Knight Frank, India Office Market Review – Q1 2009*). Further, demand appears to have softened. Although approximately 183 million square feet of office space is projected to be developed in Mumbai, Pune, NCR, Chennai, Kolkata, Hyderabad, and Bengaluru from 2009 until 2011, the incremental demand for office space is expected to be just 122 million square feet during this period. The locations forecasted to be the worse afflicted by oversupply are NCR, Pune and Bengaluru. (*Knight Frank, India Office Market Review – Q1 2009*). In particular, in the NCR, major corrections are expected in Gurgaon and Noida, where rentals are predicted to correct by up to 63% and 62% respectively from 2007-2008 peak levels. (*Knight Frank, India Office Market Review – Q1 2009*). According to Knight Frank, developers are addressing this issue by providing better services, customized office spaces and leasing properties at concessional rates.

The Retail Segment

The organized retail sector accounts for approximately 4% of India's overall retail real estate sector. The sector witnessed an approximate compounded annual growth rate of 19.5% during the period from 2004 to 2007, and is expected to increase in size to US\$107 billion (Rs. 5,161.96 billion) by 2013 (*Knight Frank, India Retail Market Review – Q3 2008*). Specifically, Knight Frank estimates that 332 malls comprising approximately 102 million square feet of space are in the pipeline in Tier I and Tier II cities. The majority of these mall developments are scheduled to open in NCR and Mumbai. (*Knight Frank, India Retail Market Review – Q3 2008*).



Source: Knight Frank Research (India Retail Market Review Q3 2008)

A large part of the expected growth in the retail industry in India can be attributed to growth in the Indian middle class. India's vast middle class and its virtually untapped retail industry are key attractions for global retail giants wanting to enter newer markets. In 2006, the Government allowed 51% foreign direct investment in single brand retailing in order to attract foreign investment in production and marketing, improve the availability of retail goods and increase the competitiveness of Indian enterprises through access to global designs, technologies and management policies. Similarly, the organized retail sector owes much of its growth to the increased rate of urbanization, the young population and youth culture and rising consumer credit usage.

Accordingly, retail rentals almost doubled between 2006 and 2008 in certain major cities, particularly with respect to high street space. This rise in rental rates was witnessed notwithstanding the fact that a great deal of retail supply is in the pipeline in many of these cities. The drivers for this increase in rental rates have been the dearth of quality retail space and the ambitious expansion plans of certain retailers. Some of the growth in retail rates has been tempered by the global financial crisis and general liquidity crunch. (*Knight Frank, India Retail Market Review* – Q3 2008)

Special Economic Zones (SEZs)

A SEZ is defined as a specially delineated duty-free enclave, deemed to be a foreign territory, for the purpose of trade operations, and duties and tariffs. It is a geographical region where economic laws differ from a country's typical economic laws.

SEZs are aimed at providing an internationally competitive environment for exports and encouraging investment for generation of economic activity, employment and technical knowledge. SEZ models are generally of three types: full private ownership; private and government participation; and full government ownership.

India was among the first countries in Asia to recognize the effectiveness of the Export Processing Zone ("**EPZ**") model in promoting exports. Asia's first EPZ was set up in Kandla in 1965, followed by seven other such zones. Some of the existing EPZs have now been converted into Special SEZs - the EXIM policy introduced SEZ schemes for the first time in April 2000 to provide an internationally competitive environment for exports. This was followed by the SEZ Act in 2005 and SEZ rules in 2006. (*Source: http://:sezindia.nic.in*)

As of January 2009, 578 formal approvals for SEZs have been given. As of August 2009, a total of 98 of these SEZs were functional. (*Source: http://:sezindia.nic.in*)

For details about regulations and policies applicable to SEZs, see "Regulations and Policies" on page 116.

Overview of select market locations across India

The National Capital Region

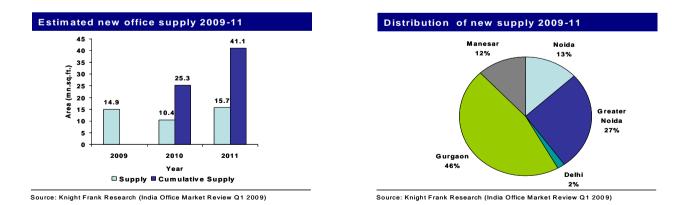
The National Capital Region ("**NCR**") is spread over an area of 33,578 square kilometers covering the states of Haryana, Rajasthan, Uttar Pradesh and the National Capital Territory of Delhi. The NCR includes the cities of Delhi, Gurgaon, Rohtak, Meerut, Bulandshahr, Noida, Greater Noida, Manesar, Panipat, Sonepat, Kundli, Dharuhera and Bhiwadi.

The extension of the Delhi metro (running across approximately 65 kilometers through 59 stations), the development of expressways on the eastern and western sides and wider six lane national highways, the modernization of airports and the other infrastructure improvements and developments in anticipation of the Commonwealth Games in 2010, as well as the release of fresh land parcels for development, are some of the major infrastructure initiatives taking place in this region that are also having an impact on real estate development.

Residential development in NCR, is concentrated in the regions of Gurgaon, Noida, Greater Noida and Faridabad. In recent years, demand in these areas has been primarily driven by investors (*Knight Frank, Real Estate Highlights- Q1 2008*).

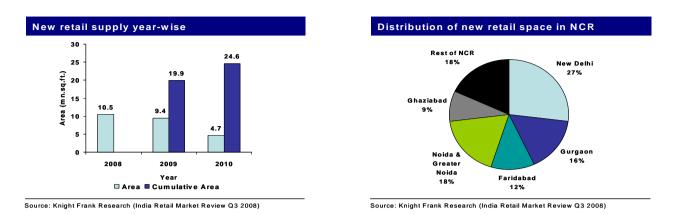
During the last five years, the NCR has become a major office market in India due to the growth of the IT/ITES sector, presence of quality infrastructure, large human resource pool and certain government initiatives. Within Delhi, locations like Connaught Place, Barakhaba Road, Bikaji Cama Place, Nehru Place and Mohan Cooperative Area have been leading office destinations. (*Knight Frank, Office Market Review – Q1 2009*)

Knight Frank estimates planned new office supply during 2009-2011 to be around 41.08 million square feet in NCR. (*Knight Frank, Office Market Review – Q1 2009*).



The amount of retail space in the NCR is expected to increase by approximately 24.6 million square feet by 2010. Delhi and Gurgaon together are expected to account for 43% of the increase in retail space. A number of new malls in NCR are accommodating various luxury brands in their tenant mix. This trend, particular to Delhi, Gurgaon and Noida as of now, is gaining popularity amongst the newer malls. Ambience Mall, for example, offers a wide range of options in luxury merchandise like apparels, accessories, cosmetics, etc. Examples of other malls in these locations that house a considerable number of luxury brands are Select City Walk and Great

India Place. These luxury brands give the malls a distinct high-end status. (*Knight Frank, Retail Market Review* $-Q3\ 2008$)



Real estate prices, capital values and lease rentals for residential, commercial and retail segments in the NCR have been impacted by the recent global economic slowdown and there are significant delays in project execution.

Delhi Market

There has not been significant residential development in Delhi, except in North and West Delhi, due to the paucity of land within the area. This shortage of land and high prices in Delhi has triggered growth in peripheral areas such as Gurgaon, Noida, Sonepat, Kundli, Gaziabad and Faridabad. (*Knight Frank, Real Estate Highlights-Q1 2008*)

Delhi has a fragmented office market spread across Central, Southern and South-East zones. Within Delhi, locations like Connaught Place, Barakhaba Road, Bikaji Cama Place, Nehru Place and Mohan Cooperative Area are leading office destinations. These locations have witnessed limited variation in rental rates, despite the general market slowdown. (*Knight Frank, Office Market Review – Q1 2009*)

The Delhi retail market contains a number of established retail destinations in locations like Connaught Place, Karol Bagh and Khan Market. Additionally, a number of malls have been developed in west Delhi and south Delhi within the last two to three years. Approximately 5.81 million square feet of retail space is expected to become available in the Delhi market by 2010. (*Knight Frank, Real Estate Highlights – Q1 2008*)

Gurgaon/Manesar Market

Gurgaon is expected to account for approximately 53.68 million square feet of total residential space coming up by 2010 (*Knight Frank, Real Estate Highlights –Q1 2008*). A large part of the residential development is expected to come up along the Gurgaon-Sohna Road and Golf Course Road. Major developing areas in Gurgaon are DLF city, Golf Course Road, NH-8, Sohna road and lately, Manesar area has also seen many low-cost housing projects.

Due to its proximity to Delhi, availability of space and operation of flyovers and expressways, Gurgaon emerged as a leading destination for office space in the last few years. However, this market has witnessed decreases in rental values by as much as 34%, causing average rentals in Gurgaon to fall from Rs. 115 per square feet per month to Rs. 74 per square feet per month. (*Knight Frank, Office Market Review – Q1 2009*) The market has varied office space options ranging from multi-tenanted, standalone structures to campus developments. Locations in proximity to National Highway – 8, Mehroli-Gurgaon Road and Gurgaon-Sohna Road are the prime office destinations. Gurgaon is expected to have approximately 23.82 million square feet of supply by the end of 2011. (*Knight Frank, Office Market Review – Q1 2009*)

Approximately 7.18 million square feet of retail space is expected to become available in the Gurgaon market by 2010. The area around National Highway-8 is expected to develop as a major retail corridor with prestigious projects like Ambience Mall. MG Road is also expected to receive more retail activity. (*Knight Frank, Real Estate Highlights – Q1 2008*)

Noida Market

Noida is a well developed micro-market with a large amount of commercial space, comprised mostly of standalone business centers and retail space. Approximately 41.17 million square feet of residential space is scheduled to become available in this area by 2009-10. (*Knight Frank, Real Estate Highlights – Q1 2008*)

In recent years, increasing rentals in Delhi and Gurgaon has directed considerable office space demand to Noida. A large part of this demand was in the built-to-suit segment. Noida, however, has witnessed an office sector trend similar to that of Gurgaon, and average rental rates have fallen from the Q1 2008 peak of Rs. 85 per square feet per month to and average rental rate of Rs. 58 per square feet per month. (*Knight Frank, Office Market Review* – Q1 2009)

The scope for retail market growth in Noida is extensive due to the absence of multiple business districts, making it possible for both organized and unorganized retail to thrive in the area. For example, in 2008, the mall project "Great India Place" became operational in the area. (*Knight Frank, Real Estate Highlights – Q1 2008*)

Greater Noida Market

Approximately 27.72 million square feet of housing supply is projected to come up in Greater Noida by 2010, particularly in sectors Pi, Chi and Alpha II. With the Taj Expressway becoming functional, the approach to the region has become convenient, thereby bringing higher end-user demand for housing. (*Knight Frank, Real Estate Highlights – Q1 2008*)

Infrastructure initiatives fueled by the 2010 Commonwealth Games have created substantial office demand in the upcoming Knowledge Parks area of Greater Noida. The commercial sector in Greater Noida is also likely to benefit from the international airport being proposed by the Uttar Pradesh government at Jevar. Large scale office projects are also in the pipeline along the Taj Expressway.

The traditional retail presence in this area is along the Alpha Commercial Belt. However, over the years, other sectors have been developed by the Greater Noida Development Authority. The scope for organized retail market growth in Greater Noida is good because of the residential construction taking place in the area. (*Knight Frank, Real Estate Highlights – Q1 2008*)

Panipat/ Sonepat/ Kundli

Panipat, Sonepat and Kundli lie on the north-west stretch of the NCR.

Panipat is a commercial and export centre for the textile industry in Northern India. In addition to the textile sector, Panipat also houses heavy industries, such as the Panipat Oil Refinery, the Panipat Thermal Power Solution power plant and the National Fertilisers Limited plant. Indian Oil Corporation is developing a petrochemical industrial complex in collaboration with the Haryana State Industrial Development Corporation, which is expected to give a further impetus to the development of Panipat. Panipat also houses two multinational corporations: Nestle India Ltd. and Arodhana Soft Drinks. As of August 2009, there were 36 large and medium industries employing more than 12,000 persons in Panipat, as well as more than 3,000 small scale industries employing more than 50,000 persons. (*http://panipat.nic.in/Industry.htm*).

Sonepat is a prominent town located approximately 30 to 35 kilometres from the Delhi border, on National Highway – 1 (GT Road). Sonepat City is within five kilometres of the Kundli industrial area. The Kundli industrial area is home to several large corporations including Atlas Cycle Factory, TOYO Springs Ltd. and Milton. Apart from its industrial activities, Sonepat is also an educational hub. The city has two universities, Deenbandhu Chhotu Ram University of Science and Technology and Bhagat Phool Singh Mahila Vishwavidyalaya. Sonepat is also home to colleges such as Motilal School of Sports, Rai, Hindu College of Engineering, Hindu College of Pharmacy, Hindu Institute of Management, Hindu Institute of Technology, Government Polytechnic and Government Pharmacy College and Jindal Law School (which is under development.) Sonepat is also an agricultural area where crops such as sugar cane, rice and wheat are grown.

Its large supply of land, proximity to the Delhi's suburban areas along with improved accessibility has all contributed to the development of the real estate market in Sonepat. In recent years, the Haryana Urban

Development Authority ("**HUDA**") has resorted to zoning large tracts of agricultural land for residential purposes. This has resulted in several real estate developers establishing residential projects in the area.

The real estate market in Panipat, Sonepat and Kundli as well as in Bhiwadi, Dharuhera, Rewari and Alwar is currently investor driven, although end-user demand is expected to grow as more office developments open in the area. A large part of the development in these areas is planned to take place on National Highway – 1. About 37.64 million square feet of residential space is scheduled to become available in this area by 2009-10. (*Knight Frank, Real Estate Highlights – Q1 2008*)

Organized retail is slowly expanding into this market and Sonepat, Panipat and Kundli are expected to account for approximately 3.38 million square feet of retail space by 2010. However, this area competes with the strong retail market in Gurgaon. (*Knight Frank, Real Estate Highlights – Q1 2008*)

Visakhapatnam

Visakhapatnam, popularly known as Vizag, is recognized as the fifth-fastest growing 'Industrial Metropolis" in the Asian subcontinent and the fastest growing industrial city on the East coast of India (*Knight Frank* – *Emerging Growth Centers, 2007*). Tourists are attracted by Vizag's beaches, nearby scenic Araku Valley and Borra caves, the 11th-century Simhachalam temple and ancient Buddhist sites spread across the area such as Totlakonda and Bavikonda.

The city has also experienced fast industrialization since the 1970s, with the onset of major industries such as an oil refinery, a private sector fertilizer factory, the Hindustan Zinc Smelter and the Visakhapatnam Steel Plant. Following efforts made by the state government and city authorities, Vizag is fast emerging as a destination for sectors like ITES, pharmaceutical and biotechnology, production of consumer goods and ancillary industries. While the retail segment tends to dominate the commercial activity in the city, important locations such as Dwarka Nagar Road and Dabagarden Road have mixed used development comprising office and retail space. The residential markets comprise the Fort region, Town Main Road, Raja Ram Mohan Rai Road and AVN College Road.

Residential projects are also coming up in other central locations within the city including developments along the coastline such as RK Beach Road, Pandurang Puram, East Point Colony and MVP Colony. Other peripheral locations where residential development is taking place include Madhurawada, Rushikonda, Gajuwaka and Vizianagaram. Most of the major residential developments are expected to follow the 'gated community' pattern offering integrated, self-contained developments. (*Source: Knight Frank – Emerging Growth Centers, 2007*)

OUR BUSINESS

Overview

We are a real estate development company in the National Capital Region with in-house construction capabilities, focused on premium developments. We have a diversified portfolio of completed, ongoing and planned real estate development projects, which include integrated townships; residential projects, including premium and luxury residential apartment complexes; commercial projects, including corporate office towers and retail projects, including shopping malls. We believe we have established a strong brand image and a successful track record in the real estate industry with the completion of innovative, premium and contemporary projects.

Our signature integrated township project is "Ambience Island", a township of approximately 134.60 acres on the Delhi-Gurgaon border, adjacent to National Highway 8. To date, we have developed "Ambience Mall", Gurgaon, which is the largest operational retail shopping mall in India (*Source: Jones Lang LaSalle Meghraj*), and an eight-floor corporate office tower as part of the "Ambience Island" township. The township also has a 345-unit residential complex called "Lagoon", which we constructed, and the "Leela Kempinksi", a hotel with 322 rooms and 90 serviced apartments, which was also constructed by us and which is owned by Ambience Hotels and Resorts Limited, a Group Entity. We have two Ongoing Projects at "Ambience Island" – a 240 condominium complex with an estimated Saleable Area of approximately 1.87 million square feet called "Caitriona" and a 12 storey premium office tower with an estimated Leaseable Area of approximately 0.56 million square feet. We are also developing a nine-hole pitch and putt golf course as part of the township. We will continue to develop the balance of the township's Developable Area of approximately 18.73 million square feet with a mixture of luxury residential developments with an estimated Developable Area of approximately 7.15 million square feet.

In November 2007 we officially opened "Ambience Mall", Gurgaon at "Ambience Island". "Ambience Mall" has one kilometre of shopping experience on each floor and has a total leasable area of approximately 1.66 million square feet spread over eight floors and a three-level basement, of which we have leased out approximately 1.17 million square feet as on August 31, 2009. The shopping mall includes six anchor stores, retail shops, a seven screen multiplex, restaurants and coffee shops, a food court, a car showroom, a beer garden, a bowling alley, a kids play zone, a hyper market, a fitness and meditation centre, a recreational zone, a simulated golf works and more than 2,500 car parking spaces. We have over 165 international and domestic brands as tenants in the shopping mall, including, Debenhams, PVR Cinemas, Fitness First, Reliance Retail, Pantaloon, Rockman's Beer Island, Westside, Big Bazaar, BMW, Marks & Spencers and BJN food chain.

We recently completed construction of "Ambience Mall" at Vasant Kunj, New Delhi located adjacent to the 150 foot wide signal free Nelson Mandela Road, which is strategically located enroute to the international airport. The shopping mall has a Leaseable Area of approximately 1.17 million square feet and will offer four anchor stores, retail shops, a hyper market, a four screen gold-class multiplex, food courts, restaurants, a discotheque and more than 1,800 car parking spaces. The shopping mall is expected to be officially opened to the public in the fourth quarter of fiscal 2010.

In November 2007 we completed the development of a corporate office tower at "Ambience Island" consisting of eight floors. The office tower has a leasable area of approximately 0.23 million square feet, of which approximately 0.10 million square feet was sold (including buyers agreements) and approximately 0.08 million square feet has been leased. The balance 0.03 million square feet is held for future lease.

In 2002, ADIPL, which was then owned by the Promoters but is now a 100% owned subsidiary of our Company, completed the development of the "Lagoon" premium residential apartment complex at Ambience Island. We constructed this project. The "Lagoon" residential apartment complex has 345 units and a Developed Area of approximately 1.21 million square feet. We believe it was among the first colonies in the NCR with a two-level basement, 100% power back-up, 24-hour high-alert three tier security, a sewerage treatment plant, landscaped parks and a dedicated club with gym. All 345 units in the project were sold (including 31 units for which buyer's agreements have been entered and possession was handed over) by ADIPL prior to it becoming a subsidiary of our Company.

We have total Land Reserves of approximately 816.56 acres at strategic locations in the NCR and in Vishakhapatnam, Andhra Pradesh. We classify our Land Reserves as either lands upon which development and/

or construction is currently in progress (our "**Ongoing Projects**") or lands upon which projects are planned for future development (our "**Planned Projects**"). The Developable Area of our Ongoing Projects and Planned Projects is approximately 3.57 million square feet and approximately 84.14 million square feet, respectively. Of our total Land Reserves, we are entitled to develop approximately 209.28 acres and have received a letter of intent for development of approximately 314.81 acres. Approximately 145.21 acres of un-licensed Land Reserves for our integrated township development at Sonepat falls under a residential zone as per the Final Development Plans, 2021 applicable to Sonepat.

Our Ongoing Projects comprise:

- two projects which are part of "Ambience Island", Gurgaon, Haryana: "Caitriona", a 240 condominium complex with an estimated Saleable Area of approximately 1.87 million square feet, and a premium office tower with an estimated leasable area of approximately 0.56 million square feet.
- 120 planned multi-unit residential apartments in Jasola, New Delhi with an estimated Saleable Area of approximately 0.35 million square feet;
- 24 multi-unit residential apartments in South Delhi with an estimated Saleable Area of approximately 0.12 million square feet;
- an office tower in Rohini, New Delhi with an estimated Saleable Area of approximately 0.26 million square feet; and
- a shopping and office complex in Shalimar Bagh, New Delhi with an estimated Saleable Area of approximately 0.23 million square feet.

Our Planned Projects comprise:

- residential and commercial projects at our "Ambience Island" integrated township in Gurgaon, Haryana with an estimated Developable Area of approximately 18.73 million square feet;
- residential, commercial and retail projects at our "Ambience City" integrated township in Panipat, Haryana with an estimated Developable Area of approximately 16.88 million square feet;
- residential and retail projects at our "Ambience City" integrated township in Sonepat, Haryana with an estimated Developable Area of approximately 7.53 million square feet;
- residential, commercial and retail projects at our "Ambience City" integrated township in Visakhapatnam, Andhra Pradesh with an estimated Developable Area of approximately 6.28 million square feet;
- a residential apartment complex at Sector 50, Noida, with an estimated Developable Area of approximately 0.54 million square feet;
- a residential apartment complex at Sector 115, Noida, with an estimated Developable Area of approximately 6.78 million square feet;
- a retail-cum-Office complex at Greater Noida, with an estimated Developable Area of approximately 2.22 million square feet;
- an Office complex at Sector 82/82A, Gurgaon, with an estimated Developable Area of approximately 1.69 million square feet; and
- a proposed SEZ in Kharkhoda with a current estimated Developable Area of approximately 23.49 million square feet.

We have an integrated in-house development team, which means that we have the key competencies and inhouse resources to deliver a project from its conceptualization to completion. We have in-house architectural, engineering, procurement, project management and quality control capabilities. We received the Brick and Mortar Award (North Zone) from the Architecture and Design Spectrum Foundation in 2006 along with the Mapsor Indian Property Award for the best commercial project (State level) from the IPA in 2007. In 2009, "Ambience Mall", Gurgaon was awarded the Emerging Shopping Centre of the Year at the Images Shopping Centre Awards (ISCA) and the Award of Excellence – by Augtics Systems (International Real Estate Data Bank). We maintain a mix of lease and sale properties in an attempt to maximize our profits and maintain regular cash flow. The decision to sell or lease a property depends upon the nature of the development and its location. We have retained the "Ambience Mall" and part of the corporate office tower at Gurgaon as lease properties. As at August 31, 2009, we have leased approximately 1.17 million square feet at "Ambience Mall" and approximately 0.08 million square feet at the corporate office tower, and for the month of August 2009 had lease revenues of Rs. 100.33 million and Rs. 9.04 million from each of these projects. We intend to lease out all of the remaining approximately 0.03 million square feet of the Leaseable Area of "Ambience Mall", Gurgaon and approximately 0.03 million square feet of the Leaseable Area of the corporate office tower. Furthermore, we intend to lease out all of the Leaseable Area of approximately 1.17 million square feet of "Ambience Mall", Vasant Kunj. As at September 15, 2009, we have entered into preliminary arrangements for leasing out approximately 0.85 million square feet of "Ambience Mall", Vasant Kunj. We also intend to lease out the office towers/ spaces we plan to develop on "Ambience Island", which will have an estimated Leaseable Area of approximately 6.02 million square feet, of which approximately 0.56 million square feet relates to an Ongoing Project.

We currently manage and maintain "Ambience Mall", Gurgaon, the corporate office tower and "Lagoon" residential apartment complex at "Ambience Island". For the month of August 2009, we received revenue of Rs. 33.80 million from management and maintenance fees. We intend to manage and maintain our future residential and commercial developments.

Our founder, Chairman and Managing Director, Mr. Raj Singh Gehlot has been associated with the property development, real estate and construction sector in India for over 23 years. Mr. Gehlot has been primarily responsible for the direction and growth of our business and has been instrumental in identifying our current development projects, including strategic planning. He received an award for Building Industry Leadership from the Buildings Information Bureau in 2007.

Our income from operations for fiscal 2009, 2008 and 2007 were Rs. 4,422.05 million, Rs. 4,479.37 million and Rs. 4,447.18 million, respectively, on a consolidated basis. Our restated net profit after minority interest for fiscal 2009, 2008 and 2007 was Rs. 391.89 million, Rs. 678.12 million and Rs. 253.48 million, respectively, on a consolidated basis.

Our Strengths

We believe that the following are our principal competitive strengths:

Ability to conceptualise, build and operate large and innovative projects.

Mr. Raj Singh Gehlot, our Chairman and Managing Director, conceptualised building an integrated township by the name of "Ambience Island" on 134.60 acres of land located near the Delhi-Gurgaon border adjacent to the National Highway 8. To date, we have successfully completed "Ambience Mall", Gurgaon (the largest operational retail shopping mall in India (*Source: Jones Lang LaSalle Meghraj*), and an eight-floor corporate office tower, which are both part of our "Ambience Island" township. In addition, we constructed "Leela Kempinski" (a hotel with 322 rooms and 90 serviced apartments) for a Group Entity, and the "Lagoon" residential complex (a ready-to-move-in residential apartment complex with 345 units), as part of "Ambience Island". We have also completed the construction of "Ambience Mall", Vasant Kunj, New Delhi (strategically located adjacent to Nelson Mandela Road, which is enroute to the international airport). We believe that each of these developments involved quality engineering, architectural planning and design.

Our "Ambience" brand is associated with premium developments.

We believe that the "Ambience" brand has an established reputation in the premium property market for the successful execution and delivery of well-planned, modern and innovative projects. We believe our brand is identified with premium residential developments, integrated shopping malls with contemporary facilities, and office spaces that meet the requirements of multi-national companies and large domestic companies.

Our property developments contain high-quality, premium market features. The "Lagoon" residential development incorporated the ready-to-move-in concept and was designed as a turn-key, high-amenity development. For example, the "Lagoon" development includes a three-tier security system and a dedicated club with gymnasium. We have introduced the "ready-to-live-in" concept in our upcoming premium residential condominium complex, "Caitriona." Condominiums in the "Caitriona" complex will be equipped with complete

home furnishings, a home management system, a three-tier international standard security system with CCTV, centralized air conditioning and music systems.

Our shopping mall developments have drawn well known international and domestic brands such as Debenhams, PVR Cinemas, Fitness First, Reliance Retail, Pantaloon, Rockman's Beer Island, Westside, Big Bazaar, BMW, Marks & Spencers and BJN food chain.

The 'Ambience' brand is further enhanced by the fact that we are an award-winning company. For example, we received the Brick and Mortar Award (North Zone) from the Architecture & Design Spectrum Foundation in 2006 along with the Mapsor Indian Property Award for the best commercial project (State level) from the IPA in 2007. In 2009, "Ambience Mall", Gurgaon was awarded the Emerging Shopping Centre of the Year at the Images Shopping Centre Awards (ISCA) and the Award of Excellence – by Augtics Systems (International Real Estate Data Bank).

Mixed sale and lease business model for our real estate development business.

We maintain a mix of lease and sale properties in an attempt to maximize our profits and maintain regular cash flow. The decision to sell or lease a property depends upon the nature of the development and its location. We have retained the "Ambience Mall" and part of the corporate office tower at Gurgaon as lease properties. As at August 31, 2009, we have leased approximately 1.17 million square feet at "Ambience Mall" and 0.08 million square feet at the corporate office tower, and for the month of August 2009 had lease revenues of Rs. 100.33 million and Rs. 9.04 million from each of these projects, respectively. We intend to lease out all of the remaining 0.49 million square feet of the leasable area of "Ambience Mall", Gurgaon and 0.03 million square feet of the leasable area of the corporate office tower. Furthermore, we intend to lease out all of the leasable area of approximately 1.17 million square feet of "Ambience Mall", Vasant Kunj. As at September 15, 2009, we have entered into preliminary arrangements for leasing out approximately 0.85 million square feet of "Ambience Mall", Vasant Kunj. We also intend to lease out the office towers/spaces we plan to develop on "Ambience Island", which will have an estimated leasable area of approximately 6.02 million square feet, of which approximately 0.56 million square feet relates to an Ongoing Project.

We sold (including buyers agreements) approximately 0.10 million square feet of the corporate office tower we have already completed at "Ambience Island". Furthermore, as at August 31, 2009, we have received applications / executed buyers agreements to purchase approximately 0.77 million square feet of the "Caitriona" condominium complex and issued an allotment letter for approximately 0.02 million square feet of our multi-unit residential apartments at Jasola, New Delhi. Except as noted above, we intend to sell all of our other current Ongoing Projects and Planned Projects.

Land Reserves in strategic locations.

We have total Land Reserves of approximately 816.56 acres. Through a series of government allotments and other acquisitions we have acquired land in strategic areas where we believe there is current demand for residential or commercial projects or where we foresee demand in the future. Approximately 772.31 acres of our Land Reserves are located in prime cities in the NCR region such as New Delhi, Gurgaon, Noida, Greater Noida, Sonepat and Panipat.

We have acquired land that benefits from easy access to city centres and highways. These locations are appealing to higher income purchasers and commercial purchasers. For example, we believe that one of the key contributing factors to our success and growth was our acquisition of approximately 134.60 acres of land at Ambience Island, Gurgaon, which is on the Delhi-Gurgaon Border, adjacent to the National Highway-8. We started acquiring our Land Reserves in Ambience Island, Gurgaon in 1992.

Of our total Land Reserves, we are entitled to develop 209.28 acres and have received letters to intent for development of 314.81 acres. Approximately 145.21 acres of un-licensed Land Reserves for our integrated township development at Sonepat falls under a residential zone as per the Final Development Plans, 2021 applicable to Sonepat.

In-house construction, marketing and property management capabilities.

We have an integrated in-house construction and development team which has architectural, design, construction, project management and quality control capabilities. As a result, we have the key competencies

and in-house resources to deliver a project from its conceptualization to completion. We also place considerable emphasis on the planning and supervision of our projects to ensure that they meet our high quality standards.

We have successfully constructed large and innovative projects with high quality and complex specifications. Many of these assignments require expertise in handling specialized construction materials. Our projects have been acknowledged for their quality and skill of execution, and we have received awards for some of developments which we have completed.

We have in-house sales and marketing teams for each of our residential, retail and commercial segments. On an ongoing basis, our sales and marketing teams interact directly with customers, which provides us with insight into our customers' requirements in terms of type, specifications and location of projects. We use this information in pricing our product offerings and planning our promotional activities which leads to effective selling. Our in-house sales and marketing teams are also responsible for providing after sales services to our customers to facilitate the smooth transfer of our properties to our customers.

As part of our real estate development business, we also manage the operation and maintenance of our completed projects. For instance, we manage the operation and maintenance of the "Lagoon" residential apartment complex and "Ambience Mall", Gurgaon. By maintaining control of the operation and maintenance of our developments, and dealing with customers on a regular basis, we are able to ensure that these developments are operated and maintained at a level commensurate with their premium status. This helps us to ensure satisfaction of customers and enhancement of our brand, and simultaneously provides us with a steady and fixed revenue stream. The operations and maintenance income contributed 8.94% to our fiscal 2009 income.

Diversified development mix.

We have a diversified mix of integrated townships, and standalone residential, retail and commercial developments. Our Ongoing Projects include a premium residential complex and a corporate office tower at our "Ambience Island" integrated township in Gurgaon, standalone residential developments in Jasola and South Delhi, a standalone commercial development in Rohini, New Delhi and a shopping and office complex in Shalimar Bagh, New Delhi. Our Planned Projects include two residential projects, two retail and commercial projects, and one SEZ project on a standalone basis in the NCR. We are also in various stages of developing our integrated townships in Gurgaon and Panipat, and have acquired land in Sonepat and have been provisionally allotted land Vishakhapatnam to develop townships at these locations. We believe this diversification allows us to mitigate risks arising as a result of slowdowns in a particular segment.

Strong leadership and experienced management.

Our Promoter and Chairman and Managing Director, Mr. Raj Singh Gehlot, has over 23 years of experience in the real estate development and construction industry. His vision and leadership have been primarily responsible for the direction and growth of our business. He was instrumental in identifying many of our current development projects, including the "Ambience Island" project, "Ambience Mall", Vasant Kunj, "Ambience City", Panipat and "Ambience City", Vishakhapatnam. Mr. Gehlot, a qualified Chartered Accountant, has a strong understanding of financial management, project costing and project implementation. In recognition of his contribution to the real estate development industry, he was awarded the prestigious Building Industry Leadership award from the Buildings Information Bureau in 2007.

We believe our experienced management is one of the key factors contributing to our growth. Two of our directors, Mr. Dayanand Singh and Mr. Mohan Singh have over 18 years of experience in the real estate development industry. They have been largely in charge of the execution of our developments. The other members of our senior management team also have extensive experience in the real estate development industry. We believe that the experience of our management team and its understanding of the real estate market in India will enable us to continue to take advantage of future market opportunities.

Our Strategy

With the growth of the Indian economy and the increase in corporate and consumer income, as well as foreign investment, we see significant opportunities for growth for our businesses. Our mission is to build a world-class real estate development company specializing in residential, commercial and retail real estate development and also encompassing the development of modern and eco-friendly townships and SEZs. We will continue to strive

to maintain our high standards of quality, professionalism, ethics and customer care service. The key elements of our business strategy are as follows:

Focus on completing our Ongoing Projects and developing our Planned Projects.

We plan to complete the development and construction of the approximately 3.57 million square feet of Developable Area in our Ongoing Projects and develop our Planned Projects, which have an estimated Developable Area of approximately 84.14 million square feet. We intend to sell all of our Ongoing Projects and Planned Projects, except for commercial developments at "Ambience Island".

Continue to focus on the premium market and offer innovative and high-quality developments.

We intend to continue our focus on the development of premium residential developments, retail and commercial projects and integrated townships. We believe that our brand is already associated with the premium market. We intend to continue to build our reputation in the premium market by providing products with innovative features and modern facilities, which provides benefits to our customers and maximizes the commercial exploitation of our Land Reserves. For example, we plan to develop premium and luxury residential developments (including the "Caitriona" development) and premium commercial developments on approximately 106.77 acres of our remaining Land Reserves at our "Ambience Island" township in Gurgaon.

Diversify into the upper middle and middle segment of real estate developments.

Along with our premium residential and commercial projects, we intend to diversify into the development of projects that will suit the requirements of the upper middle and middle segment of society. Our planned residential and commercial complexes at our Panipat and Sonepat townships and sector 115 at Noida are intended to be upper middle and middle segment offerings.

Create value through the development of townships.

We intend to develop townships, with a mix of built-up residential apartments, plotted developments, commercial and retail offerings as well as community facilities, including hospitals, schools and recreational facilities. We intend to ensure that our townships meet high quality standards and address all the security and environmental concerns of residents. Further, we plan to create value by developing and marketing our projects in a phased manner, thereby potentially extracting greater value from successive phases as the project reaches completion and greater facilities are made available. Undertaking projects in multiple phases also provides us with the opportunity to monitor market acceptance and modify our projects in accordance with customer demands, thereby optimizing land use and maximizing profits.

Acquire land in strategic locations, in particular in the NCR.

We actively seek to identify land in the NCR for developing residential complexes as well as commercial and retail projects. Accordingly, we have acquired, and will continue to acquire, land in the NCR. However, we may also acquire land in strategic locations outside the NCR on an opportunistic basis.

Enhance our construction capabilities and focus on undertaking construction work on our own developments.

We intend to further improve and enhance our construction capabilities by acquiring additional construction equipment, employing new construction techniques and hiring experienced professionals in relevant fields. We intend to benefit from the use of advanced architectural design techniques and construction materials, which will assist us in creating innovative and environmentally-friendly developments and shorten the duration of project completion.

We intend to only undertake construction on our own projects except with respect to the construction of hotels for Ambience Hotels and Resorts Limited and Aman Hospitality Private Limited, our Group Entities, for which we have the right of first refusal to undertake such work.

Continue to manage and maintain our developments.

Our operation and maintenance business provides us with a regular and fixed stream of revenue from the

management and maintenance of some of our real estate developments by way of common area maintenance charges from lessees and buyers. By maintaining control of the operation and maintenance of our developments, and dealing with customers on a regular basis, we intend to ensure satisfaction of customers and enhance our brand. We intend to manage and maintain our future residential and, commercial and retail developments.

Description of our Business

We are a real estate development company in the NCR with in-house construction capabilities, focused on premium developments. We develop integrated townships, premium and luxury residential apartment complexes, integrated shopping malls and corporate office towers. Large parts of our Land Reserves are strategically located in the NCR and we maintain a diversified portfolio of real estate projects. Our business operations include the various aspects of real estate development, from the identification and acquisition of land, to the conceptualization, planning, construction, development and marketing of our projects. We also maintain and manage our completed developments. We have developed and will continue to develop innovative projects that set trends in the Indian residential, commercial and retail property sectors. Our business currently has three segments:

- Real estate development, which includes the development of integrated townships, residential projects including premium and luxury residential apartment complexes, commercial projects such as corporate office towers and retail projects such as shopping malls. In addition, we are planning to expand our operations to include the development of SEZs;
- Construction of our own real estate developments and those of our Company's Subsidiaries and the hotel developments of our Promoters and the group companies; and
- Property management and maintenance, which we currently undertake for our completed real estate developments.

Our Real Estate Development Business

Our real estate development business includes the development of integrated townships, residential projects including premium and luxury residential apartment complexes, commercial projects such as corporate office towers and retail projects such as shopping malls. In addition, we are planning to expand our operations to include the development of SEZs.

Our completed projects include four developments including one completed by a company when it was not a subsidiary of our Company, although constructed by our Company. Our Ongoing Projects include a premium residential complex and a corporate office tower at our "Ambience Island" integrated township in Gurgaon, standalone residential developments in Jasola and South Delhi, a standalone commercial development in Rohini, New Delhi and a shopping and office complex in Shalimar Bagh, New Delhi. Our Planned Projects include two residential projects, two retail and commercial projects, and one SEZ project on a standalone basis in the NCR. We are also in various stages of developing our integrated townships in Gurgaon and Panipat, and have acquired land in Sonepat and have been provisionally allotted land in Vishakhapatnam to develop townships at these locations. Our Ongoing Projects and Planned Projects are developed using our Land Reserves which are discussed in greater detail in "*Our Land Reserves*" on page 100 below.

Our Completed Projects

The following table provides certain information in relation to our completed real estate development projects:

Project	Saleable /
	leasable area
	(million square feet)
"Ambience Mall", Gurgaon (Haryana)	1.66
Corporate office tower, Gurgaon (Haryana)	0.23
"Ambience Mall", Vasant Kunj (New Dehli)	1.17
"Lagoon" residential apartment complex, Gurgaon (Haryana) ⁽¹⁾	1.21

(1) This project was developed by ADIPL, which was then owned by the Promoters but is now a 100% owned subsidiary of our Company. Our Company constructed the project. All of the units were sold prior to this company becoming a subsidiary of our Company.

"Ambience Mall", Gurgaon (Haryana)

In November 2007, we officially opened "Ambience Mall", Gurgaon, which is the largest operational retail shopping mall in India (*Source: Jones Lang LaSalle Meghraj*). "Ambience Mall" is part of the "Ambience Island" integrated township. It is located in the prime and strategic location of National Highway-8 on the Delhi-Gurgaon border. Ambience Mall is a contemporary destination mall with approximately 1.66 million square feet of leasable area and one kilometre of shopping experience on each of the mall's seven above-ground floors. In addition, the mall has three basement levels. The mall offers a wide range of amenities including six anchor stores, premium international and domestic retail brands, a seven-screen multiplex cinema, restaurants and coffee shops, a food court, a car showroom, a beer garden, a bowling alley, a kids play zone, a hypermarket, a fitness and meditation centre, a recreational zone and a simulated golf course. The mall also has more than 2,500 car parking spaces and boasts premium finishes and facilities such as Italian marble flooring, high-speed elevators and escalators from Mitsubishi and central air-conditioning units from Carrier.

As at August 31, 2009, we have leased approximately 1.17 million square feet at "Ambience Mall", Gurgaon with lease revenues of Rs. 100.33 million for the month of August 2009. Our typical lease agreement for this mall bases the rent payable on a percentage of a tenant's turnover, with a minimum guaranteed lease amount. Therefore, the more that consumers spend at our mall, the more lease income we will receive. We intend to lease out all of the remaining 0.49 million square feet of the Leaseable Area of "Ambience Mall", Gurgaon.

"Ambience Mall", Vasant Kunj (New Delhi)

In August 2009 we completed the construction of "Ambience Mall" at Vasant Kunj, New Delhi. "Ambience Mall", Vasant Kunj is an integrated shopping mall adjacent to the Nelson Mandela Road (part of the Outer Ring Road of New Delhi) and enroute to the International Airport. Nelson Mandela Road provides easy connectivity to other parts of New Delhi, especially the up-market areas of Vasant Vihar, West End, Shanti Niketan and Vasant Kunj. The mall is a part of the Vasant Kunj Shopping Mall Complex. The mall overlooks a 650 acre biodiversity Park and the landscaped grounds of Jawaharlal Nehru University. The mall contains approximately 1.17 million square feet of leasable area and will offer a wide range of entertainment and recreational facilities, including four anchor stores, hypermarkets, a four-screen multiplex cinema, food courts, restaurants, a discotheque, a family entertainment centre, a kids play zone, a fitness and recreation centre, and car show rooms. The mall has over 1,800 car parking spaces and offers amenities such as wide atrium spaces, high speed elevators and escalators, multiple entry/exits and power back-ups.

"Ambience Mall", Vasant Kunj is expected to be operational in the last quarter of fiscal 2010. We intend to lease out all of the Leaseable Area of the mall. As at September 15, 2009, we have entered into preliminary arrangements for leasing out approximately 0.85 million square feet of the mall. Some of the international and domestic brands that have entered into arrangements with us to lease space at the mall include Big Bazaar, Rockman's Beer Island and Lifestyle.

Corporate Office Tower, Gurgaon (Haryana)

We completed an eight-floor corporate office tower adjoining "Ambience Mall", Gurgaon in March 2007. The tower offers high speed elevators, service lifts, a multi-level car park and power back up facilities. The office tower has a leasable area of approximately 0.23 million square feet. We have already sold (including buyer's agreements) approximately 0.10 million square feet of the corporate office tower in fiscal 2008 and 2009 and leased out approximately 0.08 million square feet to IL&FS. The lease agreement with IL&FS is a three-year lease, renewable at IL&FS' option for two further periods of three years each with an incremental rent increase of 15% at each renewal period. Our lease revenues from this property for the month of August 2009 were Rs. 9.04 million. We intend to lease out all of the remaining 0.03 million square feet of the leasable area of our corporate office tower in Gurgaon.

"Lagoon" residential apartment complex, Gurgaon (Haryana)

Construction of the "Lagoon" residential apartment complex was commenced by ADIPL in fiscal 1999, which, at that time, was owned by our Promoters and is now owned 100% by our Company. ADIPL completed the development of this project in 2002. The "Lagoon" residential apartment complex is spread over approximately 11.83 acres comprising 345 luxury "ready-to-move-in" apartments with large spaces for living, dining and

family lounges. The specifications included in these apartments include Indian/ Italian marble flooring, woodwork in Napur teak, modular kitchens and bathrooms with imported fittings. We believe that the "Lagoon" residential apartment complex was amongst the first settlements in the NCR with a double basement and eco-friendly products and systems such solar energy, waste water recycling through sewage treatment plants and rainwater harvesting. The complex also has underground cables for telephone and electrical facilities and three-tier security and fire-fighting systems on each block. With a swimming pool and distinct architectural features, this project is complemented by lush community parks. The development also features an exclusive club facility featuring a party room, swimming pool and gymnasium for the residents. The club is operated by Lagoon Club Private Limited, our 100% owned Subsidiary. This project has a total area of approximately 1.21 million square feet, all of which was sold, or under contract to be sold, prior to ADIPL becoming our Subsidiary.

Our Land Reserves

Our total current Land Reserves are 816.56 acres with an estimated Developable Area of approximately 87.71 million-square feet. Details of our Land Reserves as at September 21, 2009 are set forth in the table below:

S.No.	Land Reserves (Category wise)	Acreage (Acres)	% of Total Acreage	Estimated Developable Area (sq. ft. million)	% of Developable Area
	Our developments:				
(i)	Land Owned:	555.96	68.09%	52.01	59.30%
	1. By AL directly ⁽¹⁾	3.51	0.43%	0.54	0.62%
	2. Through AL's subsidiaries ⁽²⁾	552.45	67.66%	51.47	58.68%
	3. Through entities other than AL or AL's subsidiaries	-	-	-	-
(ii)	Land over which there are sole development rights ⁽³⁾	20.96	2.57%	1.37	1.57%
	1. By AL directly	18.98	2.32%	1.02	1.17%
	2. Through AL's subsidiaries	1.98	0.24%	0.35	0.40%
	3. Through entities other than AL or AL's subsidiaries	-	-	-	-
(iii)	Memorandum of Understanding/ Agreements to sell and purchase/ Letters of acceptance ⁽⁴⁾ to which AL and/or its subsidiaries are parties, of	239.64	29.35%	34.32	39.13%
	which:	05.00	11 550/	15.00	15 100/
	1. Lands subject to government allocation	95.98	11.75%	15.28	17.42%
	2. Lands subject to private acquisition	143.66	17.59%	19.04	21.71%
(A)	Sub-total $((i) + (ii) + (iii))$	816.56	100.00%	87.71	100.00%
	Joint developments with partners:				
(iv)	Lands for which joint development agreements	-	-	-	-
	have been entered into:				
	1. By AL directly	-	-	-	-
	2. Through AL's subsidiaries	-	-	-	-
	3. Through entities other than AL or AL's subsidiaries	-	-	-	-
(v)	Proportionate interest in lands owned indirectly	-	-	-	-
	by AL through joint ventures				
(B)	Sub-total $((iv) + (v))$	-	-	-	-
(C)	Total $((i) + (ii) + (iii) + (iv) + (v))$	816.56	100.00%	87.71	100.00%

(1) Under category (i) above, our Company has leasehold rights granted by the New Okhla Industrial Development Authority ("NOIDA") over 3.51 acres of the total land situated at Noida for a term of 90 years through lease deed dated December 19, 2007. For details, see "Land Owned" below.

(2) Under category (i) above, the Subsidiaries have ownership rights over 552.45 acres of the total land pursuant to sale deeds executed in their favor. Our Company has been granted sole development rights over 511.27 acres pursuant to development agreements entered by and between our Company and its Subsidiaries. Further 38.78 acres of land is proposed to be developed as a SEZ by our Subsidiaries. The balance 2.40 acres relating to land at Rohini and Shalimar Bagh are being developed by Ambience Towers Private Limited, a Subsidiary of our Company. For details, see "Land Owned" below.

- (3) Under category (ii) above, pursuant to sole development agreements entered into by our Company with third parties, our Company has been granted sole development rights over 18.98 acres of land. Third parties have also granted sole development rights to our Company's Subsidiaries over 1.98 acres of the total land in this category. For details, see "Sole Development Rights- Sole development agreements with third parties" below.
- (4) Under category (iii) above, our Company's Subsidiaries have been granted rights over 143.66 acres of land through agreements to sell and purchase. In respect of the balance 95.98 acres in this category, we have received a provisional letter of allotment from the Visakhapatnam Urban Development Authority ("VUDA") for 44.25 acres of land in Visakhapatnam, letter of allotment from the NOIDA for 37.62 acres of land in Noida and four separate letters of allotment from the Greater Noida Industrial Development Authority ("GNIDA") for 14.11 acres of land in Greater Noida. For details, see "Memorandum of Understanding/ Agreements to Sell and Purchase/ Letters of Acceptance" below. Also see "Risk Factors –No. 5".

In respect of certain of our Land Reserves, we have obtained title opinions from independent lawyers.

Land Owned (Category (i))

As of September 21, 2009:

- The total land owned by us is 555.96 acres representing 68.09% of our Land Reserves.
- Of the total land owned by us, 3.51 acres of land, representing 0.43% of our Land Reserves, located at Sector 50, Noida has been leased to our Company through a lease deed dated December 19, 2007 by NOIDA for a term of 90 years. Our Company plans to develop a group housing project on this land. The terms of the lease deed specify certain terms and conditions including payment of instalments, commencement of construction, and completion of construction within stipulated time frames. Non-compliance with the terms of the lease deed could result in termination of the lease deed without any further notice and the imposition of penalties. Our Company has not made payments of certain installments for this property. In view of the economic slowdown, the NOIDA, early this year, introduced a revised scheme to reschedule payment of instalments by defaulting real estate companies who have taken meaningful steps to implement their projects. For details of the scheme, see *''Regulations and Policies''* on page 116. Our Company has applied under the scheme for rescheduling the payment period in relation to this property.
- Of the total land owned by us, 552.45 acres, situated in Gurgaon, Kharkhoda, Panipat, Sonepat and Delhi, are held by our Company's Subsidiaries through sale deeds. Pursuant to sole development agreements entered between our Company and its Subsidiaries, the Subsidiaries have granted to our Company sole development rights over 511.27 acres of land. Further, the 38.78 acres of land in Kharkhoda is proposed to be developed as a SEZ by our Subsidiaries. The balance 2.40 acres relating to land at Rohini and Shalimar Bagh are being developed by Ambience Towers Private Limited, a subsidiary of our Company. For details of the key terms of the sole development agreements, see "Sole Development Rights Key terms of the sole development agreements" below.
- We have a license to develop 106.77 acres at Ambience Island, Gurgaon and a letter of intent from Director Town and Country Planning ("**DTCP**"), Haryana for a license grant to develop 314.808 acres of land at Panipat, Haryana.

For details on associated risks see "Risk Factors – No. 6".

Land over which there are sole development rights (Category (ii))

Sole development agreements with third parties

As of September 21, 2009, we have been granted sole development rights by third parties in respect of 20.96 acres representing 2.57% of our Land Reserves. Out of the 20.96 acres, our Company directly holds sole development rights over 18.98 acres of land situated at Panipat and New Delhi, out of which 0.87 acres of land at New Delhi is owned by our Promoter, Mrs. Sheela Gehlot and the remaining land is held by members of our Group Entities. The development rights over the balance 1.98 acres of land situated at Jasola, New Delhi are held by our Company's Subsidiary, Ambience Homes Private Limited, out of which 1.56 acres of land are owned by our Promoter, Mrs. Sheela Gehlot and 0.15 acres are owned by our Directors, Mr. Dayanand Singh and Mr. Mohan Singh, along with some third parties.

Certain parties granting us development rights have not yet acquired ownership rights or clear title in respect of land that we have categorised as part of our Land Reserves. As at September 21, 2009, such land comprised in the aggregate approximately 0.14 acres of the land situated at Jasola, representing approximately 0.02% of our Land Reserves.

We acquire sole development rights pursuant to sole development agreements entered between us and third parties. For details, see *"Key terms of sole development agreements"* below.

Key terms of the sole development agreements

The key terms of the sole development agreements executed by our Company and its Subsidiaries with third parties and those entered by our Company with its Subsidiary are similar. Such sole development agreements typically contain the following terms:

- (i) We are responsible for the development of the entire land at our cost and are also responsible for obtaining the requisite licenses and/or approvals;
- (ii) We are required to pay a fixed consideration (cost of land plus a specified percentage of the cost of land) to the party granting us sole development rights for the project;
- (iii) The possession of the land and all rights, titles and interest in the land is transferred to us after the completion of the development of the land. In the interim, during the construction and development of such land, we have the permission from the land owner to enter upon the land for development of such land;
- (iv) We have undertaken to complete the development within a specified period of time;
- In certain agreements, we are not entitled to assign the agreement in favour of our associates or Subsidiaries or any other party unless the written consent of the entity granting us development rights is obtained;
- (vi) Either party has the right to terminate the agreement on occurrence of breach. In such event, we may not be able to complete development of the land;
- (vii) We are liable to indemnify the other party for any loss suffered due to default or negligence in executing the development of projects on the land; and
- (viii) The land owners have executed powers of attorney, authorizing us amongst other things to apply for approvals, licenses and permission and to execute such deeds and documents that may be required including sale deeds, transfer deeds and lease deeds, as the case may be, on their behalf.

For details on associated risks see "Risk Factors -No. 4".

Memorandum of Understanding/Agreements to sell and purchase/Letters of acceptance (Category (iii))

As of September 21, 2009, we have been granted rights to acquire and/ or develop a total of 239.64 acres of land pursuant to provisional/ allotment letters and agreements to sell and purchase representing 29.35% of our Land Reserves.

- Letters of allotment from Government Authorities
 - Of the 239.64 acres of total land in this category, we have been granted rights over land through provisional/ allotment letters issued by government authorities in respect of 95.98 acres of land which constitutes 11.75% of our total Land Reserves. This includes:
 - a. Four separate allotment letters each dated March 4, 2008, issued to our Company by the GNIDA in relation to four contiguous plots of land totaling to 14.11 acres at Greater Noida, Uttar Pradesh on which our Company plans to develop a shopping and office complex. In

terms of the allotment, our Company has already deposited the allotment money with GNIDA. Under the terms of the allotment, the lease deed for the land is to be executed within one month of deposit of the allotment money. Non-execution of the lease deed within the stipulated timeframe despite deposit of the allotment money could result in payment of certain administrative charges and also result in cancellation of the allotment of land and forfeiture of the entire money deposited by our Company. Furthermore, our Company has not commenced the payment of installments for this property. In view of the economic slowdown, the NOIDA, early this year, introduced a revised scheme to reschedule payment of installments by defaulting real estate companies who have taken meaningful steps to implement their projects. For details of the scheme, see "*Regulations and Policies*" on page 116. Our Company has applied under the scheme for rescheduling the payment period in relation to this property;

- b. Provisional allotment letter dated August 31, 2007, issued to our Company by the VUDA in relation to 44.25 acres of land at Visakhapatnam on which our Company plans to develop "Ambience City" township. Pursuant to such allotment our Company is required to make payment of sale price in installments stipulated under the tender documents within specified timeframes. Upon payment of the entire sale price, the final allotment order is to be issued by VUDA and a sale deed is to be registered within 90 days of such allotment order. Simultaneously with the allotment order, VUDA is obliged to handover vacant physical possession of the land. The VUDA has acknowledged that certain portion of the land in Visakhapatnam is encroached. Accordingly, our Company, while having paid all other installments of the sale price comprising 64.61% of the agreement value, has withheld the balance amount on account of encroachment on the land. Non-payment of the final installment of the land may result in cancellation of the allotment of the land in Visakhapatnam and forfeiture of 50% of the initial deposit paid by the Issuer amounting to Rs. 118,368,750;
- c. Allotment letter dated April 18, 2007 issued to our Company by the NOIDA in relation to 37.62 acres in Sector 115 at Noida on which our Company plans to develop a group housing project. The allotment letter is subject to various terms and conditions including payment of the installments, execution of lease deed on payment of 40% of the amount payable under the allotment letter and one year advance lease rent, submission of building plan and completion of construction within stipulated timeframes. We have paid Rs. 1,068.72 million, which is 40% of the purchase price and based on the belief of our Company that certain portions of the land in Noida is encroached, our Company has withheld payment of the advance rent and the remaining 60% of the premium payable under the allotment letter. For details on associated risks see "*Risk Factors No. 5*".

Agreements to sell and purchase

Of 239.64 acres of total land in this category, our Company's Subsidiaries have entered into agreements to purchase over 143.66 acres of land with various persons. These agreements to sell and purchase are expected to be followed by the execution of definitive agreements, such as sale or lease deeds. At the time of execution of the agreements to sell and purchase for acquisition of land, we make payments of a portion (approximately 10% of the purchase price) of the total consideration for the land. Sale or conveyance deeds for such lands will be executed after we have conducted satisfactory due diligence and/or obtained approvals and/or paid the remaining consideration for such land. As of July 31, 2009, we had incurred an expenditure of Rs. 67.64 million towards the agreement value in respect of payments for the acquisition of land under agreements to sell and purchase. At the time of entering into agreements to sell and purchase for land to be acquired and/or developed by us, the vendors or parties seeking to grant us development rights may not have ownership or clear title over such land or may have created encumbrances over such land.

For details on associated risks, see "Risk Factors - No.4".

Lands for which joint development agreements have been entered into (Category (iv))

There are no joint development agreements relating to our Land Reserves falling under this category.

Proportionate interest in lands owned indirectly through joint ventures (Category (v))

There is no proportionate interest in lands owned indirectly through joint ventures falling under this category.

Material Agreements

The following are the "material agreements" relating to our Land Reserves falling under the categories (ii), (iii), (iv) and (v) described above, which represent at least 10% of the "aggregate agreement value" of land falling under the relevant category. Our Company undertakes to make continuous disclosures to the Stock Exchanges regarding the stages of development on the material agreements.

Category (ii): Land over which our Company has sole development rights

S. No.	Location of land and acreage	Date of agreement	Parties to the agreement	Agreement value (Rs. million)	Amount paid as on July 31, 2009 (Rs. million)	Amount paid as a % of agreement value	Sources of fund	Revocation clauses, if any
1	Jasola, New Delhi	Development Agreement dated September 5, 2009	Ambience Homes Private Limited and Mrs. Sheela Ghelot, Mr. Vipin Solanki, Mr. Raghubinder Singh, Mr. Mohan Singh, Mr. Dayanand Singh, Mr. Shekhar Singh, Mr. Sandeep Chikara	1,208.98	1,082.20	89.51	Share capital, internal accruals and loans	None
2	South Delhi	Development Agreement dated September 4, 2009	Company, Mrs. Sheela Ghelot and Mrs. Suneeta Chaudhary	541.08	434.39	80.28	Share capital, internal accruals and loans	None

For details of the terms of these letters see "Risk Factors - No. 4".

Category (iii): Memorandum of understanding/ Agreements to sell and purchase/ Letters of acceptance to which our Company and/or its Subsidiaries are parties

S. No.	Location of land and acreage	Date of agreement	Parties to the agreement	Agreement value (Rs. million)	Amount paid as on July 31, 2009 (Rs. million)	Amount paid as a % of agreement value	Sources of fund	Revocation clauses, if any
1.	Plot No GHP- 0001 situated in Sector 115, Noida and admeasuring 37.62 acres.	Allotment letter dated April 18, 2007	Company and NOIDA	2,671.81	1,068.72	40.00%	Share capital, internal accruals and loans	None
2.	Plot No. Bit.01, in Bhoonidhi Category, situated in Madhurawada at Vishakhapatn am and admeasuring 44.25 acres.	Provisional allotment letter dated August 31, 2007	Company and VUDA	946.95	611.84	64.61%	Share capital, internal accruals and loans	None
3.	Plot No. SLC- 3/H situated in Sector Alpha II, Greater Noida and admeasuring 4.32 acres.	Allotment letter dated March 4, 2008	Company and GNIDA	777.77	233.33	30.00%	Share capital, internal accruals and loans	None

For details of the terms of these letters see "Risk Factors – No.5".

Category (iv): Lands for which joint development agreements have been entered into

There are no agreements under this category.

Category (v): Proportionate interest in lands owned indirectly through joint ventures

There are no agreements under this category.

Other Agreements

The table below sets forth other agreements relating to the Land Reserves, which represent less than 10% of the "aggregate agreement value" of land falling under the relevant category.

Land reserves (Category wise)	Aggregate agreement value (Rs. million)	Amount paid as on July 31, 2009 (Rs. million)	Amount paid as a % of agreement value	Revocation clauses, if any
Land over which our	105.87	100.83	95.23	None
Company has sole				
development rights				
Memorandum of	2,431.95	595.64	24.49%	None
understanding/ agreements				
to sell and purchase/ letters				
of acceptance to which our				
Company and/or its				
Subsidiaries are parties				
Lands for which joint	Not applicable	Not applicable	Not applicable	Not applicable
development agreements				
have been entered into				
Proportionate interest in	Not applicable	Not applicable	Not applicable	Not applicable
lands owned indirectly				
through joint ventures				

Description of our Land Reserves

As stated above, we classify our Land Reserves as Ongoing Projects or Planned Projects. A description of our Ongoing and Planned Projects is given below:

Ongoing Projects

Our Ongoing Projects include "Caitriona" condominium complex and a corporate office tower at our "Ambience Island" integrated township in Gurgaon, standalone residential developments in Jasola, New Delhi and South Delhi, a standalone commercial development in Rohini, New Delhi and a shopping and office complex in Shalimar Bagh, New Delhi.

The following table provides information in relation to our Ongoing Projects we intend to sell:

Project	Land Area (Acres)	Estimated Saleable Area (million square feet)	Area Sold (million square feet) ⁽¹⁾ (as on August 31, 2009)	Total Sale Price for Area Sold (in Rs. Million) (as on August 31, 2009)	Start Date (Month/ Year)	Estimated Completion Date (Fiscal Year)	Estimated Development and Construction Cost (in Rs. million)
"Catriona" condominium complex, Gurgaon (Haryana)	11.00	1.87	0.77	6,591.06	February 2008	Fiscal 2011	6,161.97 ⁽²⁾
Multi-unit residential apartments, Jasola (New Delhi)	1.98	0.35	0.01	140.90	September 2008	Fiscal 2011	526.01 ⁽²⁾
Multi-unit	1.04	0.12	0.002*	55.00	April/ May	Fiscal 2011	409.60 (2)

Project	Land Area (Acres)	Estimated Saleable Area (million square feet)	Area Sold (million square feet) ⁽¹⁾ (as on August 31, 2009)	Total Sale Price for Area Sold (in Rs. Million) (as on August 31, 2009)	Start Date (Month/ Year)	Estimated Completion Date (Fiscal Year)	Estimated Development and Construction Cost (in Rs. million)
residential apartments, South Delhi					2009		
"Ambience Tower", Rohini (New Delhi)	1.01	0.26	-	-	July 2009	Fiscal 2012	542.63 ⁽³⁾
"Ambience City Centre", Shalimar Bagh (New Delhi)	1.39	0.23	-	-	July 2009	Fiscal 2012	479.44 ⁽³⁾

*agreement to sell entered into by Mrs. Sheela Gehlot and the entire consideration pursuant to the agreement has been assigned to our Company.

1)Includes application forms, agreement to sell and allotment letters.

2) As per the certificate of A.K. Ganju & Associates, Architects dated September 18, 2009.

3) As per the certificate of GRID Architecture Interiors Private Limited, Architects dated September 15, 2009.

The following table provides information in relation to the Ongoing Project we intend to lease out:

Project	Land Area (Acres)	Estimated leasable area (million square feet)	Area Leased (million square feet)	Start Date (Month/ Year)	Estimated Completion Date (Fiscal Year)	Estimated Development and Construction Cost (in Rs. million)
Office complex, Gurgaon (Harvana)	3.71	0.56	-	August 2009	Fiscal 2012	1,406.29 (1)

1) As per the certificate of GRID Architecture Interiors Private Limited, Architects dated September 18, 2009

"Caitriona" condominium complex, Gurgaon (Haryana)

We are currently developing the "Caitriona" condominium complex as part of the "Ambience Island" township. The project comprises 240 ultra-luxury "ready-to-live-in" condominiums ranging from approximately 6,400 square feet to 7,700 square feet in 10 towers on a total of 11.00 acres of land. Each tower will have a business centre and laundry facilities. We are using quality specifications for these condominiums, including a mix of Italian/ Spanish marble flooring, marble/ granite balconies, frames and shutters of imported/ Indian teak wood and fully functional modular kitchens with high-end cooking ranges, microwaves, refrigerators, dish washers and effluent treatment system, bathrooms with imported fittings and imported sanitary wares. The condominiums will have central air-conditioning, a centralized home management, a centralized music system, wireless internet facilities and hydraulic pressure water systems. The development will also have an exclusive private club featuring a party room, swimming pool and gymnasium for the residents. The project will overlook a nine-hole pitch and putt golf course we are developing and the residents will have access to the golf course.

This project has an estimated Saleable Area of approximately 1.87 million square feet. Development of our "Caitriona" condominium complex commenced in February, 2008 and we expected to complete it by Fiscal 2011. As at August 31, 2009, we have received applications / executed buyers agreement to purchase 107 units with a corresponding area of approximately 0.77 million square feet in this project and a total sales price of Rs. 6,591.06 million. As per certificate dated September 18, 2009 from A.K. Ganju and Associates, Architects, the total estimated development and construction cost of the project is Rs. 6,161.97 million. As at July 31, 2009, we had spent Rs. 3,768.29 million on developing and constructing this project.

Multi-Unit Residential Apartments, Jasola (New Delhi)

We are developing 120 multi-unit apartments spread over 1.98 acres adjacent to National Highway -1. We have entered into a sole development agreement with respect to the said 1.98 acres. By virtue of such agreement, we have acquired sole development rights and the rights to sell space constructed upon the 1.84 acres of land for this project and will acquire sole development rights over the balance 0.14 acres after the same is transferred in favour of such parties pursuant to the execution of sale deeds. The development comprises four storied residential apartments and basements. We have received building approvals and began development of the project in September, 2008. We expect to complete the project in fiscal 2011.

This project has an estimated Saleable Area of approximately 0.35 million square feet. As at August 31, 2009, we have made allotments for approximately 0.02 million square feet in this project and a total sales price of Rs. 140.90 million. As per certificate dated September 18, 2009 from A.K. Ganju and Associates, Architects, the total estimated development and construction cost of the project is Rs. 526.01 million. As at July 31, 2009, we had spent Rs. 251.10 million on developing and constructing this project.

Multi-Unit Residential Apartments, South Delhi

We are developing multi-unit residential apartments in various up-market areas of South Delhi on land spread over 1.04 acres under sole development agreements including Paschimi Marg, Poorvi Marg, Vasant Vihar, Green Park Extension, Gitanjali Enclave and Anand Lok in South Delhi. We have received the necessary regulatory approvals and began development of the projects, and expect to complete the project by fiscal 2011.

These projects have an estimated Saleable Area of approximately 0.12 million square feet. As at August 31, 2009, we have entered into an an agreement to sell for approximately 0.002 million square feet in this project and a total sales price of Rs. 55.00 million. As per certificate dated September 18, 2009 from A.K. Ganju and Associates, Architects, the total estimated development and construction cost of the project is Rs. 409.60 million. As at July 31, 2009, we had spent Rs. 13.44 million on developing and constructing this projects.

"Ambience Tower", Rohini (New Delhi)

We have begun construction of our "Ambience Tower" office complex located at plot no. 2B2, Twin District Centre, Sector-10, Rohini, New Delhi on land spread over 1.01 acres. This office complex will be part of Twin District Centre in Rohini, which is a major commercial destination launched by the Delhi Development Authority and provides various facilities including retail malls, corporate offices, cultural and entertainment zones, with food courts and multiplex cinemas. The site is located close to a green area, including gardens, an amusement park and other leisure facilities. Connectivity to this location will further be improved by the extension of the Delhi Metro to Rohini. We acquired the land for this project from the Delhi Development Authority. We have received clearances from DDA and Dehli Pollution Control Committee for regulatory approvals required to date, and began development of the project in July 2009. We expect to complete the project in Fiscal 2012.

This project has an estimated Saleable Area of approximately 0.26 million square feet. As at August 31, 2009, we had not made any sales with respect to this project. As per certificate dated September 15, 2009 from GRID Architecture Interiors Private Limited, Architects, the total estimated development and construction cost of the project is Rs. 542.63 million. As at July 31, 2009, we had spent Rs. 4.13 million on developing and constructing this project.

"Ambience City Centre", Shalimar Bagh (New Delhi)

We have began construction of our "Ambience City Centre" shopping and office complex located in Community Center, Block – B, Shalimar Bagh, New Delhi on land spread over approximately 1.39 acres. The Community Center at Shalimar Bagh is easily accessible to important localities in New Delhi such as Pitampura, Shalimar Bagh, Ashok Vihar, Shakti Nagar, Roop Nagar and Delhi University. We plan to develop retail shopping space constituting an estimated Saleable Area of approximately 0.07 million square feet, and office space constituting an estimated Saleable Area of 0.16 million square feet. We began construction of the project in July 2009 and expect to complete the project in fiscal fiscal 2012.

As at August 31, 2009, we had not made any sales with respect to this project. As per certificate dated September 15, 2009 from GRID Architecture Interiors Private Limited, Architects, the total estimated development and construction cost of the project is Rs. 479.44 million. As at July 31, 2009, we had spent Rs. 3.74 million on developing and constructing this project.

Office Complex, Gurgaon (Haryana)

We have commenced the development of an office complex, a 12 storey corporate office tower with a four level basement on land measuring approximately 3.71 acres at our "Ambience Island" township in Gurgaon, Haryana.

The tower will offer central air conditioning, 100% power back-up, high speed elevators, service lifts, multilevel car parking and other contemporary facilities. We began development of the project in August 2009. We expect to complete the project in fiscal 2012.

This project has an estimated leasable area of approximately 0.56 million square feet. As per certificate dated September 18, 2009 from GRID Architecture Interiors Private Limited, Architects, the total estimated development and construction cost of the project is Rs. 1,406.29 million. As at July 31, 2009 we have not deployed any funds towards the development and construction cost of the aforementioned project.

Planned Projects

In addition to our Completed Projects and Ongoing Projects which form part of the "Ambience Island" integrated township, we plan to develop residential developments and office towers as part of our "Ambience Island" township. In addition to these developments at "Ambience Island", we have also begun the development of an integrated township in Panipat, and have acquired land in Sonepat and have been provisionally allotted land in Vishakhapatnam to develop townships at these locations. Furthermore, we are also planning to develop two residential projects, two retail and commercial projects, and one SEZ project on a standalone basis in the NCR.

The following table provides information about the land area and estimated Developable Area in relation to our Planned Projects.

Project	Land Area (Acres)	Estimated Developable Area (million square feet)
"Ambience Island" Township, Gurgaon (Haryana) ⁽¹⁾		
of which: - Residential Apartments	56.27	11.58
- Office	35.79	7.15
	55.19	7.15
"Ambience City" Township, Panipat (Haryana) of which:		
- Residential Plotted	240.79	4.24
 Residential Group Housing 	38.64	5.48
 Residential Bungalows 	32.50	3.26
– IT Park	5.75	1.19
– Retail	5.76	0.92
– Office	11.51	1.79
"Ambience City" Township, Sonepat (Haryana) of which:		
 Residential Plotted 	102.54	2.05
 Residential Group Housing 	21.78	3.09
 Residential Bungalows 	15.95	1.60
– Retail	4.94	0.79
"Ambience City" Township, Vishakhapatnam (Andhra Pradesh) of which:		
– Residential apartments	30.98	3.88
– Office	8.84	1.60
– Retail	4.43	0.80
Residential apartment complex, Sector 50, Noida (Uttar Pradesh)	3.51	0.54
Residential apartment complex, Sector 115, Noida (Uttar Pradesh)	37.62	6.78
Retail-cum-Office complex, Greater Noida (Uttar Pradesh)	14.11	2.22
Office complex, Sector 82/82A, Gurgaon (Haryana)	10.90	1.69
SEZ, Kharkhoda (Haryana)	113.82	23.49

(1) Does not include Completed Projects and Ongoing Projects.

"Ambience Island", Gurgaon (Haryana)

Our Planned Projects at "Ambience Island", Gurgaon comprise residential developments with a total estimated Developable Area of approximately 11.58 million square feet and office towers/ spaces with a total estimated Developable Area of approximately 7.15 million square feet.

"Ambience City", Panipat (Haryana)

The land on which we are planning to develop our "Ambience City" township in Panipat is located adjacent to National Highway – 1. Our township has connectivity to the centre of Panipat and is approximately 90 kilometres from New Delhi. Our "Ambience City" township in Panipat will be spread over approximately 334.95 acres with residential plots, bungalows, multi-storied group housing, commercial and retail developments. We own approximately 316.39 acres of land at Panipat through our Company's Subsidiaries pursuant to sole development rights that have been granted by such Subsidiaries. We have been granted sole development rights with respect to 17.94 acres by Mrs. Nutan Gehlot, our Promoter. Approximately 0.62 acres of land is subject to an agreement to sell and purchase pursuant to which we will acquire sole development rights over such land. We have been granted a letter of intent to develop 314.81 acres of land with respect to this township.

We plan to commence the development work at this township in April 2010. The development of this township is subject to the receipt of numerous regulatory approvals, including conversion of land use approvals, development licenses, environmental approvals, zoning plan approvals and building plan approvals. There can be no assurance we will receive these regulatory approvals.

The estimated total Developable Area of the township is approximately 16.88 million square feet, which is expected to comprise of approximately 4.24 million square feet of plotted residential area, approximately 5.48 million square feet for multi-storied group housing, approximately 3.26 million square feet for residential bungalows, approximately 1.19 million square feet for an IT Park, approximately 0.92 million square feet for retail developments and approximately 1.79 million square feet for office spaces. Apart from this, we also intend to build community facilities such as clubs, schools, hospitals and crèche facilities.

Panipat is a commercial and export centre for the textile industry in Northern India. In addition to the textile sector, Panipat also houses heavy industries, such as the Panipat Oil Refinery, the Panipat Thermal Power Solution power plant and the National Fertilisers Limited plant. Indian Oil Corporation is developing a petrochemical industrial complex in collaboration with the Haryana State Industrial Development Corporation, which is expected to give a further impetus to the development of Panipat. Panipat also houses two multinational corporations: Nestle India Ltd. and Arodhana Soft Drinks. There were 36 large and medium industries employing more than 12,000 persons in Panipat, as well as more than 3,000 small scale industries employing more than 50,000 persons.(*Source: http://panipat.nic.in/Industry.htm*)

"Ambience City", Sonepat (Haryana)

The land on which we are planning to develop our "Ambience City" township in Sonepat is located at the proposed Kundli – Manessar – Palwal (KMP) expressway. Through its Subsidiaries, our Company executed sale deeds for 77.21 acres of land and entered into agreements to sell and purchase for 68.00 acres of land. Our Company's Subsidiaries have granted it sole development rights over the 77.21 acres and our Company will acquire sole development rights over the remaining 68 acres on the transfer of the same in favour of its Subsidiaries pursuant to execution of sale deeds.

The estimated total Developable Area of the township is approximately 7.53 million square feet, which is expected to comprise of approximately 2.05 million square feet of plotted residential area, approximately 3.09 million square feet for multi-storied group housing, approximately 1.60 million square feet for residential bungalows and approximately 0.79 million square feet for retail developments. Apart from this, we also intend to build community facilities such as clubs, schools, hospitals and crèche facilities.

The development of this township is subject to the receipt of numerous regulatory approvals, development licenses, environmental approvals, zoning plan approvals and building plan approvals. There can be no assurance we will receive these regulatory approvals.

Sonepat is a prominent town located approximately 30 to 35 kilometres from the Delhi border, on National Highway – 1 (GT Road). Sonepat City is within five kilometres of the Kundli industrial area. The Kundli industrial area is home to several large corporations including Atlas Cycle Factory, TOYO Springs Ltd. and Milton. Apart from its industrial activities, Sonepat is also an educational hub. The city has two universities, Deenbandhu Chhotu Ram University of Science and Technology and Bhagat Phool Singh Mahila Vishwavidyalaya. Sonepat is also home to colleges such as Motilal School of Sports, Rai, Hindu College of Engineering, Hindu College of Pharmacy, Hindu Institute of Management, Hindu Institute of Technology, Government Polytechnic and Government Pharmacy College and Jindal Law School (which is under development.) Sonepat is also an agricultural area where crops such as sugar cane, rice and wheat are grown.

"Ambience City", Vishakhapatnam (Andhra Pradesh)

We have received provisional allotment of 44.25 acres in Vishakhapatnam in South India where we plan to develop a township, which will include group residential housing as well as retail and commercial projects. The land on which we are planning our "Ambience City" township in Vishakhapatnam is located at Madhurawada in between National Highway - 5 and the sea shore. The site is across from the Madhurawada cricket stadium.

The estimated total Developable Area of the township is approximately 6.28 million square feet, which is expected to comprise of approximately 3.88 million square feet of residential apartments, approximately 1.60 million square feet for office spaces and approximately 0.80 million square feet for retail developments. Apart from this, we also intend to build community facilities such as clubs, schools, hospitals and crèche facilities.

The development of this township is subject to the receipt of the final allotment of land and numerous regulatory approvals, development licenses, environmental approvals, zoning plan approvals and building plan approvals.

Visakhapatnam, popularly known as Vizag, is an emerging industrial city on the East coast of India. Tourists are attracted by Vizag's beaches, nearby scenic Araku Valley and Borra caves, the 11th-century Simhachalam temple and ancient Buddhist sites spread across the area such as Totlakonda and Bavikonda. The city has also experienced fast industrialization since the 1970s, with the onset of major industries such as an oil refinery, a private sector fertilizer factory, the Hindustan Zinc Smelter and the Visakhapatnam Steel Plant, and sectors like ITES, pharmaceutical and biotechnology, production of consumer goods and ancillary industries.

Residential apartment complex, Sector 50, Noida (Uttar Pradesh)

We are planning to develop a group housing project spread over 3.51 acres of land in sector 50, Noida. We have been granted a 90-year lease for the land for this project by NOIDA. This group housing project has an estimated Developable Area of approximately 0.54 million square feet.

Residential apartment complex, Sector 115, Noida (Uttar Pradesh)

We are planning to develop a group housing project spread over 37.62 acres of land in sector 115, Noida. We have been allotted the land for this project through a letter of allotment from NOIDA. This group housing project has an estimated Developable Area of approximately 6.78 million square feet. Subject to receipt of the necessary regulatory approvals and payment of balance consideration to allot land, we intend to begin development of the project in fiscal 2011.

Retail-cum-Office complex, Greater Noida (Uttar Pradesh)

We are planning to develop a shopping and office complex to be located at sector Alpha-II and sector Beta-II in Greater Noida on four contiguous plots of land spread over approximately 14.11 acres. We have been allotted these plots of land through four separate allotments letters from the GNIDA. This project will have easy access to the Greater Noida Express Highway, which provides direct connectivity to South Delhi. We plan to develop retail shopping constituting an estimated Developable Area of approximately 0.83 million square feet and office space constituting an estimated Developable Area of approximately 1.39 million square feet.

Office complex, Sector 82/82A, Gurgaon (Haryana)

We are planning to develop an office complex to be located at Sector 82/82A, Gurgaon on land spread over approximately 10.90 acres that is owned by our Company's Subsidiaries. Our Company's Subsidiaries have granted sole development rights to our Company in respect of such land. The sector is located at the junction of the main road from Dwarka, New Delhi and joining National Highway - 8. We plan to develop office space constituting an estimated Developable Area of approximately 1.69 million square feet.

SEZ, Kharkhoda (Haryana)

We have identified approximately 250 acres of land for the development of our first SEZ at Kharkhoda, in the district of Sonepat, Haryana. The land for the project is in the vicinity of the Bawana industrial area and IMT and alongside the KMP expressway. We have already executed sale deeds for 38.78 acres of land in favour of our Subsidiaries and our Subsidiaries have entered into agreements to sell for 75.04 acres in relation to this project, which is currently agricultural land. We have not yet applied to have the land for the project to be notified as an SEZ and there is no assurance that it will be notified as a SEZ. Our proposed "Kharkhoda" SEZ comprises an estimated total Developable Area of approximately 23.49 million square feet.

Non-Compete Undertaking

Ambience Hotels and Resorts Limited and Aman Hospitality Private Limited, companies promoted by our Promoters, are engaged in the business of developing hotels. However, pursuant to the agreement dated September 3, 2009, Ambience Hotels and Resorts Limited and Aman Hospitality Private Limited have undertaken to grant our Company the first right of refusal to construct and develop all its current and future hotel projects. Further, each of our Promoters have, under this agreement, undertaken that, in the event any company or entity is incorporated or formed by them (either individually or jointly by one or more of them), for the acquisition of land for the development of hotel projects, they shall, jointly and severally, ensure that such new entities will execute a deed of adherence to the agreement.

Additionally, our Promoters have undertaken (pursuant to an undertakings dated March 11, 2008) not to individually or jointly with any other person, undertake the development or execution of any new construction and development of residential complexes, shopping malls, office complexes and township, except in relation to projects they may have already been involved in or in dealing with real estate or developing real estate for any other purpose. Except as disclosed above, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by us.

The Real Estate Development Process

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

Identification of Potential Areas of Development

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

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

Evaluation of Applicable Laws and the Obtaining of Requisite Approvals

When assessing the feasibility of a new project, it is imperative to become familiar with the legal regime governing the land on which the new project will be developed, since legal regimes vary from state to state. We evaluate the factors that affect the obtaining of approvals required for the implementation of the project. The approvals generally required for a real estate development project include approval of the building plans, approval of layouts, approvals related to certain infrastructure facilities such as power and water and land-use approvals, such as, in some instances, for the conversion of agricultural lands to non-agricultural lands. Similarly, approvals from the fire authorities are often required for projects that involve the construction of high-rise buildings. Building completion certificates are obtained from the appropriate authorities after the projects have been completed in accordance with applicable law. For details of the legal requirements applicable to us, see "*Regulations and Policies*" on page 116.

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

Acquisition of Development Rights or Purchase of Properties

Generally, we either acquire the development rights for properties or buy the properties outright. In general, we prefer to acquire development rights only in arrangements that give us effective control of the properties. We also acquire land through allotments from government authorities.

Occasionally, we acquire the right to develop properties through developments agreements with other entities that hold title to the land. Typically, we negotiate an agreement with the other party pursuant to which we conceive, develop and market the project. We are required to pay a fixed consideration (cost of land plus a specified percentage of the cost of land) to the party granting us sole development rights for the project.

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

Project Development

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

Once the design and estimates for the project have been finalized, we set up a project team under the supervision of a general manager/ deputy general manager (projects), who serves as the central coordinator for the project and who reports to our director projects.

Construction

The majority of the construction of our real estate projects is done in-house by us. For details of our construction business, see "*Our Construction Business*" in this section on page 113. We generally hire contractors for constructing roads or any other work that requires specialized heavy construction equipment. We use contractors for installing lifts and elevators, air conditioning, electric and other specialized work. We also utilize the expertise of external professionals, such as landscapers, engineers and building services consultants, who have specializations to match our range of operations.

Marketing and Sales

We have in-house sales and marketing teams for each of our residential, retail and commercial segments. These

teams interact directly with customers, which provides us with an insight into the requirements of our customers in terms of type, specifications and location of our projects. We use this information in pricing our product offerings and planning our promotional activities. We believe that a concerted marketing and communication approach through the lifecycle of a project leads to effective selling. We also sell our projects through a network of real estate agents and brokers, many of whom have a long-standing relationship with our Promoters/Group Entities.

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

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

We engage in a number of promotional activities for our projects. We appoint advertising agencies on a project basis to assist and plan such activities.

The pricing of a project is arrived at after considering the prevailing market, the competitive landscape and the nature of the project.

Completion and Handover of the Project

Once construction has been completed, we convey the relevant interests in the property to residential buyers or, in the case of commercial properties, licensees and investors. When we sell, we ensure that the entire consideration is paid to us at the time of the transfer of interest. When we license to commercial licensees, we typically receive an interest-free security deposit and charge a monthly license fee that is paid at the beginning of the month. Our in-house sales and marketing teams are also responsible for providing after sales services to our customers to facilitate the smooth handover of our properties to our customers.

Our Construction Business

We have an integrated in-house construction and development team which means that we have the key competencies and in-house resources to deliver a project from its conceptualization to completion. We currently undertake the construction of our own real estate developments and those of our Company's Subsidiaries and the hotel developments of our Promoters and the group companies.

We have over 23 years of experience in construction. We have constructed residential complexes, villas, multiunit apartments, shopping malls, multiplex cinemas, hotels and other buildings and undertaken related development works. We have in-house architectural, design, building, project management and quality control capabilities. We also utilize the expertise of external professionals, such as architects, interior designers, landscapers, engineers and building services consultants, who have specializations to match our range of operations. We have successfully constructed large projects with high quality specifications and which require expertise in handling specialised construction materials. For example, in 2008, we completed the development and construction of the "Leela Kempinski", a hotel with service apartments, for Ambience Hotels and Resorts Limited, one of our group companies at Ambience Island, Gurgaon. The hotel has 322 rooms and 90 - 1/2/3 bedroom service apartments, banquet and conference facilities, and a 20,000 square feet luxury spa with personal therapy rooms and a yoga aerobic studio. We also constructed the "Ambience Mall", the "Lagoon" residential apartment complex and the corporate office tower at our "Ambience Island" township in Gurgaon, and constructed the "Ambience Mall" at Vasant Kunj. We received the Brick and Mortar Award from the Architecture and Design Spectrum Foundation for 2006 along with the Mapsor Indian Property Award for the best commercial project (State level) from the IPA in 2007.

We do not produce any construction materials and obtain construction materials, such as concrete, sand, aggregates, steel and bricks, windows and fixtures and fittings from various third-party suppliers. Our suppliers also provide us with specifically manufactured materials for our projects such as units to make ready-mixed concrete, elevator equipment and aluminium extrusions. We are not dependent on any one supplier and we have not entered into any long- term supply contracts.

As at March 31, 2009, we had invested Rs. 277.84 million (gross block) in plant and machinery for use by our construction business.

Our Management and Maintenance Business

Ambience Facilities Services Private Limited, our Company's 100% beneficially owned subsidiary, manages the operation and maintenance of the "Lagoon" residential apartment complex, the corporate office tower and "Ambience Mall", Gurgaon. This business provides us with revenues from fees for maintenance and management services.

Our operation and maintenance business provides us with a regular and fixed stream of revenue from the operation and maintenance of some of our real estate developments by way of common area maintenance charges from lessees and buyers. For the month of August 2009, we received revenue of Rs. 33.80 million from management and maintenance fees. We intend to operate and maintain our future residential and commercial developments.

Our Competitors

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

Our main competition is in acquiring land as locations are limited within the NCR and other major cities in India and there may be competition from other developers seeking to acquire the same parcel of land. Moreover, as we seek to diversify, we face the risk that some of our competitors may be better known in other markets and enjoy better relationships with land owners and international joint venture partners. Large developers may also have opportunities to gain early access to information regarding attractive parcels of land and they might be better placed to acquire such land. Our competition also includes large industrial groups in respect of large projects and SEZs that might develop in the future.

Our competitors include: DLF, Unitech, Parvsnath, Omax, Jaypee, Ansal and Indiabulls.

Health, Safety and Environment

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

Human Resources

We believe that our employees are key contributors to our business success. Our work force consists of (i) our permanent employees, (ii) consultants who are engaged by us on a contractual basis to assist in the design of our projects and (iii) labourers that are engaged by our sub-contractors on a per project basis. Our permanent employees include personnel engaged in land sourcing, land acquisition, design, construction, marketing, finance, administration and legal. In addition to this work force, our Company engages sub-contractors and they in turn employ labourers to work at our project sites.

As at August 31, 2009, we had 488 full-time employees. Our employees are not represented by any unions and we do not have collective bargaining agreements with any of them. We believe that our relationship with our employees is generally good. We provide customary employee and retirement benefits to our permanent employees.

Insurance

Our operations are subject to hazards inherent in the construction and real estate development industry, such as equipment failure, accidents, fire, earthquake, flood and other force majeure events, acts of terrorism, explosions and similar hazards that may cause injury and loss of life and severe damage to and the destruction of property and equipment, and environmental damage.

We maintain comprehensive insurance for fire, earthquake, flood and other force majeure events, acts of terrorism and explosion for "Ambience Mall", Gurgaon and "Ambience Mall", Vasant Kunj. We also maintain a burglary insurance policy for "Ambience Mall", Vasant Kunj. In addition, we maintain a key man insurance policy for our Chairman and Managing Director, Mr. Raj Singh Gehlot.

We do not have any insurance coverage for our other completed projects or projects in which construction or development work is in progress, loss or damage to stock or construction material at any project site, machinery and equipments, for timely project completion, loss of rent or profit, defects in the quality of materials used or consequential damages for tenants' lost profits, public liability insurance, workmen's compensation and comprehensive general liability insurance.

In the event, our insurance policies are insufficient to meet any liability or contingency arising in the course of our operations or in the event we do not have insurance cover in respect of any liability or contingency, it may have a material adverse effect on our business and operations.

Intellectual Property

We have registered trademarks over the names "Ambience Island- An Integrated Township" and "Ambience Lagoon-Luxury Apartments – So open yet so close".

We use the "Ambience" trademark and its associated logos. On January 14, 2008, our Company applied for the registration in Classes 1 to 42 of the "AMBIENCE" trademark under the Trademarks Act of 1999, as amended. We have also filed applications for registration of trademarks for "Ambience City", "Ambience Mall", "Ambience Tower", "Ambience Residency", "Ambience Corporate Tower", "Ambience City Centre", "Ambience Centre", "Ambience Heights", "Ambience Platinum Tower", "Caitriona", "Ambience Desire Engineers" with logo, "Ambience" logo, "Caitriona Seven Star Living" with logo, "Space for a million smiles", "Ambience Mall" label and "Ambience The New Standard" lago under various classes. However, there can be no assurance whether or when the registration of these trademarks will be granted by the relevant authorities. For further information, see "Government and other Approvals", on page 316.

Ambience Projects Limited, an unaffiliated company headquartered in Bangalore, India, uses the names "Ambience" and "Ambience Projects" to describe itself and as part of its business advertising and promotion. Ambience Projects Limited is a residential real estate developer. According to its website as of September 2, 2009, Ambience Projects Limited was developing three residential projects in and around Bangalore. We recently became aware of this possible competing claim to use the "Ambience" trademark and we have not reached any agreement on the use of the trademark with Ambience Projects Limited. Also, certain real estate development companies that that were formerly associated with certain of our Promoters continue to use the name "Ambience". In the event that the intellectual property rights in respect of our trademarks and associated logos either infringe the intellectual property rights of another person or the application to register the intellectual property rights is refused, our ability to use our intellectual property rights may be restricted or lost. Any such restriction or removal could have an adverse effect on our business and results of operations.

Properties

In addition to the land discussed above used or to be used for our property developments, we have leasehold rights over our Company's Registered Office and Corporate Office, pursuant to two separate lease deeds dated April 1, 2007 with Mrs. Sheela Gehlot. Both the said lease deeds terminate on March 31, 2010 and can be renewed for a further two terms of 36 months each. We do not have any other sales or branch offices. For risks related to such lease deeds, see "*Risk Factors-No.35*" on page 10.

REGULATIONS AND POLICIES

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 is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional legal advice.

Our Company is engaged in the real estate development and construction activity. The real estate and construction sector in India is governed by a number of Central and State legislations which regulate the limits of foreign investment in the real estate sector, substantive and procedural aspects of the acquisition, transfer and development of land. Additionally, our projects require at various stages, the sanction of concerned authorities under the relevant state legislation and local by laws. Following is an overview of the important laws and regulations which are relevant to our business as a real estate developer.

Regulations regarding foreign investment

The Industrial Policy, 1991 and the FEMA regulate foreign investment in Indian securities. The Industrial Policy, 1991 stipulates the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy. The FEMA further regulates foreign investment by prescribing the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investment policies, foreign investment in the real estate sector is permitted under the automatic route in relation to investments by NRIs.

The Government of India has permitted FDI of up to 100% under the automatic route in townships, housing, built-up infrastructure and construction-development projects (which would include, but not be restricted to housing, commercial premises, hotels, resorts, hospital, educational institutions, recreational facilities, city and regional level infrastructure), subject to certain conditions enumerated in Press Note No. 2 (2005 series). A short summary of the conditions is as follows:

- (a) Minimum area to be developed is 10 hectares in case of serviced housing plots and 50,000 square meters in case of construction development projects. Where the development is a combination project, it can be either 10 hectares or 50,000 square meters.
- (b) Minimum capitalization of USD 10 million for wholly owned subsidiary and USD 5 million for a joint venture has been specified and it is required to be brought in within six months of commencement of business of the company.
- (c) Further, the investment is not permitted to be repatriated before three years from completion of minimum capitalization except with prior approval from FIPB.
- (d) At least 50% of the project is required to be developed within five years of obtaining all statutory clearances and the responsibility for obtaining it is cast on the foreign investor. Further, the sale of undeveloped plots is prohibited.
- (e) Compliance with rules, regulations and by-laws of state government, municipal and local body has been mandated and the investor is given the responsibility for obtaining all necessary approvals.

The Union Cabinet on January 30, 2008, clarified that investments by registered FIIs under the Portfolio Investment Scheme, would be distinct from FDI and as such would be outside the purview of conditionalities specified in Press Note 2(2005). Therefore, FIIs are allowed to participate in this Issue. Accordingly, Non-residents other than FIIs and elibible NRI's, such as FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in the Issue. Further, as per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Property Related Laws

The Transfer of Property Act, 1882

The Transfer of Property Act, 1882 (the "**TP Act**") establishes the general principles relating to and governing the transfer of property (including immovable property) in India. It forms the 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. The TP Act also provides for the rights and liabilities of the vendor and purchaser in a transaction of sale of land.

The Easements Act, 1882

The right of easements is derived from the ownership of property and is governed by the Easements Act, 1882. 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, or in respect of certain other land not his own. An easement may be acquired by the owner of immovable property i.e. the dominant owner, or on his behalf by the person in possession of the property. Such a right may also arise out of necessity or by virtue of local custom. Under the Easements Act, 1882, a license is defined as a right to use property without any interest created in favour of the licensee, as opposed to a lease, which creates an interest in favour of the lessee. The period and incident upon which a license may be revoked may be provided in the license agreement entered into between the licensor and the licensee.

The Registration Act, 1908

The Registration Act, 1908 ("**Registration Act**") has been enacted with the object of providing public notice of the execution of documents affecting, among other things, the transfer of interest in immoveable property. The purpose of the Registration Act is the conservation of evidence, assurances, title, and publication of documents and prevention of fraud. It details the formalities for registering documents. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of Rs. 100 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.

The Indian Stamp Act, 1899

Stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immoveable property. Stamp duty needs to be paid on all instruments specified under the Indian Stamp Act, 1899 ("**Stamp Act**") at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on the instruments chargeable with duty are prescribed by State legislations. Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in a court of law as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

The Urban Land (Ceiling and Regulation) Act, 1976

The Urban Land (Ceiling and Regulation) Act, 1976 prescribes the ceiling on acquisition of vacant urban land by a single entity. It has however been repealed in some States by the Urban Land (Ceiling and Regulation) Repeal Act, 1999 including in the States of Punjab, Haryana, Uttar Pradesh, Gujarat, Karnataka, Madhya Pradesh, Rajasthan, Orissa, Maharashtra and the Union Territories of India. The said enactment continues to be in force in the States of Andhra Pradesh, Assam, Bihar and West Bengal. In States where the urban land ceiling law is still operative, there are restrictions on the purchase of large areas of land.

The Land Acquisition Act, 1894

Land holdings are subject to the Land Acquisition Act, 1984 which provides for the compulsory acquisition of land by the Central Government or appropriate State Government for public purposes, including planned development and town and rural planning. However, any person having an interest in such land has the right to object to such compulsory acquisition and has the right to compensation. The value of compensation depends upon a number of factors, including among other things, market value of the land and damage sustained in terms of profits. Some States have their own land acquisition statutes and our Company has to abide by State legislations in those states in which it conducts its business.

Laws for classification of land user

Usually, land is broadly classified under one or more categories, such as residential, commercial or agricultural. Land classified under a specified category is permitted to be used only for such specified purpose. In order to use land for any other purpose, the classification of the land may need to be changed in the appropriate land records by making an application to the relevant municipal or land revenue authorities. Where the land is originally classified as agricultural land, in order to use the land for any other purpose, the classification of the land is required to be converted into residential, commercial or industrial purpose, by making an application to the relevant municipal or town and country planning authorities. In addition, some State governments in India have imposed various restrictions, which vary from State to State, on the transfer of property within such States.

Development of Agricultural Land

The acquisition of land is regulated by State land reform laws, which prescribe limits up to which an entity may acquire agricultural land. Any transfer of land which results in the aggregate land holdings of the acquirer in the State to exceed this ceiling is void, and the surplus land is deemed, from the date of the transfer, to have been vested in the State government free of all encumbrances.

When local authorities declare certain agricultural areas as earmarked for non-agricultural use such as, townships and commercial complexes, agricultural lands may be acquired by different entities for development. After obtaining a conversion certificate from the appropriate authority with respect to a change in use of the land from agricultural to non-agricultural, the ceilings referred to above will not be applicable. While granting licenses for development of townships, the authorities generally levy proportional development charges for the provision of services such as laying down of main lines, drainage, sewerage, water supply and electricity, where the authority is carrying out the same. Such licenses require approvals of layout plans for development and building plans for construction activities.

Land use planning

Regulation of land use and planning, including the formulation of regulations for building construction, form a vital part of the urban planning process. Various enactments, rules and regulations have been made by the Government, concerned State governments and other authorised agencies and bodies such as the Ministry of Urban Development, State land development and/or planning boards, local municipal or village authorities, which deal with the acquisition, ownership, possession, development, zoning, planning of land and real estate. All relevant applicable laws, rules and regulations have to be taken into consideration by any person or entity proposing to enter into any real estate development or construction activity in this sector in India.

Building Consents

Each State and city has its own set of laws, which govern planned development and rules for construction (such as floor area ratio or floor space index limits). The various authorities that govern building activities in States are the TCPD, municipal corporations and the Urban Arts Commission. Any application for undertaking any construction or development activity has to be made to the TCPD, which is a State level department engaged in the physical planning of urban centers and rural areas in the state.

The municipal authorities regulate building development and construction norms. For example, building plans are required to be approved by the relevant municipal authority. The Urban Arts Commission advises the relevant State Government in the matter of preserving, developing and maintaining the aesthetic quality of urban and environmental design in some States and also provides advice and guidance to any local body with respect to building or engineering operations or any development proposal which affects or is likely to affect the skyline or the aesthetic quality of the surroundings or any public amenity provided therein.

Under certain State laws, the local body, before it accords its approval for building operations, engineering operations or development proposals, is obliged to refer all such operations to the Urban Arts Commission and seek its approval for the project. Additionally, certain approvals and consents may also be required from various other departments, such as the Fire Department, the Airport Authority of India and the Archaeological Survey of India.

Urban Development Laws

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

Policy

On January 6, 2009, a committee constituted by Chief Secretary, U.P. Government, introduced a policy to provide relief to those defaulter applicants, who have taken meaningful steps but were unable to make the payment of the installments against the allotted land, due to lack of liquidity and low demand in real estate market. This policy has been adopted by the NOIDA and the GNOIDA and the applicant had to make an application to the concerned authority, before June 30, 2009, and could opt to either implement or take complete exit from the project.

The allottees who opt to implement the project may make applications for rescheduling of the payments. The amount they will be liable to pay will be computed after computation of interest at the determined rate of interest and penal interest on the default amount and after taking into account the principal component of the future installments, the balance amount will be capitalized. Interest at the determined rate will be computed on the capitalized amount and rescheduled into six monthly equal installments. In the event of default of making the payments, an additional penal interest of 3% shall be levied. The maximum tenure for repayment shall not exceed twice the original payment time, which shall be computed from the date of original allotment. The maximum time of repayment will not exceed 10 years from the date of original allotment.

Tax

Service tax is charged on taxable services as defined in Chapter V of the Finance Act, 1994, which requires a service provider of taxable services to collect service tax from service recipient and pay such tax to the Government of India. Several taxable services are enumerated which includes construction services, including construction of residential and commercial complexes. Value Added Tax ("VAT") is charged by laws enacted by each state on sale of goods affected in those States.

Environmental laws

The three major statutes in India which seek to regulate and protect the environment against pollution related activities in India are the Environment Protection Act, 1986, Water (Prevention and Control of Pollution) Act 1974, the Air (Prevention and Control of Pollution) Act, 1981. State Pollution Control Boards ("SPCB"), which are vested with diverse powers to deal with water and air pollution, have been set up in each State to control and prevent pollution. The SPCBs are responsible for setting the standards for maintenance of clean air and water, granting consent for various activities which could have an effect on the environment, to ensure that compliance with the standards prescribed.

The Environment (Protection) Act, 1986 provides for the protection and improvement of the environment and for matters connected there with, including without limitation the standards of quality of air, water or soil for various areas and purposes, the maximum allowable units of concentration of various environmental pollutants, procedure for handling of hazardous substances, the prohibition and restrictions on the location of industries and the carrying on of processes and operations in different areas. Among other things, these laws regulate the environmental impact of construction and development activities, emission of air pollutants and discharge of chemicals into surrounding water bodies. These various environmental laws give primary environmental oversight authority to the Ministry of Environment and Forest, the CPCB and the SPCB.

The Water (Prevention and Control of Pollution) Act, 1974 (the "**Water Act**") prohibits the use of any stream or well for disposal of polluting matter, in violation of standards set down by the SPCB. The Water Act also provides that the consent of the SPCB must be obtained prior to opening of any new outlets or discharges, which is likely to discharge sewage or effluent. In addition, the Water (Prevention and Control of Pollution) Cess Act, 1977 requires a person carrying on any industry to pay a cess in this regard. The person in charge is to affix meters of prescribed standards to measure and record the quantity of water consumed. Furthermore, a monthly return showing the amount of water consumed in the previous month must also be submitted.

Air (Prevention and Control of Pollution) Act, 1981 under which any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the SPCB prior to commencing any mining activity.

The Hazardous Wastes (Management and Handling) Rules, 1989 allocate the responsibility of the occupier and the operator of the facility that treats hazardous wastes to collect, treat, store or dispose the hazardous wastes without adverse effects on the environment. Moreover, the occupier and the operator must take steps to ensure that persons working on the site are given adequate training and equipment for performing their work. When an accident occurs in a hazardous site or during transportation of hazardous wastes, the SPCB is required to be immediately alerted and the occupier or the operator of the facility will have to pay for the necessary remedial and restoration expenses.

Regulations regarding borrowing

There are no restrictions on a real estate company's ability to undertake debt from domestic institutions. However, the RBI in its circular dated March 1, 2006 (RBI/2005-06/310 DBOD.BP.BC. 65/08.12.01/2005-06) and the Master Circular on Housing Finance dated July 1, 2008 (RBI/ 2008-09/67 DBOD. No.DIR (HSG). BC.10 /08.12.01/2008-09) cautioned all SCBs in India to curb excessively risky lending by exercising selectivity and strengthening the loan approval process. In view of the above, the RBI advised the SCBs that while appraising loan proposals involving real estate, the SCBs should ensure that the borrowers have obtained prior permission from the concerned Government or other statutory authorities for the relevant project, wherever required.

ECB are governed by the guidelines issued by the RBI from time to time. In terms of the ECB Guidelines issued by the RBI, utilization of ECB proceeds is not permitted in the real estate sector. However the A.P. (DIR Series) Circular No. 46 dated January 2, 2009 (RBI/2008-09/343) as modified by the A.P. (DIR Series) Circular No. 71 dated June 30, 2009 permits corporates engaged in the development of integrated townships (which includes housing, commercial premises, hotels, resorts, city, and regional urban infrastructure facilities such as roads and bridges, mass rapid transit systems and manufacture of building materials) to avail of ECBs with prior approval of the RBI. The circular lays down certain requirements such as the minimum area proposed to be developed as an integrated township to be 100 acres, for which norms and standards are required to be complied with as per local bye laws/rules. However, in the absence of any such bye-laws/rules, a minimum of two thousand dwelling units for about 10,000 people are required to be developed. However, the aforesaid permission to avail of ECBs with approval has been granted by the RBI until December 31, 2009.

Special Economic Zones

As part of our business, we propose to develop an SEZ at Kharkhoda, Sonepat. SEZs are regulated and governed by the Special Economic Zones Act, 2005 ("SEZ Act"). An SEZ is a specifically delineated duty free enclave, deemed to be a foreign territory for the purposes of trade as well as duties and tariffs. Any private or public company or State Government or its agencies may set up an SEZ in India. Each SEZ unit functions on a selfcertification basis. An SEZ is notified by the Department of Commerce, Ministry of Commerce and Industry, GoI. One of the special features of an SEZ is that no governmental license is required for imports, including for second hand machineries and there is minimal examination of imports by customs to enable efficient operations. Further, by establishing operations in an SEZ, an entity is eligible for various tax/ duty exemptions and benefits. A Board of Approval ("SEZ Board") has been set up under the SEZ Act, which is responsible for promoting the SEZ and ensuring its orderly development. Any application to set up an SEZ is forwarded by the State Government to the SEZ Board for approval. Before granting approval, the SEZ Board will consider criteria like whether the applicant is the owner of the land which is proposed to be converted into an SEZ or not, whether ownership and possession lies with him, means of financing the project etc. Once the SEZ Board approves the proposal, the Government of India issues a letter of approval which is valid for three years within which steps to implement the project must be taken. In some cases, an in-principle approval may be granted. This is a precursor to the final approval, grant of which will depend on the fulfillment of certain conditions. The in-principle approval is usually valid for a limited period of time. Steps to fulfill the required conditions and obtain final approval must be taken before the lapse of this period. Further, any extension of the in-principle approval must be applied for within this period of time.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated on April 14, 1986 as 'Ambiance Constructions Private Limited' under the Companies Act. Subsequently on March 22, 1995 the name was changed to 'Ambiance Projects Private Limited', pursuant to a shareholders resolution dated March 9, 1995 as we proposed to undertake projects on a turnkey basis. Pursuant to a shareholders resolution dated March 24, 1995 our Company was converted into public limited Company and consequently the name was changed to 'Ambiance Projects Limited' on March 31, 1995. On November 15, 1995, the name was changed to 'Ambience Projects Limited', pursuant to shareholders resolution dated September 14, 1995 to correct the spelling of "Ambience". Subsequently, on November 24, 2006 the name was changed to 'Ambience Projects and Infrastructure Limited' pursuant to shareholders resolution dated November 19, 2006 as we proposed to undertake civil contracts or infrastructure development. Subsequently, on March 14, 2008 the name was changed to 'Ambience Limited' pursuant to shareholders resolution dated March 13, 2008 to shorten its name.

From our incorporation in 1986 until March 30, 2006, we only undertook the construction of the real estate developments of our Promoters and their affiliates. In 2006, in order to derive synergies from the construction and real estate development businesses, our Promoters decided to consolidate their land holding companies (except for companies owning land earmarked for hotel developments) into our Company. As part of this consolidation process, our Promoters decided to restructure the ownership structure of these land holding companies and through a series of stock sales by our Promoters, we became a beneficial owner of 100% of the share capital of 39 companies.

Our ownership interest in our Subsidiaries has changed during the last three fiscal years as we have disposed of and reacquired interests in our subsidiaries at various times during that period. We disposed of our entire interest in our Subsidiaries, ADIPL (which owns Ambience Mall at Gurgaon) and Ambience Commercial Developers Private Limited (which holds Ambience Mall at Vasant Kunj) on August 30, 2008 and subsequently reacquired a 100% interest in them on March 31, 2009. Further, we disposed off our interest in Ambience Towers Private Limited (which holds land in Rohini and Shalimar Bagh) and Ambience Homes Private limited (which holds land in Jasola) on December 1, 2008 and then subsequently reacquired a 100% interest in them on March 31, 2009 and May 1, 2009, respectively. Similarly, we also disposed off our interest in various other subsidiaries like Sara Estates Private Limited, R.S.G. Housing and Finance Private Limited, Alankar Apartments Private Limited, Greenvalley Realtors Private Limited, Armaan Buildcon Private Limited, Skyvalley Buildcon Private Limited, Senators Developers Private Limited, Prime Commercial Private Limited, Ambience Infracon Private Limited, Ambience Buildcon Private Limited, Ambience SEZ Developers Private Limited, Ambience Power Projects Limited, Ambience Infrastructure developers Private Limited, Ambience Home Developers Private Limited, Greenline Developers Private Limited, Ambience Highway Developers Limited, Ambience IT Developers Private Limited, which holds land for the various projects planned by us on December 1, 2008 and then we reacquired a 100% interest in them on March 31, 2009. We continue to hold 100% interest in them. These sales and repurchasers were undertaken at par value of the equity shares. All the aforesaid sales and purchases were made by our Company to and from our persons forming a part of our Group Entities, namely, Aman Holding Private Limited, Aman Growth Fund Private Limited, Nutan Growth Fund Private Limited and Rajsheela Growth Fund Private Limited. Information on sales and purchase of our subsidiaries have been obtained from the books of records of the respective subsidiaries, as share transfer forms are not available. For details, see "Financial Statements- Auditors Report on Restated Consolidated Financial Information- Notes -Annexure IV" on page 208.

For details of our business and competitors see "Our Business" on page 92.

Changes in Registered Office:

The registered office of our Company was situated at 136, SFS, Hauz Khas, New Delhi 110 016, India at the time of incorporation. Pursuant to the board resolution dated February 15, 1993, the registered office was shifted to L-4, Green Park Extension, New Delhi 110 016, India, with effect from February 15, 1993. The changes were carried out to enable greater operational efficiencies.

Major Events:

Year	Event
1986	Incorporation of our Company and commenced the development of quality apartments in various
	colonies in South Delhi

Year	Event
1992	Commenced acquisition for land at Gurgaon for our integrated township
1995	Commenced planning of first Integrated township "Ambience Island" on approximately 132 acres
	of land in Special Zone at '0' km. of South Delhi on NH- 8, Gurgaon
1998	Commenced construction of Lagoon residential apartment complex
2002	Handed over the possession of Lagoon apartments to allottees
2004	 Acquired 8.26 acres of land at Vasant Kunj for construction and development of shopping mall
	• Commenced construction and development of Ambience Mall at Ambience Island, NH-8, Gurgaon
	Commenced construction of 322 key rooms luxury hotel and 90 key serviced apartments as an integrated part of 'Ambience Mall Complex' at Ambience Island
2005	 Commenced construction of 'Ambience Mall', at Vasant Kunj, New Delhi
	 Commenced land acquisition process to set up an integrated township on 334.95 acres of land at Panipat through subsidiaries
2006	 Commenced land acquisition process to set up an integrated township on 145.21 acres of land at Sonepat through subsidiaries
	• Allotted land admeasuring 4,107 square meters located at 2B2, Twin District Centre, Sector- 10, Rohini, New Delhi, India to set up an office complex
	Allotted land admeasuring 5,610 square meters located at Plot No. 10, Community Centre, Block-B, Shalimar Bagh, New Delhi, India to set up a shopping and office complex
2007	Completed the construction of Ambience Mall, Gurgaon, Haryana
	 Commenced acquisition of 41.13 acres of land for development of residential apartments at Sector 50 & Sector 115, Noida, Uttar Pradesh to set up a Group Housing Complex
	Allotted 14.11 acres of land for development of commercial complex at Greater Noida
	 Provisionally allotted 44.25 acres of land at Vishakhapatnam from VUDA to set up an integrated township
	 Acquired land to set up the proposed SEZ on 113.82 acres of land at Kharkhoda through subsidiaries
2008	 Completed the construction of 322 key rooms luxury and 90 key serviced apartments as an integrated part of 'Ambience Mall Complex' at Ambience Island
	 Commenced construction of Ultra premium Residential Apartments Complex "Caitriona" Commenced construction of residential apartments at Jasola
	 Acquired 10.90 acres of land at Gurgaon Sector 82 and 82 A for development of corporate office complex
	 Acquired development right for 30 plots in Jasola along with right to sale after making 100% payment
2009	 Completed construction of and received occupation certificate for Ambience Mall, Vasant Kunj
	Commenced construction of commercial complex at Rohini
	Commenced construction of commercial complex at Shalimar Bagh

Our Company has nine shareholders as on the date of filing this Draft Red Herring Prospectus.

For details, relating to our financial statements, see "Financial Statements" on page 152.

Our Main Objects

The main objects of our Company as contained in our Memorandum of Association are as follows:

- 1. To sell, lease, let, mortgage or otherwise dispose of the lands, houses, buildings and other property of the Company.
- 2. To purchase and sell for any persons freehold or other house property, buildings or lands, or any share or shares, interest or land, or any share or shares, interest or interests therein and to transact on commission or otherwise the general business of a land agent.
- 3. To act as contractors for any persons, of government authorities for the construction of building of all description, roads, bridges, earthwork, sewers, tanks drains, culverts channels, sewage or other works.
- 4. To purchase, take on lease or in exchange, hire or otherwise acquire any estates, land, building, easements or other interest in immovable property and to develop and to turn them to account by laying

out, plotting and preparing the same for building purposes constructing, building, altering pulling down, decorating, maintaining, furnishing, fitting up and improving building any by planting, paving, draining farming, cultivating, letting on building on lease and entering into contracts and arrangement with builders.

- 5. To erect and construct houses, buildings or works of every description on any land of the Company, or upon any other land or property, and to pull down, rebuild, enlarge, alter and improve such land into roads, streets, squares, gardens and other conveniences to deal with and improve the property of the Company or any other property.
- 6. To carry on all or any of the business of loaning, lending and advancing money, in cash or kind or otherwise to person and customers in connection with the business referred in Para (1) to (5) above.
- 7. To mortgage all or any of the property of the Company, whether movable or immovable, in favour of bank, financial institutions or any other person for the loan granted to the Company or any other body-corporate, firm, individual or any other person whether body corporate or not and to stand surety or to provide guarantee by way of mortgaging all or any of the property of the Company, whether movable or immovable either for the business of the company of for the business of any such other body corporate, firm, individual or any other person, whether body corporate or not, with or without any fee, charges and commission etc.

Changes in Memorandum of Association

Since our incorporation, the following changes have been made to the Memorandum of Association:

Date of Amendment	Amendment
March 20, 1989	The authorised share capital of our Company was increased from Rs.0.50 million to Rs. 2.00 million.
April 4, 1994	The authorised share capital of our Company was increased from Rs. 2 million to Rs. 10 million.
March 22, 1995	The name of our Company was changed from 'Ambiance Constructions Private Limited' to 'Ambiance Projects Private Limited'
March 31, 1995	The name of our Company was changed from 'Ambiance Projects Private Limited' to 'Ambiance Projects Limited'.
November 15, 1995	The name of our Company was changed from 'Ambiance Projects Limited' to 'Ambience Projects Limited'.
March 30, 2000	Addition of Sub Clause 7 in the main objects of our Company which is as follows: "To mortgage all or any of the property of the company, whether movable or immovable, in favour of bank, financial institutions or any other person for the loan granted to the company or any other body-corporate, firm, individual or any other person whether body corporate or not and to stand surety or to provide guarantee by way of mortgaging the all or any of the property of the company, whether movable or immovable either for the business of the company of for the business of any such other body corporate, firm, individual or any other person, whether body corporate or not, with or without any fee, charges and commission etc."
February 11, 2003	The authorised share capital of our Company was increased from Rs. 10 million to Rs. 50 million.
November 24, 2006	The name of our Company was changed from 'Ambience Projects Limited' to 'Ambience Projects and Infrastructure Limited'.
March 15, 2007	The authorised share capital of our Company was increased from Rs.50 million to Rs. 1,250 million.
December 10, 2007	The authorised share capital of our Company was increased from Rs. 1,250 million to Rs. 2,250 million.
March 14, 2008	The name of our Company was changed from 'Ambience Projects and Infrastructure Limited' to 'Ambience Limited'.
August 17, 2009	The authorised share capital of our Company was increased from Rs. 2,250 million to Rs. 2,500 million.
August 22, 2009	The authorised share capital of our Company was increased from Rs. 2,500 million to Rs. 4,000 million.

Our Subsidiaries:

The following are the subsidiaries of our Company:

- 1. Ambience Developers and Infrastructure Private Limited;
- 2. Ambience Commercial Developers Private Limited;
- 3. Alankar Apartments Private Limited;
- 4. Prime Commercial Private Limited:
- 5. R.S.G. Housing and Finance Private Limited;
- 6. Sara Estates Private Limited;
- 7. Senator Developers Private Limited;
- 8. Greenline Developers Private Limited;
- 9. Ambience Farms Private Limited;
- 10. Ambience Homes Private Limited;
- 11. Ambience Towers Private Limited;
- 12. N.G.R. Consultants Private Limited;
- 13. Ambience Apartments Developers Private Limited;
- 14. Ambience Facilities Services Private Limited;
- 15. Lagoon Club Private Limited;
- 16. Four Square Promoters Private Limited;
- 17. Ambience Overseas Private Limited;
- 18. Raj Sheela Housing Private Limited;
- 19. Ambi Estate Private Limited;
- 20. Bigway Colonizers Private Limited;
- 21. Fineview Realtors Private Limited;
- 22. Grandvalley Developers Private Limited;
- 23. Grandvalley Realtors Private Limited;
- 24. Lagoon Realtors Private Limited;
- 25. Littlevalley Promoters Private Limited;
- 26. Moonvalley Realtors Private Limited;
- 27. Starvaelley Realtors Private Limited;
- 28. Skyvalley Buildcon Private Limited;
- 29. Greenvalley Realtors Private Limited;
- 30. Armaan Buildcon Private Limited;
- 31. Ambience Highway Developers Limited;
- 32. Aldoka Exports Private Limited;
- 33. Ambience Infrastructure Developers Private Limited;
- 34. Ambience Infracon Private Limited;
- 35. Ambience Buildcon Private Limited;
- 36. Ambience SEZ Developers Private Limited;
- 37. Ambience Power Projects Limited;
- 38. Ambience I. T. Developers Private Limited; and
- 39. Ambience Home Developers Private Limited

The equity shares of none of our Subsidiaries are listed on any stock exchange.

Details of our Subsidiaries

1. Ambience Developers and Infrastructure Private Limited ("ADIPL")

Our Subsidiary, ADIPL, is engaged in the business of acquiring and developing real estate. The authorised share capital of ADIPL is Rs. 1,000 million divided into 10,000,000 equity shares of Rs. 100 each and the paid up capital of ADIPL is Rs. 961.78 million divided into 9,617,763 equity shares of Rs. 100 each. Our Company (including our nominees) holds 9,617,763 equity shares in ADIPL i.e. 100% of the issued and paid up capital of ADIPL. ADIPL owns a portion of and has developed Ambience Mall at Gurgaon and is currently developing Caitriona, located at Gurgaon, Haryana. ADIPL also owns a portion of the land for our Planned Project, located at Gurgaon Sector 80 and 82A, Haryana.

2. Ambience Commercial Developers Private Limited ("Ambience Commercial Developers")

Our Subsidiary, Ambience Commercial Developers, is engaged in the business of acquiring and developing real estate. The authorised share capital of Ambience Commercial Developers is Rs.1,000 million divided into 100,000,000 equity shares of Rs. 10 each and the paid up capital of Ambience Commercial Developers is Rs.

934.15 million divided into 93,415,396 equity shares of Rs. 10 each. Our Company (including our nominees) holds 93,415,396 equity shares in Ambience Commercial Developers, i.e. 100% of the issued and paid up capital of Ambience Commercial Developers. Ambience Commercial Developers owns and has developed our Ambience Mall, located at Vasant Kunj, New Delhi. It also owns a portion of the land for our Onging Project Ambience Island located at Gurgaon and owns a portion of the land for our Planned Project, located at Gurgaon Sector 80 and 82A, Haryana.

3. Alankar Apartments Private Limited ("Alankar Apartments")

Our Subsidiary, Alankar Apartments, is engaged in the business of acquiring and developing real estate. The authorised share capital of Alankar Apartments is Rs. 20 million divided into 200,000 equity shares of Rs. 100 each and the paid up capital of Alankar Apartments is Rs. 18.80 million divided into 188,000 equity shares of Rs. 100 each. Our Company (including our nominees) holds 188,000 equity shares in Alankar Apartments i.e. 100% of the issued and paid up capital of Alankar Apartments. Alankar Apartments owns a portion of the land for our project Ambience Island, located at Gurgaon, Haryana.

4. Prime Commercial Private Limited ("Prime Commercial")

Our Subsidiary, Prime Commercial, is engaged in the business of acquiring and developing real estate. The authorised share capital of Prime Commercial is Rs. 20 million divided into 2,000,000 equity shares of Rs. 10 each and the paid up capital of Prime Commercial is Rs. 10.73 million divided into 1,072,900 equity shares of Rs. 10 each. Our Company (including our nominees) holds 1,072,900 equity shares in Prime Commercial i.e. 100% of the issued and paid up capital of Prime Commercial. Prime Commercial owns a portion of the land for our project Ambience Island, located at Gurgaon, Haryana.

5. R.S.G. Housing and Finance Private Limited ("R.S.G.")

Our Subsidiary, R.S.G., is engaged in the business of acquiring and developing real estate. The authorised share capital of R.S.G. is Rs. 20 million divided into 2,000,000 equity shares of Rs. 10 each and the paid up capital of R.S.G. is Rs. 19.90 million divided into 1,990,000 equity shares of Rs. 10 each. Our Company (including our nominees) holds 1,990,000 equity shares in R.S.G. i.e. 100% of the issued and paid up capital of R.S.G. R.S.G owns a portion of the land for our project Ambience Island, located at Gurgaon, Haryana.

6. Sara Estates Private Limited ("Sara Estates")

Our Subsidiary, Sara Estates, is engaged in the business of acquiring and developing real estate. The authorised share capital of Sara Estates is Rs. 20 million divided into 2,000,000 equity shares of Rs. 10 each and the paid up capital of Sara Estates is Rs. 18.49 million divided into 1,849,342 equity shares of Rs. 10 each. Our Company (including our nominees) holds 1,849,342 equity shares in Sara Estates i.e. 100% of the issued and paid up capital of Sara Estates. Sara Estate owns a portion of the land for our project Ambience Island, located at Gurgaon, Haryana.

7. Senator Developers Private Limited ("Senator Developers")

Our Subsidiary, Senator Developers, is engaged in the business of acquiring and developing real estate. The authorised share capital of Senator Developers is Rs. 20 million divided into 2,000,000 equity shares of Rs. 10 each and the paid up capital of Senator Developers is Rs. 10.17 million divided into 1,016,520 equity shares of Rs. 10 each. Company (including our nominees) owns 1,016,520 equity shares in Senator Developers i.e. 100% of the issued and paid up capital of Senator Developers. Senator Developers owns a portion of the land for our project Ambience Island, located at Gurgaon, Haryana.

8. Greenline Developers Private Limited ("Greenline Developers")

Our Subsidiary, Greenline Developers, is engaged in the business of acquiring and developing real estate. The authorised share capital of Greenline Developers is Rs. 20 million divided into 2,000,000 equity shares of Rs. 10 each and the paid up capital of Greenline Developers is Rs. 11.26 million divided into 1,125,970 equity shares of Rs. 10 each. Our Company (including our nominees) holds 1,125,970 equity shares in Greenline Developers i.e. 100% of the issued and paid up capital of Greenline Developers. Greenline Developers owns a portion of the land for our project Ambience Island located at Gurgaon, Haryana.

9. Ambience Farms Private Limited ("Ambience Farms")

Our Subsidiary, Ambience Farms, is engaged in the business of acquiring and developing real estate. The authorised share capital of Ambience Farms is Rs. 20 million divided into 2,000,000 equity shares of Rs. 10 each and the paid up capital of Ambience Farms is Rs. 9.09 million divided into 908,867 equity shares of Rs. 10 each. Our Company (including our nominee) holds 908,867 equity shares in Ambience Farms i.e. 100% of the issued and paid up capital of Ambience Farms. Ambience Farms owns a portion of the land for our Ongoing Project at Gurgaon and Planned Project, located at Panipat.

10. Ambience Homes Private Limited ("Ambience Homes")

Our Subsidiary, Ambience Homes, is engaged in the business of acquiring and developing real estate. The authorised share capital of Ambience Homes is Rs. 10 million divided into 1,000,000 equity shares of Rs. 10 each and the paid up capital of Ambience Homes is Rs. 9.90 million divided into 990,200 equity shares of Rs. 10 each. Our Company (including our nominee) holds 990,200 equity shares in Ambience Homes i.e. 100% of the issued and paid up capital of Ambience Homes. Ambience Homes has acquired the sole development rights for Multi- Units Apartments located, in Jasola, New Delhi.

11. Ambience Towers Private Limited ("Ambience Towers")

Our Subsidiary, Ambience Towers, is engaged in the business of acquiring and developing real estate. The authorised share capital of Ambience Towers is Rs. 10 million divided into 1,000,000 equity shares of Rs. 10 each and the paid up capital of Ambience Towers is Rs. 8.82 million divided into 881,472 equity shares of Rs. 10 each. Company (including our nominee) holds 881,472 equity shares in Ambience Towers i.e. 100% of the issued and paid up capital of Ambience Towers. Ambience Towers owns and is currently developing Ambience City Center in Shalimar Bagh and Ambience Tower in Rohini, both located, in New Delhi.

12. N.G.R. Consultants Private Limited ("N.G.R.")

Our Subsidiary, N.G.R., is engaged in the business of acquiring and developing real estate. The authorised share capital of N.G.R. is Rs. 20 million divided into 2,000,000 Equity Shares of Rs. 10 each and the paid up capital of N.G.R is Rs. 1.02 million divided into 101,502 equity shares of Rs. 10 each. Our Company (including our nominee) owns 101,502 equity shares in N.G.R i.e. 100% of the issued and paid up capital of N.G.R. N.G.R. owns a portion of the land for our Planned Project, located at Panipat.

13. Ambience Apartments Developers Private Limited ("Ambience Apartments")

Our Subsidiary, Ambience Apartments, is engaged in the business of acquiring and developing real estate. The authorised share capital of Ambience Apartments is Rs. 20 million divided into 2,000,000 equity shares of Rs. 10 each and the paid up capital of Ambience Apartments is Rs. 3.52 million divided into 351,618 equity shares of Rs. 10 each. Our Company (including our nominee) holds 351,618 equity shares in Ambience Apartments i.e. 100% of the issued and paid up capital of Ambience Apartments. Ambience Apartments owns a portion of the land for our Planned Project, located at Panipat.

14. Ambience Facilities Services Private Limited ("Ambience Facilities")

Our Subsidiary, Ambience Facilities, is engaged in the business of acquiring and developing real estate and carrying out operation and management of property. The authorised share capital of Ambience Facilities is Rs. 20 million divided into 2,000,000 equity shares of Rs. 10 each and the paid up capital of Ambience Facilities is Rs. 4.82 million divided into 481,938 equity shares of Rs. 10 each. Our Company (including our nominees) holds 481,938 equity shares in Ambience Facilities i.e. 100% of the issued and paid up capital of Ambience Facilities. Ambience Facilities owns a portion of the land for our Planned Project, located at Panipat. Ambience Facilities is also currently providing operation and maintainence facilities in relation to certain real estate developments.

15. Lagoon Club Private Limited ("Lagoon Club")

Our Subsidiary, Lagoon Club, is engaged in the business of acquiring and developing real estate. The authorised share capital of Lagoon Club is Rs. 20 million divided into 200,000 equity shares of Rs. 100 each and the paid

up capital of Lagoon Club is Rs. 3.27 million divided into 32,711 equity shares of Rs. 100 each. Our Company (including our nominee) holds 32,711 equity shares in Lagoon Club i.e. 100% of the issued and paid up capital of Lagoon Club. Lagoon Club owns a portion of the land for our Planned Project, located at Panipat.

16. Four Square Promoters Private Limited ("Four Square")

Our Subsidiary, Four Square, is engaged in the business of acquiring and developing real estate. The authorised share capital of Four Square is Rs. 2.50 million divided into 250,000 equity shares of Rs. 10 each and the paid up capital of Four Square is Rs. 1.03 million divided into 103,151 equity shares of Rs. 10 each. Our Company (including our nominees) holds 103,151 equity shares in Four Square i.e. 100% of the issued and paid up capital of Four Square owns a portion of the land for our Planned Project, located at Panipat.

17. Ambience Overseas Private Limited ("Ambience Overseas")

Our Subsidiary, Ambience Overseas is engaged in the business of acquiring and developing real estate. The authorised share capital of Ambience Overseas is Rs. 20 million divided into 2,000,000 equity shares of Rs. 10 each and the paid up capital of Ambience Overseas is Rs. 0.52 million divided into 52,343 equity shares of Rs. 10 each. Company (including our nominee) holds 52,343 equity shares in Ambience Overseas i.e. 100% of the issued and paid up capital of Ambience Overseas. Ambience Overseas owns a portion of the land for our Planned Project, located at Panipat.

18. Raj Sheela Housing Private Limited ("Raj Sheela")

Our Subsidiary, Rajsheela, is engaged in the business of acquiring and developing real estate. The authorised share capital of Rajsheela is Rs. 20 million divided into 2,000,000 equity shares of Rs. 10 each and the paid up capital of Rajsheela is Rs. 1.22 million divided into 122,146 equity shares of Rs. 10 each. Our Company (including our nominees) holds 122,146 equity shares in Rajsheela i.e. 100% of the issued and paid up capital of Rajsheela. Raj Sheela owns a portion of the land for our Planned Project, located at Panipat.

19. *Ambi Estate Private Limited ("Ambi Estate")*

Our Subsidiary, Ambi Estate, is engaged in the business of acquiring and developing real estate. The authorised share capital of Ambi Estate is Rs. 1 million divided into 100,000 equity shares of Rs. 10 each and the paid up capital of Ambi Estate is Rs. 0.13 million divided into 13,243 equity shares of Rs. 10 each. Our Company (including our nominee) holds 13,243 equity shares in Ambi Estate i.e. 100% of the issued and paid up capital of Ambi Estate owns a portion of the land for our Planned Project, located at Panipat.

20. Bigway Colonizers Private Limited ("Bigway")

Our Subsidiary, Bigway, is engaged in the business of acquiring and developing of real estate. The authorised share capital of Bigway is Rs.1 million divided into 100,000 equity shares of Rs. 10 each and the paid up capital of Bigway is Rs. 0.13 million divided into 12,784 equity shares of Rs. 10 each. Our Company (including our nominee) holds 12,784 equity shares in Bigway i.e. 100% of the issued and paid up capital of Bigway. Bigway owns a portion of the land for our Planned Project, located at Panipat.

21. Fineview Realtors Private Limited ("Fineview")

Our Subsidiary, Fineview, is engaged in the business of acquiring and developing real estate. The authorised share capital of Fineview is Rs. 1 million divided into 100,000 equity shares of Rs. 10 each and the paid up capital of Fineview is Rs. 0.13 million divided into 13,374 equity shares of Rs. 10 each. Our Company (including our nominee) holds 13,374 equity shares in Fineview i.e. 100% of the issued and paid up capital of Fineview. Fineview owns a portion of the land for our Planned Project, located at Panipat.

22. Grandvalley Developers Private Limited ("Grandvalley Developers")

Our Subsidiary, Grandvalley Developers, is engaged in the business of acquiring and developing real estate. The authorised share capital of Grandvalley Developers is Rs. 1 million divided into 100,000 equity shares of Rs. 10 each and the paid up capital of Grandvalley Developers is Rs. 0.13 million divided into 13,321 equity shares of Rs. 10 each. Our Company (including our nominee) holds 13,321 equity shares in Grandvalley Developers i.e.

100% of the issued and paid up capital of Grandvalley Developers. Grandvalley Developers owns a portion of the land for our Planned Project, located at Panipat.

23. Grandvalley Realtors Private Limited ("Grandvalley Realtors")

Our Subsidiary, Grandvalley Realtors, is engaged in the business of acquiring and developing real estate. The authorised share capital of Grandvalley Realtors is Rs.1million divided into 100,000 equity shares of Rs. 10 each and the paid up capital of Grandvalley Realtors is Rs. 0.12 million divided into 12,478 equity shares of Rs. 10 each. Our Company (including our nominees) holds 12,478 equity shares in Grandvalley Realtors i.e. 100% of the issued and paid up capital of Grandvalley Realtors. Grandvalley Realtors owns a portion of the land for our Planned Project, located at Panipat.

24. Lagoon Realtors Private Limited ("Lagoon Realtors")

Our Subsidiary, Lagoon Realtors, is engaged in the business of acquiring and developing real estate. The authorised share capital of Lagoon Realtors is Rs. 1 million divided into 100,000 equity shares of Rs. 10 each and the paid up capital of Lagoon Realtors is Rs. 0.12 million divided into 11,641 equity shares of Rs. 10 each. Our Company (including our nominees) holds 11,641 equity shares in Lagoon Realtors i.e. 100% of the issued and paid up capital of Lagoon Realtors. Lagoon Realtors owns a portion of the land for our Planned Project, located at Panipat.

25. Littlevalley Promoters Private Limited ("Littlevalley")

Our Subsidiary, Littlevalley, is engaged in the business of acquiring and developing real estate. The authorised share capital of Littlevalley is Rs. 1 million divided into 100,000 equity shares of Rs. 10 each and the paid up capital of Littlevalley is Rs. 0.12 million divided into 12,340 equity shares of Rs. 10 each. Our Company (including our nominee) holds 12,340 equity shares in Littlevalley i.e. 100% of the issued and paid up capital of Littlevalley. Littlevalley owns a portion of the land for our Planned Project, located at Panipat.

26. Moonvalley Realtors Private Limited ("Moonvalley")

Our Subsidiary, Moonvalley, is engaged in the business of acquiring and developing real estate. The authorised share capital of Moonvalley is Rs.1 million divided into 100,000 equity shares of Rs. 10 each and the paid up capital of Moonvalley is Rs. 0.13 million divided into 13,235 equity shares of Rs. 10 each. Our Company (including our nominee) holds 13,235 equity shares in Moonvalley i.e. 100% of the issued and paid up capital of Moonvalley. Moonvalley owns a portion of the land for our Planned Project, located at Panipat.

27. Starvaelley Realtors Private Limited ("Starvaelley")

Our Subsidiary, Starvaelley is engaged in the business of acquiring and developing real estate. The authorised share capital of Starvaelley is Rs. 1 million divided into 100,000 equity shares of Rs. 10 each and the paid up capital of Starvaelley is Rs. 0.13 million divided into 13,233 equity shares of Rs. 10 each. Our Company (including our nominee) holds 13,233 equity shares in Starvaelley i.e. 100% of the issued and paid up capital of Starvaelley. Starvaelley owns a portion of the land for our Planned Project, located at Panipat.

28. Skyvalley Buildcon Private Limited ("Skyvalley")

Our Subsidiary, Skyvalley, is engaged in the business of acquiring and developing real estate. The authorised share capital of Skyvalley is Rs. 1 million divided into 100,000 equity shares of Rs. 10 each and the paid up capital of Skyvalley is Rs. 0.10 million divided into 10,000 equity shares of Rs. 10 each. Our Company (including our nominee) holds 10,000 equity shares in Skyvalley i.e. 100% of the issued and paid up capital of Skyvalley. Skyvalley owns a portion of the land for our Planned Project, located at Sonepat.

29. Greenvalley Realtors Private Limited ("Greenvalley")

Our Subsidiary, Greenvalley is engaged in the business of acquiring and developing real estate. The authorised share capital of Greenvalley is Rs. 1 million divided into 100,000 equity shares of Rs. 10 each and the paid up capital of Greenvalley is Rs. 0.10 million divided into 10,375 equity shares of Rs. 10 each. Our Company (including our nominee) holds 10,375 equity shares in Greenvalley i.e. 100% of the issued and paid up capital of Greenvalley owns a portion of the land for our Planned Project, located at Sonepat.

30. Armaan Buildcon Private Limited ("Armaan Buildcon")

Our Subsidiary, Armaan Buildcon, is engaged in the business of acquiring and developing real estate. The authorised share capital of Armaan Buildcon is Rs. 1 million divided into 100,000 equity shares of Rs. 10 each and the paid up capital of Armaan Buildcon is Rs. 0.12 million divided into 12,113 equity shares of Rs. 10 each. Our Company (including our nominees) holds 12,113 equity shares in Armaan Buildcon i.e. 100% of the issued and paid up capital of Armaan Buildcon. Armaan Buildcon owns a portion of the land for our Planned Project, located at Sonepat.

31. Ambience Highway Developers Limited ("Ambience Highway")

Our Subsidiary, Ambience Highway is engaged in the business of execution of infrastructure projects, but has not yet begun its operation. The authorised share capital of Ambience Highway is Rs. 10 million divided into 1,000,000 equity shares of Rs. 10 each and the paid up capital of Ambience Highway is Rs. 0.50 million divided into 50,000 equity shares of Rs. 10 each. Our Company (including our nominees) holds 50,000 equity shares in Ambience Highway i.e. 100% of the issued and paid up capital of Ambience Highway. Ambience Highways owns a portion of the land for our Planned Project, located at Sonepat.

32. Aldoka Exports Private Limited ("Aldoka Exports")

Our Subsidiary, Aldoka Exports is engaged in the business of import and export of goods and merchandise of any description. The authorised share capital of Aldoka Exports is Rs. 2.50 million divided into 250,000 equity shares of Rs. 10 each and the paid up capital of Aldoka Exports is Rs. 2.49 million divided into 249,000 equity shares of Rs. 10 each. Our Company (including our nominees) holds 249,000 equity shares in Aldoka Exports i.e. 100% of the issued and paid up capital of Aldoka Exports. Aldoka Exports owns a portion of the land for our Planned Project, located at Sonepat

33. Ambience Infrastructure Developers Private Limited ("Ambience Infrastructure")

Our Subsidiary, Ambience Infrastructure is engaged in the business of acquiring and developing real estate. The authorised share capital of Ambience Infrastructure is Rs. 1 million divided into 100,000 equity shares of Rs. 10 each and the paid up capital of Ambience Infrastructure is Rs. 0.10 million divided into 10,100 equity shares of Rs. 10 each. Our Company (including our nominees) holds 10,100 equity shares in Ambience Infrastructure i.e. 100% of the issued and paid up capital of Ambience Infrastructure. Ambience Infrastructure owns a portion of the land for our Planned Project, located at Gurgaon Sector 82, 82 A.

34. Ambience Infracon Private Limited ("Ambience Infracon")

Our Subsidiary, Ambience Infracon is engaged in the business of acquiring and developing real estate. The authorised share capital of Ambience Infracon is Rs. 90 million divided into 900,000 equity shares of Rs. 100 each and the paid up capital of Ambience Infracon is Rs. 52.27 million divided into 522,663 equity shares of Rs. 100 each. Our Company (including our nominee) holds 522,663 equity shares in Ambience Infracon i.e. 100% of the issued and paid up capital of Ambience Infracon. Ambience Infracon owns a portion of the land for our Planned Project, located at Kharkhoda.

35. Ambience Buildcon Private Limited ("Ambience Buildcon")

Our Subsidiary, Ambience Buildcon is engaged in the business of acquiring and developing real estate. The authorised share capital of Ambience Buildcon is Rs. 25 million divided into 2,500,000 equity shares of Rs. 10 each and the paid up capital of Ambience Buildcon is Rs. 12.05 million divided into 1,204,844 equity shares of Rs. 10 each. Our Company (including our nominee) holds 1,204,844 equity shares in Ambience Buildcon i.e. 100% of the issued and paid up capital of Ambience Buildcon. Ambience Buildcon owns a portion of the land for our Planned Project, located at Kharkhoda.

36. Ambience SEZ Developers Private Limited ("Ambience SEZ")

Our Subsidiary, Ambience SEZ is engaged in the business of acquiring and developing of SEZs. The authorised share capital of Ambience SEZ is Rs. 100,000 divided into 10,000 equity shares of Rs. 10 each and the paid up

capital of Ambience SEZ is Rs. 0.10 million divided into 10,000 equity shares of Rs. 10 each. Our Company (including our nominees) holds 10,000 equity shares in Ambience Sez i.e. 100% of the issued and paid up capital of Ambience SEZ. Ambience SEZ owns a portion of the land for our Planned Project, located at Kharkhoda.

37. Ambience Power Projects Limited ("Ambience Power")

Our Subsidiary, Ambience Power is engaged in the business of setting up power projects. The authorised share capital of Ambience Power is Rs. 10 million divided into 1,000,000 equity shares of Rs. 10 each and the paid up capital of Ambience Power is Rs. 0.50 million divided into 50,000 equity shares of Rs. 10 each. Our Company (including our nominees) holds 50,000 equity shares in Ambience Power i.e. 100% of the issued and paid up capital of Ambience Power. Ambience Power is yet to commence its operations.

38. *Ambience I. T. Developers Private Limited ("Ambience I.T. Developer")*

Our Subsidiary, Ambience I.T. Developer is engaged in the business of infrastructural development of I. T. Parks. The authorised share capital of Ambience I.T. Developer is Rs. 1 million divided into 100,000 equity shares of Rs. 10 each and the paid up capital of Ambience I.T. Developer is Rs. 0.10 million divided into 10,000 equity shares of Rs. 10 each. Our Company (including our nominee) holds 10,000 equity shares in Ambience I.T. Developer i.e. 100% of the issued and paid up capital of Ambience I.T. Developer. Ambience I.T. Developer is yet to commence its operations.

39. Ambience Home Developers Private Limited ("Ambience Home")

Our Subsidiary, Ambience Home is engaged in the business of acquiring and developing real estate. The authorised share capital of Ambience Home is Rs. 1 million divided into 100,000 equity shares of Rs. 10 each and the paid up capital of Ambience Home is Rs. 0.10 million divided into 10,000 equity shares of Rs. 10 each. Our Company (including our nominee) holds 10,000 equity shares in Ambience Home i.e. 100% of the issued and paid up capital of Ambience Home. Ambience Home is yet to commence its operations.

Minority Interest

				(Rs. In millions)
S.No.	Name of Subsidiary	% of holding	% of Minority	Minority Interest
1	Ambience Developers & Infrastructure Private Limited	54.24	45.76	9.60
2	Ambience Commercial Developers Private Limited	59.48	40.52	2.60
3	Ambience Facilities Services Private Limited	60.04	39.96	0.02
4	Lagoon Club Private Limited	60.26	39.74	0.06
5	Ambience Apartments Developers Private Limited	60.00	40.00	0.39
6	Ambience Farms Private Limited	60.00	40.00	0.12
7	NGR Consultants Private Limited	60.00	40.00	0.00
8	RSG Housing Private Limited	60.06	39.94	(2.72)
	Total			10.07

As on March 31, 2009 we held 100% of the equity share capital of our Subsidiaries. Detailed below are the minority interests of our subsidiaries as March 31, 2007:

Shareholders Agreement

Our Company has not entered into any shareholders agreement with any party.

Material Agreements

Our Company has not entered into any material contract, not being a contract entered into in the ordinary course of the business carried out on or intended to be carried on by us or a contract entered into more than two years before the filing of this Draft Red Herring Prospectus.

Strategic and Financial Partners

The Company currently does not have any strategic and financial partners.

OUR MANAGEMENT

Board of Directors

Under the Articles of Association our Company is required to have not less than three directors and not more than 12 directors. The Company currently has eight Directors on the Board.

The following table sets forth details regarding our Board as of the date of filing the Draft Red Herring Prospectus with SEBI.

Name, designation, father's name tenure, DIN and occupation	Age (years)	Address	Other directorships
Mr. Raj Singh Gehlot Chairman & Managing Director s/o Late Mr. Nihal Singh Tenure: Five years effective from April 1, 2007 DIN: 00029788 Occupation: Business	50 50	1/7, Sarva Priya Vihar New Delhi 110 017, India	 Alankar Apartments Private Limited; Aman Hospitality Private Limited; Ambience Commercial Developers Private Limited; Ambience Developers and Infrastructure Private Limited; Ambience Financial Services Private Limited; Ambience Highway Developers Limited; Ambience Holdings Limited; Ambience Holdings Limited; Ambience Hotels and Resorts Limited; Ambience SEZ Developers Private Limited; Ambience Towers Private Limited; Greenline Developers Private Limited; Prime Commercial Private Limited; R.S.G Housing and Finance Private Limited; Sara Estates Private Limited; and Senator Developers Private Limited.
Mr. Mohan Singh Non Executive Director s/o Late Mr. Nihal Singh Tenure: Liable to retire by rotation DIN: 00039530 Occupation: Business	45	U2, Greenpark Main, New Delhi 110 016, India	 Ambience Apartments Developers Private Limited; Ambience Commercial Developers Private Limited; Ambience Developers and Infrastructure Private Limited; Ambience Facilities Services Private Limited; Ambience Farms Private Limited; Ambience Homes Private Limited; Ambience Hotels and Resorts Limited; Ambience Overseas Private Limited; Greenline Developers Private Limited; Prime Commercial Private Limited; R.S.G Housing and Finance Private Limited; Sara Estates Private Limited; and Senator Developers Private Limited.
Mr. Dayanand Singh Non Executive Director s/o Late Mr. Nihal Singh Tenure: Liable to retire by rotation DIN: 00039538	47	F-6B, 3 rd floor, Hauz Khas Enclave, New Delhi 110 016, India	 ADA Constructions Private Limited; Alankar Apartments Private Limited; Aman Hospitality Private Limited Ambience Facilities Services Private Limited; Ambience Hotels and Resorts Limited; Ambience Infrastructure Developers

Name, designation, father's name tenure, DIN and occupation	Age (years)	Address	Other directorships
Occupation: Business			 Private Limited Ambience Power Projects Limited; Ambience SEZ Developers Private Limited Ambience Towers Private Limited; Lagoon Club Private Limited; Rajsheela Housing Private Limited; Senator Developers Private Limited; and Starvaelley Realtors Private Limited.
Mr. Aman Singh Gehlot Non Executive Director s/o Mr. Raj Singh Gehlot Tenure: Liable to retire by rotation DIN: 00925059 Occupation: Student	23	1/7, Sarva Priya Vihar New Delhi 110 017, India	 Aldoka Exports Private Limited; Aman Growth Fund Private Limited; Aman Holdings Private Limited; Aman Hospitality Private Limited; Ambi Estate Private Limited; Ambience Apartments Developers Private Limited; Ambience Buildcon Private Limited; Ambience Commercial Developers Private Limited; Ambience Developers and Infrastructure Private Limited; Ambience Farms Private Limited; Ambience Financial Services Private Limited; Ambience Holdings Limited; Ambience Hores Private Limited; Ambience Hores Private Limited; Ambience Hores Private Limited; Ambience Infracon Private Limited; Ambience Projects Private Limited; Ambience Towers Private Limited; Ambience Projects Private Limited; Mibence Towers Private Limited; Mibence Towers Private Limited; Mibence Towers Private Limited; Mibence Towers Private Limited; Ambience Towers Private Limited; Mibence Towers Private Limited;
Mr. Shyam Sunder Dawra Non-Executive Director (Independent)* s/o Late Mr. B. R. Dawra Tenure: Liable to retire by rotation DIN:00310987 Occupation: Retired Indian Administration Service Official	65	D-5/13, Vasant Vihar, New Delhi 110 057, India	 Housing Development Infrastructure Limited; Steel Strips Infrastructure Limited; and SAB Industries Limited.
Mr. Ramesh Chander Kapoor Non-Executive Director (Independent)* s/o Late Mr. Madan Lal Kapoor Tenure: Liable to retire by rotation DIN: 00312302	73	S-384, Pansheel, New Delhi 110 017, India	 Ambience Developers and Infrastructure Private Limited; and Housing Development Infrastructure Limited

Name, designation, father's name tenure, DIN and occupation	Age (years)	Address	Other directorships
Occupation: Retired Banker			
Mr. Brij Behari Tandon Non-Executive Director (Independent)*	68	J-238, 1 st floor, Saket, New Delhi 110 017, India	 Nagarjuna Fertilizers and Chemicals Limited; Adani Power Limited; Precision Pipes and Profiles Limited;
s/o Late Mr. Chand Behari Tandon			Cosmo Ferrites Limited;Birla Corporation Limited;
Tenure: Liable to retire by rotation			 Oriental Carbon and Chemicals Limited Jaiprakash Hydro Power Limited;
DIN: 00740511			Dhampur Sugar Mills Limited;Filatex India Limited:
<i>Occupation:</i> Retired Indian Administration Service Official			 Jaiprakash Power Ventures Limited; Jaiprakash Power Ventures Limited; Vikas Global One Limited; Exicom Tele- Systems Limited; VLS Finance Limited; Bhushan Steel Limited; Smart Digvision Private Limited; and Ambuja Cement Foundation
Mr. Shamsher Singh Kanwar Non-Executive Director	64	Aapo Aap	• Nil
Non-Executive Director (Independent)*		Building, Panthghati Kasumpti,	
s/o Mr. Sita Ram Kanwar		Simla 171 009, Himachal	
Tenure: Liable to retire by rotation		Predesh, India	
DIN: 00206727			
Occupation: Retired Indian Administration Service Official			

All the Directors of the Company are Indian nationals. Further, except Mr. Raj Singh Gehlot, Mr. Mohan Singh and Mr. Dayanand Singh who are brothers and Mr. Aman Singh Gehlot who is the son of Mr. Raj Singh Gehlot, none of our Directors are related to each other.

Brief Biographies of our Directors

Mr. Raj Singh Gehlot, the Chairman and Managing Director of our Company is also one of our promoters. He holds a bachelors degree in Commerce from Kurukshetra University, Haryana and is a fellow member of the Institute of Chartered Accountants of India. He has over 23 years of experience in the construction and real estate industry. He established our Company in the year 1986 and oversees a gamut of activities from strategic planning to corporate decision making under the supervision and control of the Board of Directors.

Mr. Mohan Singh, is a non- executive Director of our Company. He has completed his Intermediate and has over 19 years of experience in the construction sector. Prior to joining our Board on September 4, 2000, he was associated with our then group companies, i.e. Sara Estates Private Limited, Ambience Apartments Developers Private Limited and Ambience Developers and Infrastructure Private Limited. In our Company, he is responsible for providing strategic inputs on land acquisition and execution of the projects.

Mr. Dayanand Singh, is a non- executive Director of our Company. He holds a bachelors degree in Arts from M.D University, Rohtak. He has over 18 years of experience in the construction industry. Prior to joining our Board on July 15, 2000, he was associated with one of our then group companies, i.e. Rajsheela Housing Private Limited and provided strategic inputs towards project management. He provides strategic inputs towards project management, execution and quality control to our Company.

Mr. Aman Singh Gehlot, is an non executive Director and one of our Promoters. He holds a bachelors degree in Commerce from the Delhi University and is currently pursuing chartered accountancy from the Institute of

Chartered Accountants of India. He joined our Board on June 28, 2007 and is responsible for innovation in project conception and marketing strategies in our Company.

Mr. Shyam Sunder Dawra, is an independent Director of our Company. He holds a master's degree in English from the Punjab University and holds a Master's in Business Administration from University of Leeds, UK. He is a retired Indian Administrative Service Official. He served the Government of India in the Ministry of Non-Conventional Energy, Urban Develoment and Poverty Alleviation, Personnel, Pension and Administrative Reforms. He also served the Government of Punjab in various capacities and retired as the Punjab Revenue Commissioner. He joined our Board on September 11, 2009.

Mr. Ramesh Chander Kapoor, is an independent Director of our Company. He holds a bachelor's degree in science and is a certified associate of Indian Institute of Bankers. He has served Oriental Bank of Commerce in various capacities and was appointed as the Chairman and Managing Director of United Bank of India. He was also appointed as the Banking Ombudsman by the RBI. He was a member of the working group cosituted by Exim Bank for rehabilitation of a construction company. He joined our Board on September 11, 2009.

Mr. Brij Behari Tandon, is an independent Director of our Company. He holds a Master's degree in arts and holds a LLB degree from Delhi University and is a certified associate of Indian Institute of Bankers. He has served Government of India and Government of Himachal Pradesh. He was appointed as the Chief Election Commissioner of India on May 15, 2005 and was the Chairman of State Electricity Board of Himachal Pradesh. He initiated the policy of private sector participation in the execution of hydro projects. He joined our Board on September 11, 2009.

Mr. Shamsher Singh Kanwar, is an independent Director of our Company. He holds a master's degree in English from Punjab University, Chandigarh. He is a retired Indian Administrative Service official and has served Government of Himachal Pradesh in various capacities. He was Chairman of Himachal Pradesh State Electricity Board and retired as the Chief Secretary to the Government of Himachal Pradesh. He joined our Board on September 11, 2009.

Borrowing powers of the Board

Pursuant to a resolution dated July 26, 2007 passed by the shareholders of our Company in accordance with provisions of section 293(1)(d) of the Companies Act, the Board has been authorised to borrow any sum or sums of money from time to time either from the banker of the Company or from any other banks, financial institutions or any other lending institutions or any company or person on such terms and conditions as may be considered suitable, which together with the monies already borrowed by our Company (apart from the temporary loans obtained from our bankers in the ordinary course of business) may exceed at any time, the aggregate of the paid up capital of our Company and our free reserves (that is to say, reserve not set apart for any specific purpose) by a sum not exceeding Rs. 15,000 million.

Remuneration of our Directors

Our Company vide a special resolution dated May 10, 2007 had fixed the remuneration of Mr. Raj Singh Gehlot within the prescribed limit of Schedule XIII of the Companies Act, subject to maximum remuneration of Rs. 4 million per month. Pursuant to the abovementioned resolution Mr. Raj Singh Gehlot has received a remuneration of Rs. 20.10 million during fiscal 2009. None of our other Directors have received any compensation or benefits in any kind in fiscal 2009.

Further, our Company vide resolution dated September 11, 2009, has passed a resolution stating that a sitting fees of Rs. 20,000 shall be paid to non-executive Directors with immediate effect for attending the board and committee meetings thereof until and otherwise decided.

We have not entered into any service contracts with our Directors providing for benefits upon termination of employment.

Shareholding of our Directors

The Articles of Association do not require the Directors to hold any qualification Equity Shares in our Company. Except Mr. Raj Singh Gehlot and Mr. Aman Singh Gehlot who hold 33,704,167 and 33,620,833

Equity Shares respectively as on the date of this Draft Red Herring Prospectus, none of our other Directors hold any Equity Shares in our Company.

Interests of Directors

Mr. Raj Singh Gehlot is interested to the extent of remuneration paid to him by our Company as detailed above. Additionally, Mr. Raj Singh Gehlot and Mr. Aman Singh Gehlot are also promoters of our Company. Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or Allotted to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All of the Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Certain personal properties of Mr. Raj Singh Gehlot have been secured in connection with loans availed by our Company. Additionally, Mr. Raj Singh Gehlot, Mr. Mohan Singh and Mr. Dayanand Singh have provided personal guarantees in respect of certain loans availed by our Company. Except as stated in this Draft Red Herring Prospectus and in particular the section titled *"Related Party Transactions"* on page 150, the Directors have no interest in any property acquired by the Company within two years of the date of filing of this Draft Red Herring Prospectus. Further, Mr. Raj Singh Gehlot, Mr. Mohan Singh and Mr. Dayanand Singh are brothers. Additionally, Mr. Aman Singh Gehlot is the son of Mr. Raj Singh Gehlot.

Certain of our Directors also have directorships in our Group Entities whose memorandum allows them to engage in the business of construction and development of real estate. For further details and for additional details on the interest of Mr. Raj Singh Gehlot and Mr. Aman Singh Gehlot, see "Our Promoters and Group Entities-Interest of our Promoters" on page 143.

Except as stated in this Draft Red Herring Prospectus and in particular the section "*Related Party Transactions*" on page 150, our Directors do not have any other interest in our business.

S. No.	Name	Date of Appointment	Date of Cessation	Reason
1	Mr. Aman Singh Gehlot	June 28, 2007*	Continuing	Appointment
2.	Mr .S.P.Talwar	February 23, 2008	July 16, 2008 ⁽¹⁾	Resignation
3.	Mr. R.C. Kapoor	February 23, 2008	July 17, 2008 ⁽²⁾	Resignation
4.	Mr.S.K.Tuteja	February 23, 2008	May 30, 2008 ⁽³⁾	Resignation
5.	Mr. S.S.Dawra	February 23, 2008	July 17, 2008 ⁽²⁾	Resignation
6.	Mr. Mohan Singh	September 4, 2000**	Continuing	Appointment
7.	Mr. S.S.Dawra	September 11, 2009	Continuing	Appointment
8.	Mr. Shamsher Singh Kanwar	September 11, 2009	Continuing	Appointment
9.	Mr. Brij Behari Tandon	September 11, 2009	Continuing	Appointment
10.	Mr. R.C Kapoor	September 11, 2009	Continuing	Appointment

Changes in our Board of Directors during the last three years

* appointed as additional director pursuant to Board resolution dated June 30, 2007 and confirmed as whole time Director pursuant to shareholders resolution dated July 26, 2007. Further pursuant to Board resolution dated January 23, 2008 the designation of Mr. Aman Singh Gehlot was changed from whole time Director to non-executive Director of the Company.

** pursuant to Board resolution dated November 30, 2007, the designation of Mr. Mohan Singh was changed from whole time Director to non-executive Director of the Company.

(1) the board vide resolution dated July 22, 2008 took note of the resignation.

(2) the board vide resolution dated July 22, 2008 took note of the resignation

(3) the board vide resolution dated June 30, 2008 took note of the resignation

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to the Company immediately upon the listing of the Equity Shares with the Stock Exchanges. We believe we have complied with the requirements of corporate governance contained in the Listing Agreement, to particularly those relating to composition of Board of Directors, constitution of committees such as Audit Committee, Shareholder/Investor Grievance Committee, etc.

We have a Board constituted in compliance with the Companies Act and Listing Agreement with Stock Exchanges. The Board functions either as a full Board or through various committees constituted to oversee

specific operational areas. The Board has eight directors, out of which four are Independent Directors.

Committees of the Board of Directors

The Company has constituted the following committees on September 11, 2009 for compliance with corporate governance requirements:

a. Audit Committee

The Audit Committee comprises of Mr. Ramesh Chander Kapoor, (Chairman), Mr. Raj Singh Gehlot and Mr. Shyam Sunder Dawra. The scope and function of the Audit Committee is in accordance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement.

The terms of reference of the Audit Committee include the following:

- Overseeing our Company's financial reporting process and the disclosure of our financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment and re-appointment of the statutory auditors;
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing with the management, the application of funds raised through capital issues, and statement of funds utilized for purposes other than those stated in the offer documents; and
- Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems.

b. Remuneration/Compensation Committee

The Remuneration/Compensation Committee comprises Mr. Ramesh Chander Kapoor (Chairman), Mr. Brij Behari Tandon, Mr. Shyam Sunder Dawra and Mr. Shamsher Singh Kanwar. The terms of reference of Remuneration/Compensation Committee are as under:

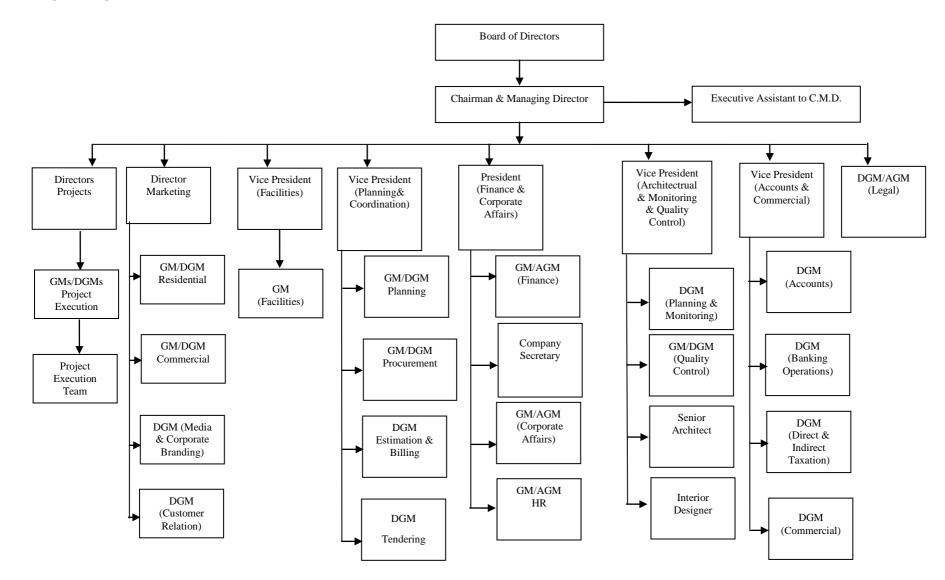
- Remuneration/compensation to Directors; and
- Administration and superintendence of employee stock option plans/ employee stock purchase plans of the Company (if any).

c. Shareholders/ Investors Grievance Committee

The Shareholders/ Investors Grievance Committee comprises Mr. Dayanand Singh (Chairman), Mr. Brij Behari Tandon, Mr. Shamsher Singh Kanwar and Mr. Aman Singh Gehlot. The terms of reference of Shareholders Grievance Committee are as under:

- Overseeing the redressal of shareholders and investor grievances including complaints in relation to transfer of shares, non receipt of annual reports and non receipt of dividend;
- Overseeing the performance of registrar and transfer agents; and
- Overseeing all the matters connected with transfer and all other processes relating to securities of the Company.

Managerial Organizational Structure



Key Managerial Personnel

The details regarding our key managerial personnel are as follows:

Mr. Vinod Garg, 46 years, is the President (Finance & Corporate affairs) of our Company. He is a fellow member of the Institute of Chartered Accountants of India, with more than 20 years of experience in financial management, corporate laws and real estate project management. Prior to joining our Company on April 1, 2007, he was the Vice President (Finance & Corporate Affairs) with our associate companies since April 1, 2004 and was an Advisor (Finance & Corporate Laws) to our group from November 1, 1989 to March 31, 2004. Prior to that, he was practicing as an independent Chartered Accountant. He is responsible for fund raising, formulation of financial planning and management, corporate taxation and various corporate affairs with regard to project implementation and acquisition in our Company. He has received a remuneration of Rs. 2.09 million during fiscal 2009.

Ms. Madhu Bakshi, 44 years, is the Vice President (Accounts & Commercial) of our Company. Ms. Bakshi holds a masters degree in Commerce from Delhi University. She has over 20 years of experience in corporate accounting, vendor management and control relating to real estate projects. Prior to joining our Company on January 1, 2008, she was working with our associate company since, September 5, 1986. She is responsible for formulation, adoption and control of accounting and commercial activities in our Company. She has received a remuneration of Rs. 1.17 million during fiscal 2009.

Mr. R. Subramanian, 63 years, is the Vice-President (Planning & Coordination) of our Company. He holds a masters degree in structural engineering from Madras University. He has over 30 years of experience in managing construction projects encompassing planning, site administration and resource planning. Prior to joining our Company on October 1, 2007, he worked with GTM Builders and Promoters Private Limited., Eros group, Ansal Properties and Unitech Ltd. He is responsible for planning, monitoring and execution of our projects. He has received a remuneration of Rs.1.74 million during fiscal 2009.

Mr. S. S. Vohra, 69 years, is the Vice President (Facilities) of our Company. He holds a bachelor degree of Science in electrical engineering from Punjab University. Prior to joining our Company on January 1, 2008, he was employed with our associate company since February 2000. He has served the Haryana State Board for 43 years and retired as an Engineer in Chief. He is responsible for power planning, technical audit, procurement of electrical equipments, appointment of electrical contractors as well as coordination between contractors and Government agencies in our Company. He has received a remuneration of Rs. 1.02 million during fiscal 2009.

Mr. Atin Kumar Bose, 57 years, is the Vice President (Architectural Services, Monitoring & Quality Control). He holds a bachelor degree in Architecture from Indian Institute of Technology, Roorkee and is register with Council of Architecture of India, New Delhi. He has been conferred with Fellowship of "Indian Institute of Architects", Mumbai for his lifetime contribution towards his profession. He has 30 years of professional experience working in various prestigious Government and private organizations in India and abroad. Prior to joining our Company on August 21, 2008, he worked with M/s Design & Development Consultants, M/s Kothari & Associates, M/s Raslan Consultants, M/s Hyundai Construction Corporation, M/s Sen Gupta & Associates, Town & Country Planning Organization, GoI, New Delhi and NOIDA, Government of U.P. In our Company, he is responsible for project management, dealing with architects and various consultants, monitoring designs and constructions activities at site and ensures smooth functioning and quality at all levels of projects. He has received a remuneration of Rs. 0.71 million during fiscal 2009.

Mr. Brigadier Deepak Kapur, 63 years, is the Genereal Manager (Mall Operations & Administration). He holds a bachelors in Arts from Government College, Chandigarh & Post Graduate Diploma in Human Resource Development from Lucknow University. He has worked with Indian Army from 1968 to 2002 as a Commissioned Officer. He has over six years of experience in operation of real estate projects and providing services related to security, facility management, human resource development, technical services, events promotion & branding, recovery & invoicing & guest realtions. Prior to joining our Company on July 1, 2009, he worked with Ansal API, Gurgaon since March 2003. He is responsible for looking after the mall operation, human resources functions of the Company. As he has joined our Company on July 1, 2009, no remuneration has been paid to him during fiscal 2009.

Mr. Shaillendra Updhayay, 42 years, is the General Manager (Projects). He holds a diploma in civil engineering from M. P. Board of Education, Gwalior. He has over 21 years of experience in construction, all round structure as well as finishing work of various real estate projects. He has been associated with our Group Entities since 2001 in different capacities. Prior to that, he was associated with Chintapurni Constructions Private Limited and Priya Constructions Private Limited. In our Company, he is responsible for all activities from execution till finishing of the civil projects including planning and monitoring of projects and coordination with various contractors for the successful completion of the projects. As he has joined our Company on July 1, 2009, no remuneration has been paid to him during fiscal 2009.

Mr. Rakesh Chopra, 55 years is our General Manger (Project). Mr. Rakesh Chopra holds a diploma in Civil Engineering from Haryana State Board of Technical Education, Chandigarh and has 36 years of experience in project planning, monitoring, implementation and quality control as per CPWD/PWD norms of civil and interior projects. He has been associated with our Group Entities since October 2005. Prior to that he was associated with M/s Chelsea Mills, Atlas Cycle India Limited, M/s Haryana Seed Development Corporation Limited, Indian Post & Telegraph Department, Haryana Housing Board. He is responsible for planning, execution and monitoring of various projects of the Company. As he was joined our Company on April 1, 2009, he has not received any remuneration during fiscal 2009.

Mr. Keerti Kaul, 41 years is our Deputy General Manager (Store & Purchase). Mr. Kaul holds bachelors' in Commerce from J&K University and a post graduate diploma in PC Application from Computer Point, New Delhi. Prior to joining our Company on November 21, 2000, he was associated for 17 years with reputed companies like Hero Cycle and Dominant Offset Limited. In our Company, he is responsible for materials management, supervision of the Store and Purchase functions. He has received a remuneration of Rs. 0.76 million during fiscal 2009.

Mr. Hitender Singh Chauhan, 45 years is our Deputy General Manger (Project). Mr. Chauhan holds a diploma in Civil Engineering from State Board of Technical Education Haryana, and has 20 years of experience in dry Stone Cladding & Italian Marble work & Exteriors work of ACP & Structural Glazing work and all kinds of interior works. Prior to joining our Company on December 1, 2005, he was associated with M/s R & V Consultant Co. & SGAG Consultant Private Limited. He is responsible for planning, execution and monitoring of various projects of the Company. He has received a remuneration of Rs. 0.64 million during fiscal 2009.

Mr. G. S. Saraon, 61 years is our General Manger (Services). Mr. Saraon holds a diploma in Electrical and Mechanical from Indian Air Force and B.E. Electronics from Punjab University and has 31 years of experience in operation of AC plant, DG Sets, electrical installations, transformers, PLC, BMS and electric panels. Prior to joining our Company on August 11, 2008, he was associated with with Indian Air Force, Hotel Vasant Continental, Hotel Le Meridian, Hotel Hans Plaza and Hughes Software System. He is looking after the facility management divisions of the Company. He has received a remuneration of Rs. 0.63 million during fiscal 2009.

Mr. Biswa Ranjan Mishra, 31 years, is our Company Secretary. He is a Fellow member of the Institute of Company Secretaries of India and holds a bachelor degree in Law. He has over seven years of experience in compliance of SEBI, stock exchange, R.O.C, RBI, secretarial, corporate governance, investor relations and legal matters. Prior to joining our Company on April 14, 2006, he worked with Amtek India Limited, Vipul Group, and Pankaj Buildwell Limited. He is responsible for the secretarial, SEBI, corporate governance, RoC, RBI compliance of our Company. He received a remuneration of Rs. 0.75 million during fiscal 2009.

Ms. Deepti Goel, 30 years, is our General Manager (Marketing). She holds a bachelors degree in architecture from Indraprastha University. She has over five years of experience in marketing and real estate. Prior to joining our Company on January 1, 2008 she worked with our associate company since January 2005. She is responsible for implementation of marketing plans and strategies of our Company. She received a remuneration of Rs. 1.79 million during fiscal 2009.

Mr. Rajan Kohli, 37 years, is our Assitant General Manager (Legal). Mr. Kohli holds a bachelors' in law from C.C.S University, Meerut and a Diploma in Management from IGNOU. He has over 10 years of experience in legal affairs, litigation, legal documentation and coordination. Prior to joining our Company in September 3, 2007, he worked with Convenience Enterprises Private Limited and has also practiced as an independent lawyer. He is

responsible for the legal affairs, litigation and legal documentation of our Company. He received a remuneration of Rs. 0.49 million for the fiscal year 2009.

Mr. Anil Bhatia, 35 years, is the Assistant General Manager (Finance). He is a fellow member of the Institute of Chartered Accountants of India. He has over 10 years of experience in finance, accounts, audit, import and general administration. Prior to joining our Company on July 1, 2009 he worked with Ambience Hotels & Resorts Limited, our group company, since October 2007 as AGM (Finance). He is responsible for fund raising activities of the company. As he has joined our Company on July 1, 2009, no remuneration has been paid to him during fiscal 2009.

All of the key managerial personnel are permanent employees of the Company and their term is continues until terminated by the Company. Further, none of the key managerial personnel are related to each other or our Directors.

Shareholding of the key managerial personnel

None of the key managerial personnel hold any Equity Shares in our Company.

Bonus or profit sharing plan of the key managerial personnel

In the event of successful completion of one year of service, the employees are entitled to a bonus equivalent to one month of their salary. Except as stated above, there is no bonus or profit sharing plan for the key managerial personnel and the employees of the Company.

Changes in the Key Managerial Personnel

The changes in the key managerial personnel in the three years prior to the date of filing this Draft Red Herring Prospectus are as follows:

Name	Date of Appointment	Date of Cessation	Reason
Mr. Vinod Garg	April 1, 2007	Continuing	Appointment
Ms Madhu Bakshi	January 1, 2008	Continuing	Appointment
Mr. R. Subramanian	October 1, 2007	Continuing	Appointment
Mr. S.S.Vohra	January 1, 2008	Continuing	Appointment
Mr. Manish Jain	January 16, 2008	August 30, 2008	Resignation
Mr. Ved Prakash Gupta	September 28, 2007	September 17, 2008	Resignation
Mr. Atin Kumar Bose	August 21, 2008	Continuing	Appointment
Mr. Brigadier Deepak Kapur	July 1, 2009	Continuing	Appointment
Mr. Shaillendra Updhayay	July 1, 2009	Continuing	Appointment
Mr. Rakesh Chopra	April 1, 2009	Continuing	Appointment
Mr. G. S. Saraon	August 11, 2008	Continuing	Appointment
Ms Deepti Goel	January 1, 2008	Continuing	Appointment
Mr. Rajan Kohli	September 3,2007	Continuing	Appointment
Mr. Anil Bhatia	July 1, 2009	Continuing	Appointment

Payment or benefit to officers of our Company

No amount or benefit (non-salary related) has been paid by our Company within the two preceding years or is intended to be paid or given to any officer.

OUR PROMOTERS AND GROUP ENTITIES

The individual promoters of our Company are:

- 1. Mr. Raj Singh Gehlot;
- 2. Mrs. Sheela Gehlot;
- 3. Mr. Aman Singh Gehlot; and
- 4. Mr. Arjun Singh Gehlot

The HUF which is our promoter is:

1. Raj Singh and Sons (HUF)

Individual Promoters

Mr. Raj Singh Gehlot



Mrs. Sheela Gehlot

Mr. Raj Singh Gehlot, 50 years old, (Voter ID Number: DL/02/009/270255, Driving license number: P03091999155714) our Chairman and Managing Director is one of the promoters of our Company. He is a fellow member of the Institute of Chartered Accountants of India and holds a Bachelors degree in Commerce from Kurukshetra University, Haryana. Mr. Raj Singh Gehlot has over 23 years of experience in the construction and real estate industry. He oversees a gamut of activities from strategic planning to corporate decision making under the supervision and control of the Board of Directors of the Company. Before promoting our Company in 1986, he was independently practicing as a Chartered Accountant.



Mrs. Sheela Gehlot, 45 years old, (Voter ID Number: DL/02/009/270256, Driving license No: not applicable) is one of our promoters. She holds a bachelors degree in Arts from Delhi University. Mrs. Sheela Gehlot is associated with our Company since 1986. She has over 15 years of experience in construction and development of the real estate business.

Mr. Aman Singh Gehlot



Mr. Aman Singh Gehlot, 23 years old, (Voter ID Number: TZD0648824, Driving license number: P03072006506917), is one of our promoters. He is currently pursuing chartered accountancy from the Institute of Chartered Accountants of India and holds a bachelors degree in Commerce from the Delhi University. He has been associated with our Company since June 2007 and currently holds the position of a non-executive Director.

Mr. Arjun Singh Gehlot



Mr. Arjun Singh Gehlot, 19 years old, (Voter ID Number: TZD0648832, Driving license number: P03022008565795), is one of our promoters. He is pursuing bachelors degree in Commerce from Delhi University and Chartered Accountancy from the Institute of Chartered Accountants of India.

All our individual promoters are residing at 1/7, Sarva Priya Vihar, New Delhi 110 017, India

Our Company confirms that the PAN, bank account number and passport number of our Promoters will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus with them.

Raj Singh and Sons (HUF)

Raj Singh and Sons (HUF) is a Hindu Undivided Family represented by Mr. Raj Singh Gehlot as its karta.

Financial Performance

The audited summary financials of Raj Singh and Sons (HUF) are not available for fiscal 2009. The audited summary financials of Raj Singh and Sons (HUF) for fiscal 2008, 2007 and 2006 are are as follows:

		(Rs. in million, un	nless otherwise stated)
	Fiscal 2008	Fiscal 2007	Fiscal 2006
Capital Account	415.22	144.77	122.32
Interest Income	9.55	1.79	0.00
Net Surplus	3.39	0.70	0.27

Interests of our Promoters and Group Entities

The Promoters are interested in the Company to the extent of their shareholding in the Company. For details see *"Capital Structure"* on page 56. Mr. Raj Singh Gehlot and Mr. Aman Singh Gehlot are also interested to extent of them being Directors of the Company. Mr. Raj Singh Gehlot and Mrs. Sheela Gehlot have also given personal guarantees with respect to certain loans. Further certain properties held by our Promoters have been secured in connection with loans availed by our Company. For details see *"Financial Indebtedness"* on page 281.

Our registered office and corporate office have been leased from Mrs. Sheela Gehlot, pursuant to lease deeds both dated April 1, 2007. Accordingly, Mrs. Sheela Gehlot is interested to the extent of lease rentals received by her from the Company for the lease of space for the purpose of the registered and corporate office. Mrs. Sheela Gehlot purchased property located at plot no H- 35 in Green Park Extention from our subsidiary Moonvalley Realtors Private Limited in March 2009. Subsequently, our Company (through its subsidiary) has in relation to this land and other plots in South Delhi and Jasola acquired sole development rights from Mrs. Sheela Gehlot in connection with our Ongoing Projects, namely Multi- Unit Apartments in Jasola and, Multi- Unit Apartments in South Delhi. Further, our Company has acquired sole development rights from persons belonging to our Promoter Group, i.e. Mrs. Nutan Gehlot in connection with our Planned Project at Panipat and Mrs. Sunita Chaudhary in connection with our Ongoing Project at South Delhi. For details see "*Our Business*" on page 92. Additionally, we enter into arrangements with certain persons comprising a part of our Promoter Group, Mrs. Shymo Devi and Mrs. Usha Devi for purchase of construction material from time to time and have availed loans from our Promoter Group, including Raj Commercial Agencies. Further, we have in the past undertaken construction for our Group Entities.

recently, our Company completed the construction of "Leela Kempinski" for Ambience Hotels and Resorts Limited in Ambience Island, Gurgaon. For details, see "*Common Pursuits*" below and "*Our Business*" on page 92.

Except as disclosed above, our Group Entities and associates have no business interest in our Company. For details see *"Financial Statements"* on page 152. Except as disclosed above, the Promoters and Group Entities confirm that they have no interest in the property acquired by the Company during the last two years prior to the date of filing of this Draft Red Herring Prospectus.

Additionally, all the individual promoters are related to each other. Mr. Raj Singh Gehlot is the husband of Mrs. Sheela Gehlot and Mr. Aman Singh Gehlot and Mr. Arjun Singh Gehlot are their sons. Further, Mr. Raj Singh Gehlot is the Karta and Mrs. Sheela Gehlot, Mr. Aman Singh Gehlot and Mr. Arjun Singh Gehlot are the members of Raj Singh and Sons (HUF).

Payment or Benefits to the Promoters

Except as stated in the section titled "*Related Party Transactions*" on page 150, there has been no payment of benefits to the Promoters, Promoter Group or Group Entities during the last two years prior to the date of filing of this Draft Red Herring Prospectus.

Group Entities

The companies which are a part of our Group Entities are as follows:

- 1. Aman Growth Fund Private Limited;
- 2. Aman Holdings Private Limited;
- 3. Nutan Growth Fund Private Limited;
- 4. Raj Sheela Growth Fund Private Limited;
- 5. Ambience Hotels and Resorts Limited;
- 6. Aman Hospitality Private Limited;
- 7. Ambience Holdings Limited;
- 8. Vijeta Properties Private Limited;
- 9. Ambience Financial Services Private Limited; and
- 10. Ambience Projects Private Limited.

In addition, Raj Singh and Sons (HUF) has a sole proprietorship Raj Commercial Agencies.

None of the equity shares of our Group Entities are listed on any stock exchange and they have not made any public or rights issue of securities in the preceding three years. Details of our Group Entities are provided below:

1. Aman Growth Fund Private Limited ("Aman Growth")

Aman Growth was incorporated on October 16, 1989 under Companies Act. Aman Growth is permitted to carry on business of investment in shares, bonds, debentures etc. among others. Aman Growth is registered as a Non-Banking Financial Company ("NBFC") (Reg. No. B.14.02565) under the RBI Act and is an investment company.

Our Promoters collectively hold 100% of the issued and paid up capital of Aman Growth.

Financial Performance

The audited financial results of Aman Growth for fiscals 2009, 2008 and 2007 are set forth below:

		(Rs. in million, u	inless otherwise stated)
	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Capital	18.71	17.73	17.24
Reserves and Surplus (excluding revaluation reserve)	340.94	146.89	48.02
Book Value per share (Rs.)	192.24	92.83	37.85

2. Aman Holdings Private Limited ("Aman Holdings")

Aman Holdings was incorporated on October 16, 1989 under Companies Act. Aman Holdings is permitted to carry on business of investment in shares, bonds, debentures etc. among others. Aman Holdings is registered as a NBFC (Reg. No. B.14.02564) under the RBI Act and is an investment company.

Our Promoters collectively hold 100% of the issued and paid up capital of Aman Holdings.

Financial Performance

The audited financial results of Aman Holdings for fiscals 2009, 2008 and 2007 are set forth below:

	(.	Rs. in million, unless	s otherwise stated)
	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Capital	18.77	17.96	17.47
Reserves and Surplus (excluding revaluation reserve)	312.71	150.73	52.51
Book Value per share (Rs.)	176.62	93.95	40.06

3. Nutan Growth Fund Private Limited ("Nutan Growth")

Nutan Growth was incorporated on October 16, 1989 under Companies Act. Nutan Growth is permitted to carry on business of investment in shares, bonds, debentures etc. among others. Nutan Growth is registered as a NBFC (Reg. No. B.-14.02215) under the RBI Act and is an investment company.

Our Promoters collectively hold 100% of the issued and paid up capital of Nutan Growth.

Financial Performance

The audited financial results of Nutan Growth for fiscals 2009, 2008 and 2007 are set forth below:

		(Rs. in million, un	less otherwise stated)
	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Capital	18.75	17.75	17.26
Reserves and Surplus (excluding revaluation reserve)	346.35	147.52	48.78
Book Value per share (Rs.)	194.71	93.10	38.26

4. Raj Sheela Growth Fund Private Limited ("Raj Sheela")

Raj Sheela was incorporated on October 16, 1989 under Companies Act. Raj Sheela is permitted to carry on business of investment in shares, bonds, debentures etc. among others. Raj Sheela is registered as a NBFC (Reg. No. B.14.02603) under the RBI Act and is an investment company.

Our Promoters collectively hold 100% of the issued and paid up capital of Raj Sheela.

Financial Performance

The audited financial results of Raj Sheela for fiscals 2009, 2008 and 2007 are set forth below:

	(<i>Rs</i> .	in million, unless	otherwise stated)
	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Capital	18.76	17.80	17.31
Reserves and Surplus (excluding revaluation reserve)	339.54	147.44	49.08
Book Value per share (Rs.)	190.98	92.85	38.35

5. Ambience Hotels and Resorts Limited ("Ambience Hotels")

Ambience Hotels was incorporated on October 12, 1994 under the Companies Act. Ambience Hotels is engaged in the business of development of hotels.

Our Promoters collectively hold (directly and indirectly) 100% of the issued and paid up capital of Ambience Hotels.

Financial Performance

The audited financial results of Ambience Hotels for fiscals 2008, 2007 and 2006 are set forth below:

		(Rs. in million, unl	less otherwise stated)
	Fiscal 2008	Fiscal 2007	Fiscal 2006
Sales and Other Income	-	-	-
Profit/ (Loss) after tax	-	-	-
Equity Capital	1,222.06	53.60	39.85
Reserves and Surplus (excluding revaluation reserve)	9.12	1,177.58	847.69
Earnings/ (Loss) per share (Rs.)	-	-	-
Diluted earnings per share (Rs.)	-	-	-
Book Value per share (Rs.)	10.01	229.55	222.50

Significant notes of auditors

- Fiscal 2008: Based on auditor's examination of the balance sheet of the company as at March 31, 2008 they have found that the company as on that date had long-term sources of funds amounting to Rs.6,016.70 million. The long term application of funds was Rs.6,685 million. The company has not yet started its commercial activities resulting into sale of goods and services and therefore no short term use of fund has arisen. All the investments in assets have been funded out of shareholders fund and long-term form banks and financial institutions.
- Fiscal 2007: Based on auditor's examination of the balance sheet of the company as at March 31, 2007 they have found that the company as on that date had a long-term sources of funds amounting to Rs. 3,885.40 million. The long term application of funds was Rs. 3,767.60 million. The company has not yet started its commercial activities resulting into sale of goods and services and therefore no short term use of fund has arisen all the investments in assets have been funded out of shareholders fund and long-term form banks and financial institutions.
- Fiscal 2006: Based on auditor's examination of the balance sheet of the company as at March 31, 2006 they have found that the company as on that date had a long-term sources of funds amounting to Rs. 2,231.30 million. The long term application of funds was Rs. 2,231.30 million. The company has not yet started its commercial activities resulting into sale of goods and services and therefore no short term use of fund has arisen all the investments in assets have been funded out of shareholders fund and long-term form banks and financial institutions.

6. Aman Hospitality Private Limited ("Aman Hospitality")

Aman Hospitality was incorporated on May 20, 1992 under Companies Act. Aman Hospitality is engaged in the hospitality business.

Our Promoters collectively hold (indirectly) 100% of the issued and paid up capital of Aman Hospitality.

Financial Performance

The audited financial results of Aman Hospitality for fiscals 2009, 2008 and 2007 are set forth below:

		(Rs. in million, unles	s otherwise stated)
	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Capital	19.66	16.33	16.33
Reserves and Surplus (excluding revaluation reserves)	1,510.71	514.03	514.02
Book Value per share (Rs.)	778.38	324.79	324.77

7. Ambience Holdings Limited ("Ambience Holdings")

Ambience Holdings was incorporated on November 10, 2006 under Companies Act. Ambience Holdings is engaged in the business of holding and possession of various assets, including moveable, immovable and financial assets.

Our Promoters collectively hold (directly and indirectly) 100% of the issued and paid up capital of Ambience Holdings.

Financial Performance

The audited financial results for fiscals 2009, 2008 and the period ended March 31, 2007 are set forth below:

		(Rs. in million, un	less otherwise stated)
	Fiscal 2009	Fiscal 2008	Period ended March 31, 2007
Sales and Other Income	-	-	-
Profit/(Loss) after tax	-	-	-
Equity Capital	0.50	0.50	0.50
Reserves and Surplus (excluding revaluation reserves)	-	-	-
Earnings/(Loss) per share (Rs.)	-	-	-
Diluted earnings per share (Rs.)	-	-	-
Book Value per share (Rs.)	5.02	5.14	5.38

8. Vijeta Properties Private Limited ("Vijeta Properties")

Vijeta Properties was incorporated on December 1, 1994 under Companies Act. Vijeta Properties is engaged in the business of acquisition and development of real estate.

Our Promoters collectively hold 100% of the issued and paid up capital of Vijeta Properties.

Financial Performance

The audited financial results of Vijeta Properties for fiscals 2009, 2008 and 2007 are set forth below:

	(Rs.	in million, unless	otherwise stated)
	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Capital	8.00	0.50	-
Reserves and Surplus (excluding revaluation reserve)	30.00	-	-
Book Value per share (Rs.)	47.28	8.55	-

Significant notes of auditors

Fiscal 2009: The company has accumulated loss amounting to Rs. 52,990 at the end of the financial year covered by the report which is less than 50% of net worth of the company. The company has not incurred any cash loss during the period covered by the report however, it has incurred a meager cash loss of Rs.25,614 in the financial year immediately preceding the period covered by the report.

9. Ambience Financial Services Private Limited ("Ambience Financial")

Ambience Financial was incorporated on September 26, 2008 under Companies Act. Ambience Financial is engaged in the business of holding investments in various companies, to provide financial consultancy services, broking services etc.

Our Promoters collectively hold 100% of the issued and paid up capital of Ambience Financial.

Financial Performance

As Ambience Financial was incorporated in fiscal 2009, the financials for the period, prior to the period ended March 31, 2009, are not available. The audited financial results of Ambience Financial for the period ended March 31, 2009 is set forth below:

	(Rs. in million, unless otherwise stated)
	Period ended March 31, 2009
Equity Capital	0.10
Reserves and Surplus (excluding revaluation reserve)	-
Book Value per share (Rs.)	(15.55)

10. Ambience Projects Private Limited ("Ambience Projects")

Ambience Projects was incorporated on March 17, 2009 under Companies Act. Ambience Projects is engaged in the business of acquisition and development of real estate.

Our Promoters collectively hold 100% of the issued and paid up capital of Ambience Projects.

Financial Performance

As Ambience Projects was incorporated in fiscal 2009, the audited financial results of Ambience Projects prior to fiscal 2009 are not available. The audited financial results of Ambience Projects for the period ended March 31, 2009 is set forth below:

	(Rs. in million, unless otherwise stated)
	Period ended March 31, 2009
Equity Capital	0.10
Reserves and Surplus (excluding revaluation reserve)	-
Book Value per share (Rs.)	(9.79)

Disassociation by the Promoters in the last three years

Our Promoters disassociated from the following companies pursuant to the sale of shares in such companies, as they intended to focus on the operations of our Company.

S. No.	Name of company from which our Promoters disassociated as promoters from	Name of the Promoters	Date of Disassociation (in terms of share holding)
1.	Ambience Industries Private Limited	Mr. Aman Singh Gehlot	August 23, 2006
2.	Ambience Condominiums Private Limited	Mr. Raj Singh Gehlot Mr. Arjun Singh Gehlot	October 26, 2007
3.	Ambience Villas Private Limited	Karta,Raj Singh and Sons (HUF) Mr. Arjun Singh Gehlot	October 26, 2007
4.	Ambience Estate Services Private Limited	Mr. Raj Singh Gehlot Mr. Arjun Singh Gehlot	October 26, 2007

S. No.	Name of company from which our Promoters disassociated as promoters from	Name of the Promoters	Date of Disassociation (in terms of share holding)
5.	Ambience Commercials Private Limited	Mr. Raj Singh Gehlot Mr. Aman Singh Gehlot	October 26, 2007
6.	Ambience Island Private Limited	Mr. Raj Singh Gehlot Mr. Arjun Singh Gehlot	October 26, 2007
7.	Flexible Realtors Private Limited	Mr. Aman Singh Gehlot Mr. Arjun Singh Gehlot	October 26, 2007
8.	Apex Homes Private Limited	Mr. Raj Singh Gehlot Mr. Arjun Singh Gehlot	October 26, 2007
9.	Vinayak Infradevelopers Private Limited	Mr. Aman Singh Gehlot Mrs. Sheela Gehlot	April 15, 2009

Other Confirmations

Further, our Promoters and Group Entities have confirmed that they have not been detained as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them. Further, there are no significant notes in the financials statements by the auditors of the Group Entities, except as already disclosed above.

Additionally, none of the Promoters or Group Entities have been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities.

None of the Group Entities have become sick companies under the Sick Industrial Companies Act, 1985 and no winding up proceedings have been initiated against them. Further no application has been made, in respect of any of the Group Entities, to the Registrar of Companies for striking off their names. Additionally, none of our Group Entities have become defunct in the five years preceding the filing of this Draft Red Herring Prospectus.

Litigation

For details relating to the legal proceeding involving the Promoters and Group Entities, see "Outstanding Litigation and Material Developments" on page 287.

Common Pursuits

Vijeta Properties is engaged in the business of acquisition and development of real estate. Ambience Hotels and Resorts Limited and Aman Hospitality Private Limited, our Group Entities are engaged in the business of developing hotels. However, pursuant to the agreement dated September 3, 2009, Ambience Hotels and Resorts Limited and Aman Hospitality Private Limited have undertaken to grant our Company the first right of refusal to construct and develop all its current and future hotel projects. Further, each of our Promoters have under the agreement undertaken that, in the event any company or entity is incorporated or formed by them (either individually or jointly by one or more of them), for the acquisition of land for the development of hotel projects, they shall, jointly and severally, ensure that such new entities will execute a deed of adherence to the agreement. For details, see "*Our Business*" on page 92.

Additionally, our Promoters have undertaken (pursuant to undertakings dated March 11, 2008) not to individually or jointly with any other person, undertake the development or execution of any new construction and development of residential complexes, shopping malls, office complexes and township, except in relation to projects they may have already been involved in or in dealing with real estate or developing real estate for any other purpose. Except as disclosed above, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by us.

RELATED PARTY TRANSACTIONS

Our Company enters into related party transactions with our Promoters, Promoter Group, Subsidiaries, Directors, key managerial personnel, associate companies and others. For details, see *"Financial Statements"* on page 152.

Details relating to sales and purchases between our Company and Group Entities, Subsidiaries and associates exceeding 10% of our total sales or purchases of our Company are as follows:

		2009				20	08			2007 2006				2005				
Total Income from Opeartions for the year		3,668.48 5,226.21					3,510	6.11		2,645.12				1,474.07				
Particulars of Income	Associate Concerns	%	Subsidiary Companies	%	Associate Concerns	%	Subsidiary Companies	%	Associate Concerns	%	Subsidiary Companies	%	Associate Concerns	%	Subsidiary Companies	%	Associate Concerns	%
Contract receipts & sales																		
Ambience Developers & Infrastructure Private Limited	_		-	-	-		1,027.55	19.66%	870.83	24.77%	_		1,375.58	52.00%	-		598.30	40.59%
Ambience Commercial Developers Private Limited	640.00	17.45%	-	-	-		-		754.30	21.45%			453.38	17.14%	-		349.07	23.68%
Ambience Hotels & Resorts Limited	524.50	14.30%	-	_	1,048.98	20.07%	-		1,625.00	46.22%	-		785.35	29.69%	-		498.67	33.83%

For details of material items of income or expenditure arising out of such transactions, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 254.

DIVIDEND POLICY

Our Company has paid dividends of Rs. 218.96 million (inclusive of the dividend distribution tax), being 20%, on 96,012,000 Equity Shares in fiscal 2007. Except as disclosed above, our Company has not declared any dividends in the last five fiscals. Any future dividends declared would be at the discretion of the Board of Directors and would depend on the financial condition, results of operations, capital requirements, contractual obligations, the terms of our credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors. Our Company has no stated dividend policy.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements we may enter into to finance our various projects and also the fund requirements for our projects.

SECTION V - FINANCIAL INFORMATION

FINANCIAL STATEMENTS

AUDITORS' REPORT ON RESTATED UNCONSOLIDATED FINANCIAL INFORMATION

The Board of Directors, Ambience Limited, L-4 Green Park Extension, New Delhi-110016, India.

Dear Sirs,

We have examined the Restated Unconsolidated Summary Statements and Other Financial Information of Ambience Limited (the 'Company') for each of the five financial years ended March 31, 2009, 2008, 2007, 2006 and 2005 annexed to this report and initialed by us for identification. The said Restated Unconsolidated Summary Statements and Other Financial Information have been prepared for the purposes of inclusion in the Draft Red Herring Prospectus in connection with the proposed Initial Public Offer ("IPO") of the Company in accordance with the requirements of:

- (i) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 (the 'Act');
- (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'SEBI Regulations') issued by the Securities and Exchange Board of India ('SEBI'); and
- (iii) The terms of our letter of engagement dated August 4, 2009 with the Company requesting us to carry out work in connection with the proposed IPO.

The Restated Unconsolidated Summary Statements and Other Financial Information have been approved by the Board of Directors of the Company and have been extracted from the Company's audited financial statements as at and for the years ended March 31, 2009, 2008, 2007, 2006 and 2005. The audit as at and for year ended March 31, 2008 was conducted by joint auditors namely BLY & Associates (formerly known as B. L. Yadav & Co.), Chartered Accountants and Jhalani & Co. Chartered Accountants, and the audit as at and for the years ended March 31, 2009, 2007, 2006 and 2005 was conducted by BLY & Associates, Chartered Accountants, being the auditor of the Company for those years.

- A. Restated Unconsolidated Summary Statements as per Audited Unconsolidated Financial Statements:
- 1. We have examined the attached 'Summary Statement of Assets and Liabilities, As Restated' (Annexure I) as at March 31, 2009, 2008, 2007, 2006 and 2005, and the attached 'Summary Statement of Profits and Losses, As Restated' (Annexure II) and the attached 'Summary Statement of Cash Flows, As Restated' (Annexure III) for the years ended March 31, 2009, 2008, 2007, 2006 and 2005 (Annexures I, II and III are collectively referred to in this report as the "Restated Unconsolidated Summary Statements").
- 2. The Restated Unconsolidated Summary Statements are after making adjustments and regroupings as in our opinion were appropriate and more fully described in the 'Statement of Significant Accounting Policies and Notes to the Statements' (Annexure IV).
- 3. Based on our examination of the Restated Unconsolidated Summary Statements, we confirm that:
 - (i) Adjustments on account of changes in accounting policies have been made to the financial statements for the respective financial years;
 - (ii) Amounts if any, relating to adjustments for previous years have been identified and adjusted in the statements in the year to which they relate;

- (iii) There are no extraordinary items that need to be disclosed separately in the Restated Unconsolidated Summary Statements;
- (iv) There are no qualifications in auditors' reports or incorrect accounting policies that require adjustment in the Restated Consolidated Summary Statements; and
- (v) There are no revaluation reserves that require deduction from fixed assets, reserves and net worth in the Summary Statement of Assets and Liabilities, As Restated".
- 4. Summary of significant accounting policies adopted by the Company and material adjustments carried out in the preparation of the Restated Unconsolidated Summary Statements and the significant notes to thereto are enclosed as Annexure IV to this report.

B. Other Financial Information

- 5. We have also examined the following financial information ("Other Financial Information") in respect of the Company as at and for the years ended March 31, 2009, 2008, 2007, 2006 and 2005, included in the Draft Red Herring Prospectus, as approved by the Board of Directors and annexed to this report:
 - a) Summary Statement of Fixed Assets (Annexure V);
 - b) Summary Statement of Investments (Annexure VI);
 - c) Summary Statement of Inventories (Annexure VII);
 - d) Summary Statement of Receivables (Annexure VIII);
 - e) Summary Statement of Loan & Advances (Annexure IX);
 - f) Summary Statement of Secured Loans (Annexure X);
 - g) Summary Statement of Unsecured Loans (Annexure XI);
 - h) Summary Statement of Share Capital (Annexure XII);
 - i) Summary Statement of Reserves and Surplus (Annexure XIII);
 - j) Summary Statement of Income from operation (Annexure XIV)
 - k) Summary Statement of Other Income (Annexure XV);
 - 1) Summary Statement of Establishment expenses (Annexure XVI)
 - m) Summary Statement of Administrative and Other Expenses (Annexure XVII);
 - n) Summary Statement of Accounting Ratios based on the restated profits relating to earnings per share (basic and diluted), net asset value and return on net worth (Annexure XIII);
 - o) Capitalization Statements (Annexure XIX);
 - p) Statement of tax shelters (Annexure XX):
 - q) Statement of related party transaction (Annexure XXI) and
 - r) Statement of Dividend paid (Annexure XXII).

- 6. In our opinion, the Restated Unconsolidated Summary Statements and the Other Financial Information set forth in Annexure I XXII read with the significant accounting policies and notes to the statements have been prepared in accordance with Part II of Schedule II the Act and the SEBI regulations.
- 7. This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by us or other firms of Chartered Accountants nor should it be construed as a new opinion on any of the financial statements referred to therein.
- 8. This report is intended solely for your information and for inclusion in the Draft Red Herring Prospectus in connection with the Company's proposed IPO of its equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For BLY & Associates Chartered Accountants

B.L. Yadav FCA/Prop. Membership No. 091601

Place: New Delhi Dated: September 22, 2009

					(Amount in Rs.	million)
				As at		
	Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
A.	Fixed assets					
	Gross block	165.73	129.19	67.09	63.35	51.70
	Less: Accumulated depreciation	30.00	21.55	16.10	11.71	7.04
	Net block	135.73	107.64	50.99	51.64	44.66
B.	Investments	2,124.41	2,110.77	80.36	3.90	7.67
C.	Current assets, loans and advances					
	Inventories	10,920.08	9,655.73	5,330.17	2,580.42	19.13
	Receivables	180.53	-	-	-	84.38
	Cash and bank balances	80.75	177.03	29.58	5.20	23.01
	Loans and advances	1,280.53	622.66	239.74	486.84	883.97
	Total Assets	14,722.03	12,673.83	5,730.84	3,128.00	1,062.82
D.	Liabilities and provisions					
	Loan funds :					
	Secured loans	6,571.14	6,070.12	3,108.46	1,829.92	515.99
	Unsecured loans	450.10	450.10	-	-	-
	Deferred tax liability	10.06	6.50	5.66	5.81	5.51
	Current liabilities & provisions					
	Sundry liabilities	3,532.33	3,599.99	1,431.41	527.30	442.50
	Provisions	705.26	526.74	199.66	90.00	17.43
		11,268.89	10,653.45	4,745.19	2,453.03	981.43
	Net worth (A+B+C-D)	3,453.14	2,020.38	985.65	674.97	81.39
-	Net worth represented by:- Shareholder funds	-	-			
	Share capital	1,817.03	1,806.23	960.12	28.58	10.58
	Reserve & surplus Less:- Miscellaneous expenditure	1,643.13	224.03	31.77	646.44	70.91
	not written off	7.02	9.88	6.24	0.05	0.10
	Net worth	3,453.14	2,020.38	985.65	674.97	81.39

ANNEXURE-I SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

ANNEXURE-II SUMMARY STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED

				(Amount in R	8. 11111011)
Deutieuleur		Fo	or the year end	ed	
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
INCOME					
Income from operations	3,668.48	5,226.21	3,516.11	2,645.12	1,474.0
Other income	18.54	45.28	0.93	0.73	0.1
	3,687.02	5,271.49	3,517.04	2,645.85	1,474.2
EXPENDITURE					
Cost of operations	2,376.75	3,900.01	3,021.17	2,322.52	1,364.1
Establishment expenses	42.99	84.69	25.12	19.63	11.5
Administrative and other expenses	52.17	28.18	11.63	9.61	10.4
Interest & finance charges	671.39	284.00	75.72	72.97	33.3
Preliminary expenses written off	2.86	2.86	1.61	0.05	0.0
Depreciation	8.88	5.45	4.77	4.67	2.8
	3,155.04	4,305.19	3,140.02	2,429.45	1,422.3
Profit before tax and prior period items	531.98	966.30	377.02	216.40	51.8
Provision for taxation					
- Income tax	177.53	326.62	126.78	72.57	16.9
- Deferred tax liability(assets)	3.56	0.84	(0.15)	0.30	2.1
- Fringe benefit tax	0.99	0.46	0.31	-	
Net profit after tax and before prior period items	349.90	638.38	250.08	143.53	32.8
Prior period items	-	-	0.50	-	0.0
Net Profit as per audited financials	349.90	638.38	249.58	143.53	32.8
- Restatement adjustments	-	-	0.50	-	(0.49
(Refer note B-4 in Annexure IV)					
Restated net profit attributable to shareholders	349.90	638.38	250.08	143.53	32.3
Balance brought forward from last year	205.32	13.05	203.51	59.98	27.6
Appropriations	200.02	10.00	200.01	27.70	27.0
-Dividend including corporate dividend tax	_	-	218.96	-	
-Transfer to general reserve	_	-	18.71	_	
-To issue of Bonus issue	-	446.11	202.87	-	
Balance carried over to balance sheet	555.22	205.32	13.05	203.51	59.9

ANNEXURE-III SUMMARY STATEMENT OF CASH FLOW, AS RESTATED										
				(Amount in R	s. million)					
		fo	r the year ende	ed						
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005					
A. CASH FLOW FROM OPERATING										
ACTIVITIES Profit before tax and extra ordinary items, as										
restated	531.98	966.29	377.02	216.40	51.87					
Depreciation	8.88	5.45	4.77	4.67	2.87					
Misc. expenses written off	2.86	2.86	1.61	0.05	0.05					
(Profit)/ loss on disposal of fixed assets	0.18	_	0.48	_	0.42					
(Profit)/ loss on sale of investments	(13.74)	(0.25)	(0.13)	-	-					
Interest income	(2.92)	(2.53)	(0.80)	(0.03)	-					
Dividend income	-	-	(0.01)	(0.01)	-					
Interest expenses	671.39	284.00	0.97	1.14	-					
Operating profit before working capital										
changes	1,198.62	1,255.82	383.91	222.22	55.21					
Adjustment for :										
Decrease/(increase) in sundry debtors	(180.54)	-	-	84.38	(84.38)					
Decrease/(increase) in inventories	(1,264.35)	(4,325.57)	(2,749.75)	(2,561.29)	(4.37)					
Decrease/(increase) in loan & advances	(582.41)	(92.53)	384.56	452.91	(291.27)					
Increase/(decrease) in sundry creditors & other		2 1 60 50	00410	04.50	10.00					
liabilities	(67.67)	2,168.59	904.12	84.79	19.20					
Miscellaneous expenditure incurred	-	(6.50)	(7.80)	-	-					
Cash from/ (used in) operations	(896.34)	(1,000.19)	(1,084.96)	(1,716.99)	(305.61)					
Less : Direct tax paid	75.46	290.39	154.89	55.79	11.54					
Net cash from/(used in) operating activities (A)	(971.80)	(1,290.58)	(1,239.85)	(1,772.78)	(317.15)					
B. CASH FLOW FROM INVESTING ACTIVITIES			()							
Purchase of fixed assets	(37.56)	(62.10)	(4.71)	(11.65)	(21.21)					
Sale of fixed assets	0.42	-	0.10	-	0.07					
Purchase of investments	(13.64)	(2,030.71)	(78.96)	(1.23)	(0.08)					
Sale of investment	13.74	0.55	2.63	5.01	50.00					
Interest received	2.92	2.53	0.80	0.03	-					
Dividends received	-	-	0.01	0.01	-					
Net Cash from/(used in) investing activities										
(B) C. CASH FLOW FROM FINANCING	(34.12)	(2,089.73)	(80.13)	(7.83)	28.78					
ACTIVITIES										
Proceeds from issuance of shares including										
premium	1,080.00	400.00	285.75	450.00	-					
Proceeds from secured borrowings	3,437.65	3,659.42	1,366.15	1,326.55	316.10					
Proceeds from unsecured borrowings	-	450.10	-	-	-					
Repayment of borrowings	(2,936.62)	(697.76)	(87.61)	(12.61)	(8.43)					
Interest expenses	(671.39)	(284.00)	(0.97)	(1.14)	-					
Dividend paid including tax	-	-	(218.96)	-	-					
Net Cash from/(used in) financing activities	000 64	3 577 76	1 244 26	1 763 00	207 (7					
(C)	909.64	3,527.76	1,344.36	1,762.80	307.67					
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(96.28)	147.45	24.38	(17.82)	19.30					
Opening cash and cash equivalents	177.03	29.58	5.20	23.01	3.71					
Opening cash and cash equivalents	177.03	29.30	5.20	25.01	5.71					

Closing cash and cash equivalents	80.75	177.03	29.58	5.20	23.01
Components of cash & cash equivalents					
Cash in hand	0.48	2.61	0.32	0.92	6.45
Balance with scheduled bank					
- In current accounts	0.99	146.84	0.79	4.15	16.44
- In deposits and margin money accounts	79.28	27.58	28.47	0.13	0.12

ANNEXURE IV –STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON RESTATED UNCONSOLIDATED FINANCIAL INFORMATION

A. <u>STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES</u>

1. Basis of Accounting

a. The accounts of the company are prepared under the historical cost convention on an accrual basis, in accordance with generally accepted accounting principles and the provisions of the Companies Act, 1956 and the Company follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

b. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and the disclosures of contingent assets and liabilities on the date of financial statements. Although estimates are based on management knowledge & skill of real estate events and actions, the actual result could differ from those estimates and revisions if any are recognised in the current & future periods.

2. Fixed Assets

Fixed Assets have been stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and directly attributable cost of bringing the asset to working condition for its intended use.

3. Depreciation

Depreciation on fixed assets has been provided on the basis of straight line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

4. Borrowing Cost

Borrowing cost that is directly attributable to the acquisition or construction of qualifying assets (including real estate projects) are considered as part of the cost of the asset/project. All other borrowing costs are treated as period cost and charged to the profit and loss account in the period in which incurred.

5. Investment

Investments in quoted shares, unquoted shares and other investment have been shown as long term investments and these investments are stated at cost.

6. Inventories

a. Inventories comprise of cost of land, building material at site, consumable stores, , internal development costs, external development charges, construction and development costs and the amounts paid as earnest money and deposits to its subsidiary companies to acquire irrevocable licenses and development rights of lands acquired by the subsidiary companies and the cost of borrowing of funds and other related overhead cost directly attributable to the projects.

b. Building materials and consumable stores at site are valued at lower of cost or net realizable value and cost of above said stock is calculated on the basis of the "First in and First Out" method.

c. Real Estate projects, including the value of land and construction work in progress, are valued at cost.

7. Revenue Recognition

a. Revenue from real estate projects is recognised on the "Percentage of Completion Method" of accounting. Revenue is recognized, in relation to the sold areas only, on the basis of percentage of actual cost incurred thereon, including land, as against the total estimated cost of the project under execution subject to such actual costs being 30% or more of the total estimated cost of project. The estimates of saleable areas and costs are revised periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined. However, when the total project cost is estimated to exceed total revenue from the project, the loss is recognised immediately.

b. The stage of completion under the "Percentage of Completion Method" is measured on the basis of the percentage of the actual cost incurred in real estate projects, including land, construction, development cost incurred and borrowing cost, in relation to the total estimated cost to the project. The estimates of the projected revenue, projected cost, projected profit and cost to the completion and future loss are reviewed periodically by the management and any effect of changes in estimates is recognised in the period such changes are determined.

c. Income from construction contracts is recognised by reference to the stage of completion of the contract activity at the reporting date of the financial statements. The related costs against the on going construction project are charged to the profit and loss account of the period.

d. Interest income is recognized on an accrual basis on a time proportion basis.

e. Dividend income is recognized when the Company's right to receive dividend is established.

8. Provision for Current and Deferred Tax

a. Provision for tax for the period comprises current tax, deferred tax and fringe benefit tax.

b. Provision for current tax and fringe benefit tax is the amount of tax payable as determined in advance in accordance with the provisions of the Income Tax Act, 1961 and other relevant tax laws and tax rates in force.

c. Deferred tax is recognized subject to consideration of prudence on timing difference being difference between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future.

9. Foreign Exchange Fluctuation

a. Transactions in foreign currency are recorded at the exchange rates prevailing at the date of respective transactions. At each balance sheet date monetary items denominated in foreign currency are translated at the exchange rate prevailing on the date of Balance Sheet date.

b. Loss and gain arising from exchange differences on translation of monetary assets and liabilities and fixed assets are recognized in the profit and loss account in the period in which they arise.

10. Provision for retirement benefits

a. The Company's contribution to Provident Fund is deposited with the Employees Provident Fund Organization. These are charged to the profit and loss account when the contribution to the fund is due.

b. The Company has taken gratuity scheme with Life Insurance Corporation of India.

c. The balance of unearned leave due to employees is measured and recognized based on the expected cost thereof. However, the employees either avail their leave during a particular financial year or are enchased in the same financial year and therefore the balance is not carried forward.

d. Expenses in respect of other short term benefits is recognized on the basis of amount paid or payable for the period during which services are rendered by the employee.

11. Earnings per share

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of equity shares outstanding during the period, as adjusted for the issuance of any bonus shares. The weighted diluted earnings per equity shares are computed using the weighted average number of equity shares and the dilutive potential equity shares outstanding during the period.

12. Contingent liability and assets

Depending upon the facts and circumstances of each and every case and after due evaluation of legal aspects, claims against the Company not acknowledged as debts are treated as contingent liabilities. A disclosures for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

13. Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset, and such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the profit and loss account. On the balance sheet date, if there is any indication that previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciated historical cost and accordingly reversed in the profit and loss account.

14. Miscellaneous expenditure

Preliminary expenses are written off to the extent of $1/5^{th}$ per year of the total amount.

B. <u>NOTES TO THE STATEMENTS</u>

1. Change in name of company

The name of the Company was changed from Ambience Projects Limited to Ambience Projects & Infrastructure Limited pursuant to shareholders resolution dated November 24, 2006 and subsequently on March 14, 2008 the name was changed from Ambience Projects & Infrastructure Limited to Ambience Limited pursuant to shareholders resolution dated March 13, 2008.

2. Material Regrouping

Appropriate adjustments by way of reclassification of corresponding items of assets, liabilities, income and expenses have been made wherever required, in the restated summary statements of the Company, to bring them in line with the groupings as per the restated summary statements as at and for the year ended March 31, 2009.

3. Segment reporting

The Company is engaged in business of construction and real estate development, which is considered to be the only reportable segment in accordance with Accounting Standard 17. The Company is operating in India, which is considered a single geographical segment.

4. Notes to restated adjustments and regrouping

Prior period taxes

In the financial statements for the year ended March 31, 2007 and 2005, certain items of income tax have been identified as prior period items. For the purpose of this statement, such prior period items have been appropriately adjusted to the respective years to which they relate.

Results of restatement made in the audited financial statement of the Company for the respective years and their impact on the profits/losses of the Company is as under:

	(Amounts Rs. in million)								
Particulars	Year ended 31 st March,								
	2009	2008	2007	2006	2005				
Income tax items charged in the year	-	-	(0.50)	-	(0.01)				
Net profit as per audited financials	349.90	638.38	249.58	143.53	32.81				
Adjustment for such prior period items in the respective years									
to which they relate	-	-	0.50	-	(0.49)				
Restated net profit	349.90	638.38	250.08	143.53	32.33				

- 5. Balance of some of the sundry creditors, contractors, loans & advances are subject to confirmation from the respective parties. The management however does not expect any material variances.
- 6. In the opinion of Board of Directors, the current assets, loans and advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated. Further all known expenses, liabilities and incomes have been accounted for.
- 7. The company has entered into development agreement with its subsidiary land owning company under which company has acquired sole irrecoverable development right in land which is acquired by subsidiary companies. The company has given earnest money and deposits for purpose of land and the subsidiary companies have purchased land in their own name.
- 8. Amount shown in inventories as investment in short duration projects has been regrouped and shown under head "earnest money and deposits under development agreements" of inventories.
- **9.** Miscellaneous expenditure comprise of the fee paid to the Registrar of Companies to increases the authorized share capital of the company and has been recorded in books of accounts as preliminary expenses and it has been written off to the extend of 1/5th per year as per the accounting policy of the company.
- **10.** Remuneration to Directors debited under different heads of account is as follows:

(Amounts Rs. in millions)									
Particulars	Year ended 31 st March,								
	2009	2008	2007	2006	2005				
Salaries and allowances	20.10	58.22	6.64	5.76	0.24				
Total	20.10	58.22	6.64	5.76	0.24				

11. Deferred Tax Liabilities for the respective years comprise of follows:

(Rs. in Millions)

Particulars	Year ended 31 st March,							
	2009	2008	2007	2006	2005			
Opening Deferred Tax Liability	6.50	5.66	5.81	5.51	3.39			
Less: Excess Provision	-		(0.60)	-	-			

of Deferred Tax for earlier years					
Add: Deferred Tax Liability due to difference in tax	3.56	0.84	0.45	0.30	2.12
depreciation and book depreciation					
Closing Deferred Tax Liability	10.06	6.50	5.66	5.81	5.51

12. Contingent Liabilities (not provided for) in respect of:-

(Amount in Rs. million)

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Particulars	Year ended 31 st March,				
	2009	2008	2007	2006	2005
i) Bank Guarantee towards internal and external	1705.74	1755.74	255.74	-	-
development charges in favour of Director, Town &					
Country Planning, Chandigarh					
ii) Claim against the company not acknowledge debts	3.77	1.54	1.54	-	-

- 13. During the financial year ending on 31st March, 2008 the income tax authorities carried out search and seizure operation U/s 132 of the Income Tax Act, 1961 on 10th October, 2007 at the office premises of the company and residences its directors and their associates and during the said search operations the Managing Director of the Company made a statement by declaring an additional income of Rs. 40 crores in the financial year 2007-2008 that will be over and above the total income declared by the Company during the last financial year 2006-2007. The said additional income is by way of investment in share capital, increase in the value of stock and work in progress, receivable, advances & investments etc. in various group companies. The company has paid advance tax on such additional income during the financial year 2007-2008 and provision for income tax has been made accordingly. The Company has been issued notice U/s 153A of the Income Tax Act, 1961 and the assessment proceedings are under process.
- 14. As per revised Accounting Standard 15 "Employee Benefit", the disclosure of employees benefits are given below. (Amount in D_a million)

(Amount in Rs. million)							
Defined Contribution Plan	Year ended 31 st March,						
	2009	2008	2007	2006	2005		
Employer Contribution to Provident Fund		0.02					
Employer Contribution to Pension Scheme	0.04	0.67					

Regarding the above retirement benefits, it has been noted that there were no employees in the Company who were eligible to avail any benefit under the gratuity scheme and therefore the company has not provided any liability under the gratuity scheme in the earlier years, prior to the financial year 2007-08, when the company took a policy of gratuity scheme with LIC of India to cover the liability arising under the said scheme.

15. **Payment to Auditors**

(Amount in Rs. mill							
Particulars	Year ended 31 st March,						
	2009	2008	2007	2006	2005		
For Statutory Audit*	0.30	0.60	0.06	0.06	0.06		
For Tax Audit*	0.10	0.20	0.04	0.04	0.04		

* Excluding Service Tax

Additional information 16.

	(Amount in Rs. millio					
Particulars	Year ended 31 st March,					
	2009	2008	2007	2006	2005	
Value of Imports Calculated on CIF						
Expenditure in foreign currency	2.28	1.50	0.84	1.21	3.54	
Earning in foreign currency						

					(Amount in Rs. m	nillion)			
	Particular of assets								
	Plant & Machinery	Office equipments	Motor vehicles	Furniture & Fixtures	Computers	Total			
March 31, 2009									
Gross block Less:- Accumulated	114.51	1.41	43.03	2.58	4.19	165.73			
depreciation	18.43	0.21	9.26	0.41	1.68	30.00			
Net block	96.08	1.20	33.77	2.17	2.51	135.73			
March 31, 2008 Gross block Less:- Accumulated	103.02	1.30	19.90	1.91	3.07	129.19			
depreciation	13.21	0.15	6.66	0.28	1.24	21.5			
Net block	89.81	1.15	13.24	1.63	1.83	107.64			
March 31, 2007									
Gross block Less:- Accumulated	46.92	0.99	15.21	1.89	2.08	67.09			
depreciation	9.96	0.10	4.99	0.16	0.89	16.10			
Net block	36.96	0.89	10.22	1.73	1.19	50.99			
March 31, 2006									
Gross block Less:- Accumulated	46.37	0.65	14.97	0.22	1.14	63.3			
depreciation	7.02	0.07	3.87	0.10	0.65	11.7			
Net block	39.35	0.58	11.10	0.12	0.49	51.64			
March 31, 2005									
Gross block Less:- Accumulated	35.05	0.44	14.94	0.22	1.05	51.7			
depreciation	3.99	0.05	2.45	0.09	0.47	7.04			
Net block	31.06	0.39	12.49	0.13	0.58	44.60			

ANNEXURE-V SUMMARY STATEMENTS OF FIXED ASSETS, AS RESTATED

				(Amount i	n Rs. million)				
	As at								
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005				
A) Investment in shares									
In quoted shares									
Equity share of M/s Tata Consultancy Services Limited	-	-	0.16	0.16	0.16				
Equity share of M/s IDFC Limited	-	-	0.02	0.02	-				
Equity share of M/s Punjab National Bank Limited	-	-	0.13	0.13	-				
Equity share of M/s Indian Overseas Bank Limited	-	-	-	-	0.00				
Equity share of M/s Vijaya Bank Limited	-	-	-	-	0.01				
Total of investment in quoted share (A)	-	-	0.31	0.31	0.17				
In unquoted shares									
(a) In subsidiary Companies									
Equity shares of M/s Ambi Estates Private Limited	3.34	3.34	0.06	0.10	_				
Equity shares of M/s Ambience Apartment Developers	5.51	5.51	0.00	0.10					
Private Limited	5.12	5.12	2.10	-	-				
Equity shares of M/s Ambience Developers &									
Infrastructure Private Limited	961.78	469.83	52.17	-	-				
Equity shares of M/s Ambience Commercial	201.70	409.05	52.17						
Developers Private Limited	934.15	390.28	11.95	_	-				
Equity shares of M/s Ambience Facilities Services	254.15		11.95						
Private Limited	4.82	4.82	2.89	_	-				
Equity shares of M/s Ambience Farms Private Limited	10.94	10.94	5.44	_	-				
Equity shares of M/s Ambience Homes Private Limited		0.10	0.06						
Equity shares of M/s Ambience Overseas Private		0.10	0.00	_					
Limited	3.64	3.64	0.30	-	-				
Equity shares of M/s Ambience Towers Private	0.04		0.54						
Limited	8.81	8.81	0.54	-	-				
Equity shares of M/s Armaan Buildcon Private Limited Equity shares of M/s Bigway Colonizers Private	0.12	2.21	0.06	0.10	-				
Limited	2.88	2.88	0.06	-	-				
Equity shares of M/s Fineview Realtors Private	2.00	2.00	0.00						
Limited	3.47	3.47	0.06	0.10	-				
Equity shares of M/s Four Square Promoters Private	4.15	4.15	0.00						
Limited Equity shares of M/s Grandvalley Developers Private	4.15	4.15	0.60	-	-				
Limited	3.42	3.42	0.06	0.10	-				
Equity shares of M/s Grandvalley Realtors Private									
Limited	2.58	2.58	0.06	0.10	-				
Equity shares of M/s Greenvalley Realtors Private	0.10	0.40	0.04	0.10					
Limited Equity shares of M/s Lagoon Club Private Limited	0.10	0.48	0.06	0.10	-				
Equity shares of M/s Lagoon Realtors Private Limited	3.27	3.27	1.97	- 0.10	-				
Equity shares of M/s Lagoon Realtors Fivate Emitted Equity shares of M/s Littlevalley promoters Private	1.74	1.74	0.06	0.10	-				
Limited	2.44	2.44	0.06	0.10	-				
Equity shares of M/s Moonvalley Realors Private									
Limited	3.34	3.34	0.06	0.10	-				

ANNEXURE-VI SUMMARY STATEMENTS OF INVESTMENTS, AS RESTATED

Equity shares of M/s NGR Consultants Private Limited	2.50	2.50	0.60	-	-
Equity shares of M/s Rajsheela Housing Private Limited	2.68	2.68	0.72	-	-
Equity shares of M/s Skyvalley Buildcon Private Limited	0.10	0.10	0.06	0.10	
Equity shares of M/s Starvalley Realtors Private	0.10	0.10	0.00	0.10	-
Limited Equity shares of M/s Alankar Apartments Private	3.33	3.33	0.06	0.10	-
Limited	18.80	108.80	-	-	-
Equity shares of M/s Ambience Infracon Private Limited	52.27	52.27	-	-	-
Equity shares of M/s Greenline Developers Private					
Limited Equity shares of M/s Prime Commercial Private	11.26	258.76	-	-	-
Limited	10.73	258.23	-	-	-
Equity shares of M/s RSG Housing & Finance Private Limited	19.90	19.90	-	-	-
Equity shares of M/s Sara Estates Private Limited	18.49	216.49	-	-	-
Equity shares of M/s Senator Developers Private Limited	10.17	246.78	-	-	-
Equity shares of M/s Ambience Buildcon Private				_	
Limited	12.05	12.05	-	-	-
Equity shares of M/s Ambience Power Projects Limited Equity shares of M/s Ambience Highway Developers	0.50	0.50	-	-	-
Limited	0.50	0.50	-	-	-
Equity shares of M/s Ambience SEZ Developers Private Limited	0.10	0.10	-	-	-
Equity shares of M/s Ambience Infrastructure					
Developers Pvt.Ltd.	0.10	0.10	-	-	-
Equity shares of M/s Ambience IT Developers Pvt.Ltd. Equity shares of M/s Ambience Home Developers	0.10	0.10	-	-	-
Pvt.Ltd.	0.10	0.10	-	-	-
(b) In other Companies					
Equity share of M/s Ambience Developers & Infrastructure Private Limited	-	-	-	-	5.00
Total of investment in unquoted share (B)	2,123.81	2,110.17	80.06	1.10	5.00
Total of investment in quoted and unquoted share (A+B)	2,123.81	2,110.17	80.36	1.41	5.17
Other investment (Gold coin)	0.60	0.60	-	2.50	2.50
Total value of investment	2,124.41	2,110.77	80.36	3.90	7.67
Book value of investment in quoted Equity share	-	-	0.30	0.31	0.17
Market value of investment in quoted equity share			0.38	0.44	0.24

				(Amount in R	s. million)
			As at		
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
- Construction material at site	54.62	75.92	24.91	41.54	19.13
Land, construction and development work in progress	2,111.29	1,171.56	-	-	-
Land, including plats and development cost	2,740.85	1,392.63	471.91	-	-
Earnest money and deposits under development agreements	6,013.32	7,015.62	4,833.35	2,538.88	-
Total	10,920.08	9,655.73	5,330.17	2,580.42	19.13

ANNEXURE-VII SUMMARY STATEMENTS OF INVENTORIES, AS RESTATED

Particulars New 21 New 21 New 21								
T ar uculars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005			
Debts outstanding for the								
period exceeding 6 months	-	-	-	-				
	-	-						
Other Debts	-	-						
- Considered good	180.53	-	-	-	84			
Total	180.53	-	-	-	84			
			As at					
Name of Entity	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005			
Due from group entity *								
Ambience Developers & Infrastructure Private Limited	-	-	-	-	84.38			
Total	-	-	-	-	84.38			
_ • • • • •								
Infrastructure Private Limited		-	-	-				

ANNEXURE-VIII SUMMARY STATEMENT OF RECEIVABLES, AS RESTATED

			(Amount in Rs.	million)				
	As at							
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005			
Unsecured, considered good								
Advances recoverable in cash or in kind or for value to be	(07.12	70.00	6.26	205.00	925 70			
received Advance to suppliers & contractors	697.12 12.39	79.08 47.77	6.26 28.29	395.09 24.53	835.79 33.23			
Security deposits Advance tax and tax deducted	0.50	0.75	0.52	0.02	0.02			
at source	570.52	495.06	204.67	67.20	11.42			
Share application money	-	-	-	-	3.51			
Total	1,280.53	622.66	239.74	486.84	883.97			

ANNEXURE-IX SUMMARY STATEMENT OF LOAN AND ADVANCES, AS RESTATED

	As at								
Name of Entity	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005				
Ambience Towers Pvt. Ltd.	610.00	-	-	-	-				
Finance & Investment	-	-	-	385.80	405.80				
Smt Sheela Gehlot	-	-	-	-	380.00				
Prime Commercial Pvt. Ltd.	-	-	-	-	32.99				
Ambience Apartment Developers Pvt. Ltd.	-	-	-	-	17.00				
Total	610.00	-	-	385.80	835.79				

* Except as provided above, there are no loans and advances due from directors, promoters, group companies or the company for the aforementioned years.

		(Amount in Rs. mi As at						
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005			
Term loans	3,282.14	3,497.53	2,626.07	1,820.10	500.00			
Short term loans	950.00	1,100.00	-	-	-			
Working capital loans	2,292.81	1,440.56	449.86	-				
Other equipment and vehicle loan	15.70	1.59	2.92	9.82	15.99			
Interest accrued & due	30.49	30.44	29.61	-	-			
	6,571.14	6,070.12	3,108.46	1,829.92	515.99			

ANNEXURE-X SUMMARY STATEMENT OF SECURED LOAN, AS RESTATED

ANNEXURE - X SUMMARY STATEMENT OF SECURED LOAN, AS RESTATED

(Rs.	in	Million)	
(113)	111	11111011)	

Name of	Nature	Purpose of	Sanction	Outstanding	Installment	Rate of	Security
Bank	of Loan	Loan	Amount	as on 31.03.2009	amount/Repayment/Re- schedulement	Interest	
Indian Bank	Term Loan	Project Loan for Ambience City, Panipat	350.00	316.48	Repayable in 10 equal quarterly installments commencing from March 31, 2009.	BPLR + TP - 2%	(The project lands, the term loan of the lenders are secured by way of first pari-
Syndicate Bank	Term Loan	Project Loan for Ambience City, Panipat	600.00	*618.89	Repayable in eight equal quarterly installments of Rs.75 million the first of which shall be on June 30, 2012 and the entire loan is to be liquidated by March 31, 2014.	PLR + 0.50%	 passu charge on 13.65 acres of licenced land situated at Ambience Island, NH-8, Gurgaon, owned by M/s Greenline Developers Pvt. Ltd.) First pari-passu charge by way of hypothecation of receivables of the project. Personal guarantees of Sh. Raj Singh Gehlot, Sh. Mohan Singh and Sh. Dayanand Singh, directors
ICICI Bank	Term Loan	Project Loan for Residential Complex at Sector-50, Noida.	400.00	130.00	The Rupee term Loan – I of Rs. 175 million and Rupee term Loan – II Rs. 225 million shall be repayable in 19 monthly installments and the first of such installment shall be on April 15, 2010.	IHPLR- 0.75%	 of the company. Exclusive charge on the project land admeasuring 14,187 sq. mtrs. at Sector- 50, Noida, UP. Exclusive charge on the receivables of the project. Exclusive charge on the Escrow Account and all

							A	monies credited / deposited therein. Irrevocable and unconditional personal guarantee of Sh. Raj Singh Gehlot.
HDFC Ltd.	Term Loan	Project Ioan for Caitriona, Ambience Island, Gurgaon.	1900.00	1466.75	 Principal amount to be repaid to ensure that the maximum principal outstanding on the dates specified below does not exceed the limit indicated below: 1. at the end of June 30, 2011 : Rs. 1,583.30 million 2. at the end of September 30, 2011 : Rs. 1,266.60 million 3. at the end of December 31, 2011 : Rs. 949.90 million 4. at the end of March 31, 2012 : Rs. 633.20 million 5. at the end of June 30, 2012 : Rs. 316.50 million 	HDFC -CPLR	A A A	First pari-passu charge by way of equitable mortgage of 10.46 acres of project land, owned by M/s Sara Estates Pvt. Ltd. and building of Caitriona Residential Apartments Complex constructed / to be constructed thereupon situated at Ambience Island, NH-8, Gurgaon. First pari-passu charge by way of hypothecation of receivables of the project. First pari-passu charge on Escrow Account with HDFC Ltd. Personal guarantee of Sh. Raj Singh Gehlot, Sh. Dayanand Singh and Sh. Mohan Singh.
HDFC Limited	Line of Credit	Loan for Delhi Properties	750.00	750.00	 Principal amount to be repaid to ensure that the maximum principal outstanding on the dates specified below does not exceed the limit indicated below: 1. at the end of June 30, 2010 : Rs. 656.25 million 2. at the end of September 30, 2010 : Rs. 562.50 million 3. at the end of December 31, 2010 : Rs. 468.75 million 4. at the end of March 31, 2011 : Rs. 281.25 million 5. at the end of June 30, 2011 : Rs. 281.25 million 6. at the end of June 30, 2011 : Rs. 187.50 million 7. at the end of December 31, 2011 : Rs. 187.50 million 8. at the end of March 31, 2011 : Rs. 187.50 million 	HDFC - CPLR	A A A A	First Charge on property bearing No.L-5 & L-6, Green Park Extension, New Delhi with construction thereon, present and future, owned by Smt. Sheela Gehlot. Extension of charge on land admeasuring 10.92 acres of land and construction thereon, present and future situated at Ambience Island, NH-8, Gurgaon, owned by M/s Senator Developers Pvt. Ltd Extension of charge on 9.84 acres of land and construction thereupon, present and future situated at Ambience Island, NH-8, Gurgaon, owned by M/s RSG Housing & Finance Pvt. Ltd. Extension of charge on residential property at 1/7, Sarva Priya Vihar, New Delhi, owned by Mr. Raj Singh Gehlot. Extension of mortgage of 2.3125 acres of land and construction thereupon, present and future situated at situated at Ambience Island, NH-8, Gurgaon,

							AAA	owned by M/s RSG Housin g & Finance Pvt. Ltd First charge by way of hypothecation of receivables of the project. First charge on Escrow Account with HDFC Ltd. Personal guarantee of Sh. Raj Singh Gehlot, Sh. Mohan Singh and Sh. Dayanand Singh.
UCO Bank	Work ing Capit al Term Loan	To meeting working capital requirement of the company	600.00	612.83	Repayable in four quarterly installments of Rs. 150 million each repayable from December, 2009.	BPLR + 2%	A A	Hypothecation of receivable, work-in-progress, tools & implements, material-at-site including advances to suppliers and advances related to the two construction projects of the company Equitable mortgage of immovable properties being residential properties being residential properties at (i) C-8, Paschimi Marg, Vasant Vihar, New Delhi, admeasuring 1200 sq. yds. and (ii) 7, Anand Lok, New Delhi admeasuring 800 sq. yds. both owned by Smt. Sheela Gehlot. Personal guarantee of Sh. Raj Singh Gehlot and Smt. Sheela Gehlot.
Uco Bank	Cash Credit Limit	To meeting working capital requirement	600.00	**667.39	To be reviewed and renewed every year.	BPLR + 2%	A A A	^{1st} hypothecation charge over the present and future construction material, receivable, work-in- progress, tools & implements at site including advances to suppliers of the construction projects. Equitable mortgage of immovable properties being residential properties being residential properties at (i) E-1/9, Vasant Vihar, New Delhi, admeasuring 640 sq. yds. owned by Smt. Sheela Gehlot and (ii) 33, Poorvi Marg, Vasant Vihar, New Delhi, admeasuring 780 sq. yds. owned by Smt. Sunita Gehlot. Personal guarantee of Sh. Raj Singh Gehlot, Smt. Sheela Gehlot and Smt. Sunita Gehlot.
Bank of Baroda	Short Term Loan	To meeting working capital requirement	950.00	950.00	Repayable in 4 monthly instalments commencing from June 30, 2010 of which first 3 instalments would be of Rs.250 million each and last instalment would be of Rs.200 million.	BPLR + 1.25%	A	First exclusive charge by way of equitable mortgage of land (non-agricultural) admeasuring 2 bigha, 18 biswa & 8 biswansi comprised in Khasa No.587, 588 & 589 situated in the revenue estate of Village Nathupur, Tehsil & Distt. Gurgaon, Haryana standing in the

						A	name of M/s Alankar Apartments Private Limited Personal guarantee of Sh Raj Singh Gehlot Smt. Sheela Gehlot and
Punjab ODP & Sind Limit Bank	To meeting working capital requirement of the company	1000.00	1012.61	Repayable on demand	BPLR + 1%	~	corporate guarantees. Equitable mortgage on (i) 1.552 acres of land at Ambience Island, NH-8, Gurgaon owned by M/s Sara Estates Pvt. Ltd. (ii) 1/8, Shanti Niketan, New Delhi owned by Smt. Sheela Gehlot (iii) L-1, Green Park Extension, New Delhi owned by Smt. Sheela Gehlot (iv) B1/25,Vasant Vihar, New Delhi owned by Smt. Sheela Gehlot and (v) 6 residential plots at Jasola, Pocket-II, New Delhi owned by Smt. Sheela Gehlot, Sh. Mohan Singh and Sh. Dayanand Singh.
						A	Personal / corporate guarantee of (i) Sh. Raj Sing Gehlot (ii) Sh. Dayanand Singh (iii) Sh. Mohan Singh (iv) Smt. Sheela Gehlot (v) Smt. Madhu Bakshi (vi) M/s Sara Estates Pvt. Ltd.
						A	2 nd hypothecation charge (1 st charge being with term lenders for project division) on current assets of the company comprising construction material at site, work-in-progress and receivables etc. of construction division.
Interest Accrued & d	lue		30.49				
Other equipment and			15.70				
Total			6571.14				

•

*The amount in excess of sanctioned amount represents interest accrued. ** The amount in excess of sanction amount represents the book over draft •

The Company has not defaulted on loans and no penalty has been levied. •

			As at	1	r
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31 2005
1. From other bodies corporate	450.10	450.10	-	-	-
Total	450.10	450.10	-	-	-
Notes:- (1) The aforementioned loans a Company.	re not taken from pro	omoters/director	s/group entiti	es/the	

				(Amount in	Rs. million)			
Particulars	As at 31st March,							
	2009	2008	2007	2006	2005			
Authorised share capital Equity share of Rs.10/- each	2,250.00	2,250.00	1250.00	50.00	50.00			
Issued, subscribed & paid up share capital Equity share of Rs.10/- each fully paid	1,817.03	1,806.23	960.12	28.58	10.58			
	1,817.03	1,806.23	960.12	28.58	10.58			

ANNEXURE-XII SUMMARY STATEMENTS OF SHARE CAPITAL, AS RESTATED

				(Amount in R	s. million)				
Particulars		As at 31st March,							
	2009	2008	2007	2006	2005				
Share premium	1,069.20	-	-	442.93	10.93				
General reserve	18.71	18.71	18.72	-	-				
Surplus from profit & loss account	555.22	205.32	13.05	203.51	59.98				
	1,643.13	224.03	31.77	646.44	70.91				

ANNEXURE-XIII SUMMARY STATEMENTS OF RESERVE & SURPLUS, AS RESTATED

	(Amount in Rs. million)									
		For the year ended								
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005					
Sales	2,379.89	2,835.52	600.00	-	-					
Contract receipts	1,288.59	2,390.69	2,916.11	2,645.12	1,474.07					
	3,668.48	5,226.21	3,516.11	2,645.12	1,474.07					

ANNEXURE-XIV SUMMARY STATEMENTS OF INCOME FROM OPERATIONS, AS RESTATED

						(Amount in Rs. milli	on)	
	For the year ended					Nature	Related / Non	
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005	(Recurring/ Non- Recurring)	related to business	
Interest	2.92	2.53	0.80	0.03	-	Recurring	Related	
Dividend received	-	-	0.01	0.01	-	Recurring	Related	
Profit on sale of investment	13.74	0.25	0.12	0.11	-	Non Recurring	Related	
Miscellaneous income	1.88	42.50	-	0.58	0.19	Non Recurring	Related	
Total	18.54	45.28	0.93	0.73	0.19			
% of other income to Profit before tax (PBT)	3.49%	4.69%	0.25%	0.34%	0.37%			

ANNEXURE-XV SUMMARY STATEMENT OF OTHER INCOME, AS RESTATED

				(Amount in Rs.	million)
		F	or the year ende	d	
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
- Directors Remuneration	20.10	58.22	6.64	5.76	0.24
Salaries, Wages & other benefits to Staff	22.31	26.12	18.10	13.73	11.14
Staff Welfare Expenses	0.58	0.35	0.38	0.14	0.13
Total	42.99	84.69	25.12	19.63	11.51

ANNEXURE-XVI SUMMARY STATEMENTS OF ESTABLISHMENT EXPENSES, AS RESTATED

				(Amount in Rs	s. million)
		Fo	or the year end	ed	
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Advertising & business promotion expenses	1.83	1.51	0.70	0.57	2.27
Rent, rates & taxes	12.38	5.30	0.14	0.36	0.22
Conveyance & traveling expenses	8.79	2.97	1.96	2.45	0.81
Bank charges	10.33	1.89	0.29	0.05	0.05
Legal & professional charges	9.45	8.28	1.36	0.58	1.05
Communication expenses	2.29	1.08	0.88	0.57	0.59
Charity & donations	1.39	0.29	0.87	1.52	1.25
Electricity & water charges	1.44	1.97	0.96	0.40	0.38
Printing & stationary expenses	1.62	1.08	0.50	0.40	0.40
Insurance expenses	0.79	0.56	2.16	2.25	2.19
Watch & ward expenses	0.21	1.51	0.90	-	-
Subscription & membership fees	0.05	0.08	0.08	0.28	0.02
Others expenses	1.60	1.66	0.83	0.18	1.21
-					
TOTAL	52.17	28.18	11.63	9.61	10.44

ANNEXURE-XVII- SUMMARY STATEMENT OF ADMINISTRATIVE & OTHER EXPENSES, AS RESTATED

ANNEXURE -XIII		100000111110	1011100,110 10	(Amount in Rs. r	nillion)
			As at		,
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Weighted average number of equity shares of Rs. 10/- each					
i) Number of shares at the beginning of the yearii) Number of shares at the end of the	180622500	96012000	2,857,500	1,057,500	1,057,500
year iii) Weighted average number of outstanding equity Shares	181702500	180622500	96,012,000 95,492,170	2,857,500 1,072,295	1,057,500
iv) Weighted average number of outstanding equity shares (diluted)	181163979	180181517		_,,	1,057,500
	181163979	180181517	179,047,819	56,295,488	55,518,750
Net Profit after tax available for equity shareholders (Rs.)	349,896,289	638,373,261	250,078,908	143,527,560	32,332,534
1. Basic earning per share (EPS) (Rs)	1.93	3.54	2.62	133.85	30.57
2. Diluted earning per share (EPS) (Rs)	1.93	3.54	1.40	2.55	0.58
3. Return on net worth (%)	10.13%	31.60%	25.37%	21.26%	39.73%
4. Net asset value per share (Rs)	19.00	11.19	10.27	236.21	76.95
Earning per share (Basic) =		Net profit attri	butable to equity s	hareholders	
-	Weighted	average number o	of equity shares out	standing during th	e year.
Earning per share (Diluted) =		Net profit attri	butable to equity s	hareholders	
	Weighted ave	rage number of di	luted equity shares	outstanding durin	g the year.
Return on net worth (%) =		N	let profit after tax		
		Net wor	th at the end of the	e year	
Net asset value per share (Rs.) =			th at the end of the		
		Equity shares	s outstanding durin	g the year	

ANNEXURE -XIII SUMMARY OF ACCOUNTING RATIOS, AS RESTATED

	ANNEXURE-XIX CAPITALISATION	STATEMENT	
	Particulars	As Adjusted for the issue	(Amount in Rs. million) Pre-issue as at 31st March, 2009
	Borrowing Short term Debt		3,273.30
	Long term Debt		3,747.94
	Total Debts		7,021.24
	Shareholder's fund Equity share capital Reserve & surplus		1,817.03 1,643.13
	Less:- Miscellaneous expenditure not written off		7.02
	Total shareholder's fund		3,453.14
	Long-term debt/equity ratio Total debt to equity ratio		1.09 2.03
1.	Short term debts represent debts which are due within twelve months fro	om March 31, 2009.	
2.	Long term debts represent debts other than short term debts, as defined a	above.	
3.	The figures disclosed above are based on the Restated Unconsolidated S the Company as at March 31, 2009.	ummary Statement of As	sets and Liabilities of
		Long Te	erm Debts
4.	Long Term debt to Equity =		ders' Funds
5	Total debt to equity ratio =		ıl Debt ders' Funds
		Sharenor	
6	The corresponding post issue figures are not determinable at this stage p and hence have not been furnished.	ending the completion of	Book Building Process
7	Since March 31, 2009, equity share capital of the Company has been inc million by way of issuing 12,11,35,000 bonus shares of Rs.10/- each in shareholder vide resoluation dated August 26, 2009.		

		For t	the year ende	d	
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Profit before tax as restated	531.98	966.29	377.02	216.40	51.87
Tax rate (%)	33.99	33.99	33.66	33.66	35.88
Tax as per actual rate on profits (A)	180.82	328.44	126.90	72.84	18.61
Adjustments:					
Permanent differences Dividend income exempt u/s 10(34) of Income Tax Act, 1961	-	-	0.01	0.01	0.00
Loss on sale of car	(0.18)		(0.48)	-	(0.42)
Charity and donations	(1.39)	(0.29)	(0.87)	(1.52)	(1.25)
Disallowance u/s 36 and u/s 37 of Income Tax Act, 1961	-	(0.29)	-	-	-
Income chargiable under the head capital gain	13.74	0.25	-	-	-
Total permanent difference	12.17	(0.33)	(1.34)	(1.51)	(1.67)
Tax effect from permanent difference (B)	4.14	(0.11)	(0.45)	(0.51)	(0.60)
Timing difference Difference between tax depreciation and book depreciation	10.59	5.31	1.34	1.80	5.73
Deductions claimed under the provisions of Income Tax Act, 1961. Disallowance u/s 43B and u/s 40(a)(ia) of Income Tax Act, 1961	0.65	0.13	0.38	0.51	0.63
Total timing difference	11.24	5.44	1.72	2.31	6.36
Tax effect from timing difference (C)	3.82	1.85	0.58	0.78	2.28
Tax payable at under the head of capital gain (D)	4.67	-	-	-	-
Total adjustments (B+C-D) =E	3.29	1.73	0.13	0.27	1.68

ANNEXURE XX: STATEMENT OF TAX SHELTERS

		For	the year ende	d	
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Tax payable for the year (A-D)	177.53	326.70	126.77	72.57	16.93
Current tax as per return	177.53	326.70	126.77	72.57	16.93
Interest under section 234B and 234C of the Income Tax Act, 1961	16.37	8.48	1.95	2.82	0.50
Total tax as per return	193.90	335.18	128.72	75.39	17.43

ANNEXURE XX: STATEMENT OF TAX SHELTERS

Note: The above statement has been prepared as per the income tax computations filed with Income Tax Return for the year ended March 31, 2008, 2007, 2006 and 2005 and the figures for the year ended March 2009 are based on provisional computation of income and tax made by the management of thr Company.

AMBIENCE LIMITED

ANNEXURE XXI: STATEMENT OF RELATED PARTY DISCLOSURE

		Related party information	
S. No	Name of the Related Parties	Nature of Relationship	Remarks
1	Ambi Estates Private Limited	Subsidiary Company	With effect from 30th March 2006
2	Armaan Buildcon Private Limited	Subsidiary Company	With effect from 30th March 2006
	Grandvalley Developers Private		
3	Limited	Subsidiary Company	With effect from 30th March 2006
	Grandvalley Realtors Private		
4	Limited Greenvalley Realtors Private	Subsidiary Company	With effect from 30th March 2006
5	Limited	Subsidiary Company	With effect from 30th March 2006
6	Fineview Realtors Private Limited	Subsidiary Company	With effect from 30th March 2006
7	Lagoon Realtors Private Limited	Subsidiary Company	With effect from 30th March 2006
1	Littlevalley promoters Private	Subsidiary Company	with effect from som March 2000
8	Limited	Subsidiary Company	With effect from 30th March 2006
	Moonvalley Realors Private		
9	Limited	Subsidiary Company	With effect from 30th March 2006
10	Skyvalley Buildcon Private		
10	Limited	Subsidiary Company	With effect from 30th March 2006
11	Starvalley Realtors Private Limited Ambience Apartment Developers	Subsidiary Company	With effect from 30th March 2006
12	Private Limited	Subsidiary Company	With effect from 28th February 2007
	Ambience Developers &		
13	Infrastructure Private Limited	Subsidiary Company	With effect from 28th February 2007
	Ambience Commercial Developers		
14	Private Limited	Subsidiary Company	With effect from 28th February 2007
15	Ambience Facilities Services Private Limited	Subsidiary Company	With effect from 28th February 2007
16	Ambience Farms Private Limited	Subsidiary Company	With effect from 28th February 2007
10		Subsidiary Company	With effect from 28th February 2007 to 30th
17	Ambience Homes Private Limited	Subsidiary Company	November 2008
18	Ambience overseas Private Limited	Subsidiary Company	With effect from 28th February 2007
19	Ambience Towers Private Limited	Subsidiary Company	With effect from 28th February 2007
20	Bigway Colonizers Private Limited	Subsidiary Company	With effect from 28th February 2007
20	Four Square Promoters Private	Substatury Company	White officer from 20th Feordary 2007
21	Limited	Subsidiary Company	With effect from 28th February 2007
22	Lagoon Club Private Limited	Subsidiary Company	With effect from 28th February 2007
23	NGR Consultants Private Limited	Subsidiary Company	With effect from 28th February 2007
24	Rajsheela Housing Private Limited	Subsidiary Company	With effect from 28th February 2007
	Alankar Apartments Private		
25	Limited	Subsidiary Company	With effect from 28th February 2007
24	Greenline Developers Private	Subsidiary Company	With offect from 28th Echanomy 2007
26	Limited	Subsidiary Company	With effect from 28th February 2007
27	Prime commercial Private Limited RSG Housing & Finance Private	Subsidiary Company	With effect from 28th February 2007
28	Limited	Subsidiary Company	With effect from 28th February 2007
29	Sara Estates Private Limited	Subsidiary Company	With effect from 28th February 2007
_/	Senatore Developers Private	2.550 and 5 Company	
30	Limited	Subsidiary Company	With effect from 28th February 2007
	Ambience Buildcon Private		
31	Limited	Subsidiary Company	With effect from 16th December 2007
32	Ambience Infracon Private Limited	Subsidiary Company	With effect from 16th December 2007

33	Ambience Power Projects Limited	Subsidiary Company	With effect from 16th December 2007
	Ambience Sez Developers Private		
34	Limited	Subsidiary Company	With effect from 26th October 2007
35	Ambience Highway Developers Limited	Subsidiary Company	With effect from 16th December 2007
	Ambience Infrstructure Developers	The second secon	
36	Private Limited	Subsidiary Company	With effect from 21st January 2009
37	Ambience Home Developers Private Limited	Subsidiary Company	With effect from 21st January 2009
	Ambience IT Developers Private		
38	Limited	Subsidiary Company	With effect from 21st January 2009
20	Sh. Dai Sirah Cablet	Key Management	Chairman ann Manaaira Dinatar
39	Sh. Raj Singh Gehlot	Personnel Key Management	Chairman cum Managing Director
40	Sh. Dayanand Singh	Personnel	Director
		Key Management	
41	Sh. Mohan Singh	Personnel	Director
10		Key Management	D
42	Mr Aman Gehlot	Personnel	Director
43	Smt Sheela Gehlot	Relative of key management personnel	Wife of Sh Raj Singh Singh Gehlot
-+5		Relative of key	
44	Mr Arjun Gehlot	management personnel	Son of Sh. Raj Singh Gehlot
		Relative of key	
45	Smt Nutan Gehlot	management personnel	Wife of Sh. Mohan Singh
		Relative of key	
46	Smt Sunita Choudhary	management personnel	Sister of Sh Raj Singh Gehlot
47	Deshahir dan Cirah	Relative of key	Durthan of Surt Shools Cablet
47	Raghubinder Singh	management personnel Relative of key	Brother of Smt Sheela Gehlot
48	Shekhar Singh	management personnel	Brother of Smt Sheela Gehlot
	Shehina Shigh	Relative of key	
49	Saheb Singh Gehlot	management personnel	Brother of Sh. Raj Singh Gehlot
		Relative of key	
50	Smt. Shyamo Devi	management personnel	Sister of Smt Sheela Gehlot
51	Smt. Usha Davi	Relative of key	Sister of Smt Sheela Gehlot
51	Smt. Usha Devi	management personnel Relative of key	
52	Smt Suchitra	management personnel	Wife of Sh Shekhar Singh
		Relative of key	
53	Smt Sita Gehlot	management personnel	Wife of Saheb Singh
	Aman Growth Fund Private		Enterprises owned and significantly influenced
54	Limited	Associate Concerns	by Key Mangement Personnel or their relatives
	Ameri Haldi Di kati kal	Associate C	Enterprises owned and significantly influenced
55	Aman Holding Private Limited	Associate Concerns	by Key Mangement Personnel or their relatives
			Enterprises owned and significantly influenced
56	Ambience Hotels & Resorts Ltd	Associate Concerns	by Key Mangement Personnel or their relatives
	Nutan Growth Fund Private		Enterprises owned and significantly influenced
57	Limited	Associate Concerns	by Key Mangement Personnel or their relatives
2.			
5 0	Raj sheela Growth Fund Private	Associate Comment	Enterprises owned and significantly influenced
58	Limited	Associate Concerns	by Key Mangement Personnel or their relatives
59	Raj Commercial Agencies	Associate Concerns	HUF of Sh Raj Singh Gehlot
60	Mohan Singh & Sons HUF	Associate Concerns	HUF of Sh Mohan Singh
61	Dayanand Singh HUF	Associate Concerns	HUF of Sh Dayanand Singh
62	Raghubinder Singh HUF	Associate Concerns	HUF of Sh Raghubinder Singh
63	Shekhar Singh & Sons HUF	Associate Concerns	HUF of Sh Shekhar Singh

AMBIENCE LIMITED ANNEXURE XXI: STATEMENT OF RELATED PARTY TRANSACTION

						F	or the year er	nded 31st Mar	ch,					
		2009			2008			2007			2006		20	005
Nature of Transactions	KMP & their Relatives	Associate Concerns	Subsidiary Companies	KMP & their Relatives	Associate Concerns									
<u>1. Contract</u> <u>receipts & sales</u>	39.77	1164.50	60.00	53.82	1,048.98	1,268.85	108.60	3,250.37	147.83	8.47	2,614.54	-	0.63	1,453.68
*Lagoon Club								0.04	0.02		0.05			0.41
Private Limited *Ambience	-	-	-	-	-	-	-	0.04	0.02	-	0.05	-	-	0.41
*Ambience Facilities Services Private Limited			60.00			30.00	_	0.20	0.07	_	0.19			1.02
*Ambience Developers & Infrastructure			00.00											
Private Limited *Ambience Commercial Developers Private	-	-		-	-	1,027.55	-	870.83	79.17	-	1,375.58		-	598.30
Limited	-	640.00	-	-	-	211.30	-	754.30	68.57	-	453.38	-	-	349.07
Ambience Hotels & Resorts Limited	-	524.50	-	-	1,048.98	-	-	1,625.00	-	-	785.35	-	-	498.67
Ambience Industries Pvt Ltd	-	-	_	-	_	_	-	-	_	-	_	_	-	6.21
Smt Sunita Choudhary	-	-	-	-	_	-	65.00	-	-	-	-	-	-	-
Smt. Sheela Gehlot	39.77	-	-	53.82	-	-	43.60	-	-	8.47	-	-	0.63	-
2. Other income	_	3.63	_		-	-		-	-	_	0.73	-	_	_
Raj Commercial Agencies	-	3.63	-	_	-	-	_		-	-		-	-	_
Ambience Apartments Developers Private Limited	-	-	-	-	-	-	-	-	-	-	0.73	-	-	-
<u>3. Electricity &</u> <u>fuels charges</u>	0.93	-	7.63	0.30	-	6.15	-	-	11.13	-	-	-	-	-

Ambience														
Facilities Services														
Private Limited	-	-	7.63	-	-	6.15	-	-	11.13	-	-	-	-	-
Smt. Sheela Gehlot	0.93	-	-	0.30	_	-	-		-					
4. Payment of	0.95	-	-	0.50	-	-	-	-	-	-	-	-	-	-
dividend	-	-	-	_	-	-	85.36	106.70	-	_	_	-	_	_
Aman Growth							00.00	100.70						
Fund Private														
Limited	-	-	-	-	-	-	-	21.34	-	-	-	-	-	-
Aman Holding														
Private Limited	-	-	-	-	-	-	-	21.34	-	-	-	-	-	-
Nutan Growth														
Fund Private														
Limited	-	-	-	-	-	-	-	21.34	-	-	-	-	-	-
Raj sheela Growth														
Fund Private Limited								21.24						
Sh. Raj Singh	-	-	-	-	-	-	-	21.34	-	-	-	-	-	-
Gehlot		_		_		_	21.34	_	_		_	_		_
Geniot							21.34							
Smt Sheela Gehlot	-	-	-	-	-	-	21.34	-	-	-	-	-	-	-
													(Amount	t in Millions)
													X	/
						F	or the vear en	ided 31st Mar	ch.					
		2009			2008	F	or the year en	ided 31st Mar 2007	ch,		2006			
		2009			2008	F	or the year en		ch,		2006			005
Nature of Transactions	KMP &		6 J Y	KMP &				2007		KMP &			20	005
Nature of Transactions	KMP & their	Associate	Subsidiary	KMP & their	Associate	Subsidiary	KMP & their	2007 Associate	Subsidiary	KMP & their	Associate	Subsidiary	20 KMP & their	005 Associate
			Subsidiary Companies				KMP &	2007				Subsidiary Companies	20 KMP &	005
	their	Associate		their	Associate	Subsidiary	KMP & their	2007 Associate	Subsidiary	their	Associate		20 KMP & their	005 Associate
Transactions	their	Associate		their	Associate	Subsidiary	KMP & their Relatives	2007 Associate	Subsidiary	their	Associate		20 KMP & their	005 Associate
	their	Associate		their	Associate	Subsidiary	KMP & their	2007 Associate	Subsidiary	their	Associate		20 KMP & their	005 Associate
Transactions Mr Aman Gehlot Mr Arjun Gehlot	their	Associate		their	Associate	Subsidiary	KMP & their Relatives	2007 Associate	Subsidiary	their	Associate		20 KMP & their	005 Associate
Transactions Mr Aman Gehlot Mr Arjun Gehlot Raj Singh & Sons	their	Associate		their	Associate	Subsidiary	KMP & their Relatives 21.34	2007 Associate Concerns	Subsidiary	their	Associate		20 KMP & their	005 Associate
Transactions Mr Aman Gehlot Mr Arjun Gehlot Raj Singh & Sons (HUF)	their	Associate		their	Associate	Subsidiary	KMP & their Relatives 21.34	2007 Associate	Subsidiary	their	Associate		20 KMP & their	005 Associate
Transactions Mr Aman Gehlot Mr Arjun Gehlot Raj Singh & Sons (HUF) 5. Allotment of	their	Associate		their	Associate	Subsidiary	KMP & their Relatives 21.34 21.34	2007 Associate Concerns	Subsidiary	their	Associate		20 KMP & their	005 Associate
Transactions Mr Aman Gehlot Mr Arjun Gehlot Raj Singh & Sons (HUF) 5. Allotment of share	their	Associate		their	Associate	Subsidiary	KMP & their Relatives 21.34 21.34	2007 Associate Concerns	Subsidiary	their	Associate		20 KMP & their	005 Associate
Transactions Mr Aman Gehlot Mr Arjun Gehlot Raj Singh & Sons (HUF) <u>5. Allotment of share (Face value +</u>	their Relatives - - -	Associate Concerns - -		their Relatives - - -	Associate Concerns - -	Subsidiary Companies - - -	KMP & their Relatives 21.34 21.34	2007 Associate Concerns - 21.34	Subsidiary Companies - - -	their Relatives - - -	Associate Concerns - - -		20 KMP & their	005 Associate
Transactions Mr Aman Gehlot Mr Arjun Gehlot Raj Singh & Sons (HUF) 5. Allotment of share (Face value + share premium)	their	Associate		their	Associate	Subsidiary	KMP & their Relatives 21.34 21.34	2007 Associate Concerns	Subsidiary	their	Associate		20 KMP & their	005 Associate
Transactions Mr Aman Gehlot Mr Arjun Gehlot Raj Singh & Sons (HUF) 5. Allotment of share (Face value + share premium) Sh Raj Singh	their Relatives	Associate Concerns - -		their Relatives - - -	Associate Concerns - -	Subsidiary Companies - - -	KMP & their Relatives 21.34 21.34 - 127.00	2007 Associate Concerns - 21.34	Subsidiary Companies - - -	their Relatives	Associate Concerns - - -		20 KMP & their	005 Associate
Transactions Mr Aman Gehlot Mr Arjun Gehlot Raj Singh & Sons (HUF) 5. Allotment of share (Face value + share premium)	their Relatives - - -	Associate Concerns - -		their Relatives - - -	Associate Concerns - -	Subsidiary Companies - - -	KMP & their Relatives 21.34 21.34	2007 Associate Concerns - 21.34	Subsidiary Companies - - -	their Relatives - - -	Associate Concerns - - -		20 KMP & their	005 Associate
Transactions Mr Aman Gehlot Mr Arjun Gehlot Raj Singh & Sons (HUF) 5. Allotment of share (Face value + share premium) Sh Raj Singh	their Relatives	Associate Concerns - -		their Relatives - - -	Associate Concerns - -	Subsidiary Companies - - -	KMP & their Relatives 21.34 21.34 - 127.00	2007 Associate Concerns - 21.34	Subsidiary Companies - - -	their Relatives	Associate Concerns - - -		20 KMP & their	005 Associate

	120.00	-	-	-	-	-	31.75	-	-	20.00	-	-	-	-
Mr Arjun Gehlot	120.00	-	-	-	-	-	31.75	-	-	-	-	-	-	
Mr Mohan Singh	-	-	-	-	-	-	-	-	_	30.00	-	-	-	
Mr Dayanand										20.00				
Singh	-	-	-	-	-	-	-	-	-	20.00	-	-	-	-
Smt. Nutan Gehlot	-	-	-	-	-	-	-	-	-	30.00	-	-	-	
Smt. Anita Gehlot	-	-	-	-	-	-	-	-	-	20.00	-	-	-	
Aman Holding Private Limited	-	120.00	-	-	1,000.00	-	-	31.75	-	-	10.00	-	-	-
Aman Growth Fund Private														
Limited	-	120.00	-	-	1,000.00	-	-	31.75	-	-	10.00	-	-	
Nutan Growth Fund Private Limited	-	120.00	-	_	1,000.00	-	-	31.75	-	-	10.00	-	_	_
Raj Sheela Growth Fund Private														
Limited	-	120.00	-	-	1,000.00	-	-	31.75	-	-	10.00	-	-	-
Raj Singh & Sons (HUF)	-	120.00	-	-	-	-	-	31.75	-	-	-	-	-	-
Ambience Farms Private Limited	-	-	-	-	-	-	-	-	-	-	50.00	-	-	-
Raj Sheela Housing Private														
Limited	-	-	-	-	-	-	-	-	-	-	50.00	-	-	-
NGR Consultant Private Limited	-	-	-	-	-	-	-	-	-	-	25.00	-	-	-
Ambience Overseas Private Limited	-	-	_	_	-	-	-	-	_	-	25.00	-	_	_
Ambience Apartments														
Private Limited	-	-	-	-	-	-	-	-	-	-	20.00	-	-	-
Four Square Promoters Private											20.00			
Limited	-	-	-	-	-	-	-	-	-	-	20.00	-	-	-

			For the year ended 31st March,											
		2009			2008			2007			2006		20	005
Nature of Transactions	KMP & their Relatives	Associate Concerns	Subsidiary Companies	KMP & their Relatives	Associate Concerns	Subsidiary Companies	KMP & their Relatives	Associate Concerns	Subsidiary Companies	KMP & their Relatives	Associate Concerns	Subsidiary Companies	KMP & their Relatives	Associate Concerns
6. Issue bonus														
share (face value)	-	-	-	373.40	468.75	-	411.48	514.35	-	-	-	-	-	
Sh Raj Singh														
Gehlot	-	-	-	93.35	-	-	102.87	-	-	-	-	-	-	
Smt Sheela Gehlot	-	_	_	93.35	-	_	102.87	_		-	-	_	-	
Mr. Aman Gehlot	-	-	-	93.35	-	-	102.87	-	-	-	-	-	-	
Mr. Arjun Gehlot	-	-	-	93.35	-	-	102.87	-	-	-	-	-	-	
M/s. Aman														
Holding Pvt Ltd	-	-	-	-	93.85	-	-	102.87	-	-	-	-	-	
M/s Aman Growth														
Fund Pvt Ltd	-	-	-	-	93.85	-	-	102.87	-	-	-	-	-	
M/s Nutan Growth								100.05						
Fund Pvt Ltd	-	-	-	-	93.85	-	-	102.87	-	-	-	-	-	
M/s Raj Sheela Growth Fund Pvt Ltd	_				93.85	-	-	102.87						
Raj Singh & Sons	-	-	-	-	95.85	-	-	102.87		-		-	-	
HUF	-	_	-	-	93.35	-	-	102.87	-	-	-	-	-	
7. Investment in					,									
short term														
<u>projects</u>	-	-	-	-	-	-	-	-	-	707.00	43.00	-	-	
Ambience Apartment														
Developers Private Limited	-	-	_	-	-	_	-	-	_	-	10.00	_	-	
Prime Commercial Private Limited		-	_	-	_	_	-	-		-	33.00	_	-	
Smt. Sheela Gehlot	-	_	_	-	_	_	-	_		707.00	-	_	-	
8. Salary and remuneration Smt Sheela Gehlot	20.10	-	-	60.83	-	-	9.62	-	-	8.44	-	-	0.24	

	-	-	-	2.25	-	-	2.40	-	-	2.40	-	-	-	-
Smt Nutan Gehlot	-	_	-	0.36	-	-	0.36	-	-	0.26	-	_	-	
Sh. Mohan Singh	-	-	-	3.48	-	-	0.64	-	-	0.38	-	-	0.24	
Sh. Raj Singh														
Gehlot	20.10	-	-	48.00	-	-	6.00	-	-	5.40	-	-	-	
Sh Aman Gehlot	-	-	-	6.74	-	-	0.08	-	-	-	-	-	-	
Smt. Sunita														
Choudhary	-	-	-	-	-	-	0.18	-	-	-	-	-	-	

						F	or the year en	ded 31st Mar	ch,					
		2009			2008			2007			2006		20	005
Nature of Transactions	KMP & their Relatives	Associate Concerns	Subsidiary Companies	KMP & their Relatives	Associate Concerns									
9. Advances														
receivable	-	-	610.00	-	-	-	-	-	-	-	385.80	-	380.00	455.79
Prime														
Commercial Pvt														
Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	32.99
Ambience														
Apartment														
Developers														
Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	17.00
Ambience Towers														
Pvt. Ltd.	-	-	610.00	-	-	-	-	-	-	-	-	-	-	-
Finance &														
Investment	-	-	-	-	-	-	-	-	-	-	385.80	-	-	405.80
Smt Sheela														
Gehlot	-	-	-	-	-	-	-	-	-	-	-	-	380.00	-
10. Advances														
received (closing														
<u>balance)</u>	-	2,776.86	-	-	-	-	-	-	-	-	-	-	-	-
Raj Commercial														
Agencies	-	2,776.86	-	-	-	-	-	-	-	-	-	-	-	-
11. Sundry														
<u>debtors</u>	-	-	-	-	-	-	-	-	-		-	-	-	84.38
Ambience														
Developers &														
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	84.38

Private Limited														
12. Advance from														
customers	-	-	-	-	1,015.66	1,750.00	-	68.71	1,250.00	65.00	270.00	-	65.00	347.57
Smt. Sunita														
Choudhary	-	-	-	-	-	-	-	-	-	65.00	-	-	65.00	-
Ambience														
Commercial														
Developers														
Private Limited	-	-	-	-	-	1,750.00	-	-	650.00	-	270.00	-	-	194.57
Ambience														
Developers &														
Infrastructure														
Private Limited	-	-	-	-	-	-	-	-	600.00	-	-	-	-	-
Apex Home Pvt.														
Ltd.					233.00									
Ambience Hotels														
& Resorts														
Limited	-	-	-	-	782.66	-	-	68.71	-	-	-	-	-	153.00
13. Advances														
outstanding at														
year end for														
acquiring														
development														
rights of projects.	954.28	-	4,169.26	976.72	-	4,850.87	1,044.88	900.00	1,944.39	-	846.02	609.32	-	-
Ambi Estates														
Private Limited	-	-	84.39	-	-	87.50	-	-	87.50	-	-	55.14	-	-
Fineview Realtors														
Private Limited	-	-	75.95	-	-	84.39	-	-	84.39	-	-	84.39	-	-
Grandvalley														
Developers														
Private Limited	-	-	99.09	-	-	99.76	-	-	99.76	-	-	54.00	-	-
Grandvalley														
Realtors Private														
Limited	-	-	44.78	-		44.26	-		44.26	_		44.26	-	-
Lagoon Realtors														
Private Limited	_		145.60	-	-	150.75	-	-	148.02	-	-	70.79	-	-
	-	-	145.00											
Littlevalley		-	145.00											
			145.00											

						Fa	or the year en	ded 31st Marc	ch,					
		2009			2008			2007			2006		2	005
Nature of Transactions	KMP & their Relatives	Associate Concerns	Subsidiary Companies	KMP & their Relatives	Associate Concerns									
Moonvalley Realtors Private														
Limited Starvalley	-	-	92.83	-	-	95.88	-	-	95.88	-	-	80.69	-	-
Realtors Private Limited	-	-	69.96	-	-	75.95	-	-	75.95	-	-	56.55	-	-
Armaan Buildcon Private Limited			44.26		_	47.51	_		47.05			38.04		
Greenvalley Realtors Private			44.20			47.51			47.05			38.04		
Limited Skyvalley	-	-	16.44	-	-	40.85	-	-	40.85	-	-	11.55	-	-
Buildcon Private Limited	-	-	47.51	-	-	50.49	-	-	50.49	-	-	43.95	-	-
Bigway Colonizers														
Private Limited Ambience Apartments Developers Pvt.			92.66	-		92.83	-		92.83	-			-	-
Ltd. Ambience	-	-	95.88	-	-	99.09	-	-	99.09	-	99.09	-	-	-
Facilities Services Private Limited	-	-	87.50	-	-	91.46	-	-	91.46	-	91.46	-	-	-
Ambience Farms Private Limited	-	-	221.20	-	-	237.65	-	-	163.30	-	100.98	-	-	
Ambience Industries Private Limited	-			-	-						97.34			
Ambience Overseas Private Limited			151.96		_	164.51		_	134.49	_	89.36			
Four Square Promoters			1,31.90	-		104.31			134.49		07.30			
Private Limited	-	-	181.67	-	-	190.96	-	-	88.58	-	88.58	-	-	-

Nature of Transactions	KMP & their Belatives	Associate Concerns	Subsidiary Companies	KMP & their Belatives	Associate Concerns									
		2009			2008			2007			2006		20	005
						Fo	r the year en	ded 31st Marc	ch,					
													(Amoun	t in Millions)
Pvt.Ltd.	-		99.76	-	-	145.60	-	-	-	-		-	-	
Developers														
Ltd. Senator	-	-	150.75	-	-	151.96	-	-	-	-	-	-	-	-
Sara Estates Pvt.														
Greenline Developers Pvt.Ltd.	-	-	164.51	-	-	181.67	-	-	-	-	-	-	-	
Apartments Private Limited	-	-	237.65	-	-	361.88	-	-	_	-	_	_	-	-
Alankar	-	-	301.88	-	-	577.05	-	-	-		-	-		-
RSG Housing & Finance Pvt.Ltd.			361.88			377.03								
Ambience Homes Pvt.Ltd.	_	-	_	_	_	477.31	_	_	_	-	-	_	_	
Ambience Towers Private Limited	-	-	-	-	-	810.00	-	-	-	-	-	-	-	
Prime Commercial Private Limited	_	-	212.34	_	_	221.20	_	_	33.00	_	-	-	-	
Apex Homes Private Limited	-	-	-	-	-	-	-	900.00	-	-	-	-	-	-
Mrs. Sheela Gehlot	853.45	-	-	875.89	-	-	944.05	-	-	-	-	-	-	
Smt. Nutan Gehlot	100.83	-	-	100.83	-	-	100.83	-	-	-	-	-	-	-
Raj Sheela Housing Private Limited	-	-	92.52	-	-	92.66	-	-	92.66	-	92.66	-	-	-
NGR Consultants Private Limited	-	-	91.46	-	-	92.52	-	-	92.52	-	92.52	-	-	
Lagoon Club Private Limited	-	-	190.96	-	-	212.34	-	-	212.34	-	94.03	-	-	-

	their Relatives	Concerns	Companies	their Relatives	Concerns										
Ambience SEZ Developers Pvt.			43.10			2.90									-

Ltd.														
Ambience														
Buildcon Pvt.Ltd.			59 (0											
	-	-	58.69	-	-	-	-	-	-	-	-	-	-	-
Ambience														
Highway														
Developers														
Pvt.Ltd.	-	-	10.00	-	-	-	-	-	-	-	-	-	-	-
Ambience														
Infrastructure														
Developers Pvt														
Ltd.	-	-	853.45	-	-	-	-	-	-	-	-	-	-	-
14. Rent paid	4.92	_		4.92	-	_	-	-	_	_	_	_	_	_
Smt Sheela	7,74	-	-	7,74	-	-	-	-	-	-	-	-	-	-
Gehlot	4.92	_	_	4.92	_	_	_	_	_	_	_	_	_	
15. Construction	4.72	-	-	4.72	-	-	-	-	-	-	-	-	-	-
<u>& Development</u>														
	7.04			161.06	751 95									
Expenses	7.96	-	-	464.06	751.85	-	-	-	-	-	-	-	-	-
Dayanand Singh HUF					150.01									
	-	-	-	-	150.21	-	-	-	-	-	-	-	-	-
Mohan Singh &					150.15									
Sons HUF	-	-	-	-	150.45	-	-	-	-	-	-	-	-	-
Raghubinder														
Singh	-	-	-	150.31	-	-	-	-	-	-	-	-	-	-
Raghubinder														
Singh HUF	-	-	-	-	150.15	-	-	-	-	-	-	-	-	-
Saheb Singh &														
Sons HUF	-	-	-	-	150.79	-	-	-	-	-	-	-	-	-
Shekhar Singh	-	-	-	150.43	-	-	-	-	-	-	-	-	-	-
Shekhar Singh														
HUF	-	-	-	-	150.26	-	-	-	-	-	-	-	-	-
Saheb Singh														
Gehlot	-	-	-	155.43	-	-	-	-	-	-	-	-	-	-
Smt. Shyamo														
Devi	3.99	-	-	3.95	-	-	-	-	-	-	-	-	-	-
Smt. Usha Devi	3.98	-	-	3.95	-	-	-	-	-	-	-	-	-	-
16. Investment														
in Shares	-	-	2,123.81	-	-	2,101.17	-	-	80.06	-	-	1.10	-	-
Ambience														
Developer &														
Infrastructure Pvt														
.Ltd.	-	-	961.78		-	469.83	-	-	52.17	-	-	-	-	-
Ambience														
Commercial														
Developers Pvt.														
Ltd.	-	-	934.15	-	-	390.28	-	-	11.95	-	-	-	-	-

Greenline														
Developers														
Pvt.Ltd.	-	-	11.26	-	-	258.76	-	-	-	-	-	-	-	-
Prime														
Commercial														
Pvt.Ltd.	-	-	10.73	-	-	258.23	-	-	-	-	-	-	-	-
Senator														
Developers														
Pvt.Ltd.	-	-	10.17	-	-	237.78	-	-	-	-	-	-	-	-
Sara Estates														
Pvt.Ltd.	-	-	18.49	-	-	216.49	-	-	-	-	-	-	-	-

						Fo	or the year en	ded 31st Mare	ch,					
		2009			2008			2007			2006		2	005
Nature of Transactions	KMP & their Relatives	Associate Concerns	Subsidiary Companies	KMP & their Relatives	Associate Concerns									
Alankar														
Apartment														
Pvt.Ltd.	-	-	18.80	-	-	108.80	-	-	-	-	-	-	-	-
Ambience														
Infracon Pvt.Ltd.	-	-	52.27	-	-	52.27	-	-	-	-	-	-	-	-
RSG Housing &														
Finance Pvt.Ltd.	-	-	19.90	-	-	19.90	-	-	-	-	-	-	-	-
Ambience			10.05			10.05								
Buildcon Pvt.Ltd.	-	-	12.05	-	-	12.05	-	-	-	-	-	-	-	-
Ambience Farms			10.04			10.04			5 4 4					
Pvt.Ltd.	-	-	10.94	-	-	10.94	-	-	5.44	-	-	-	-	-
Ambience Towers Pvt.Ltd.	_	_	8.81	_	_	8.81	_	_	0.54	_	-	_	_	-
Ambience			0.01			0.01			0.51					
Apartment Developres Pvt.														
Ltd	-	-	5.12	-	-	5.12	-	-	2.10	-	-	-	-	-
Ambience Facilities Services														
Pvt.Ltd.	-	-	4.82	-	-	4.82	-	-	2.89	-	-	-	-	-
Four Square Promoters														
Pvt.Ltd.	-	-	4.15	-	-	4.15	-	-	0.60	-	-	-	-	-
Ambience Overseas Pvt.Ltd.	-	-	3.64	-	-	3.64	-	-	0.30	-	-	-	-	-

Greenvalley Realtors Pvt.						0.48			0.06					
Nature of Transactions	KMP & their Relatives	Associate Concerns	Subsidiary Companies	KMP & their Relatives	Associate Concerns									
		2009			2008			2007			2006		20	005
						Fo	r the year en	ded 31st Marc	ch,					
													(Amoun	t in Millions
Highway Projects			0.50		_	0.50	_	_	-		_	-		
Projects Ltd. Ambience	-	-	0.50	-	-	0.50	-	-	-	-	-	-	-	
Pvt. Ltd. Ambience Power	-	-	1.74	-	-	1.74	-	-	0.06	-	-	0.10	-	
Lagoon Realtors														
Armaan Buildcon Pvt. Ltd.	-	-	0.12	-	-	2.21	-	-	0.06	-	-	0.10	-	
Promoters Pvt. Ltd.	-	-	2.44	_	-	2.44	-	-	0.06		-	0.10	-	
Pvt.Ltd. Littlevalley	-	-	2.50	-	-	2.50	-	-	0.60	-	-	0.10	-	
NGR Consultants														
Grandvalley Realtors Pvt. Ltd.	_	_	2.58	_	_	2.58	_	-	0.06	_	-	-		
Rajsheela Housing Pvt.Ltd.	-	-	2.68	-	-	2.68	-	-	0.72	-	-	-	-	
Bigway Colonizers Pvt.Ltd.	-	-	2.88	-	-	2.88	-	-	0.06	-	-	-	-	
Lagoon Club Pvt.Ltd.	-	-	3.27	-	-	3.27	-	-	1.97	-	-	-	-	
Starvalley Realtors Pvt. Ltd.	_	_	3.33	-	_	3.33	-	-	0.06	-	-	0.10	-	
Moonvalley Realtors Pvt. Ltd.	-	-	3.34	-	-	3.34	-	-	0.06	-	-	0.10	-	
Ltd.	-	-	3.34	-	-	3.34	-	-	0.06	-	-	0.10	-	
Developers Pvt. Ltd.f Ambi Estates Pvt.	-	-	3.42	-	-	3.42	-	-	0.06	-	-	0.10	-	
Fineview Realtors Pvt. Ltd. Grandvalley	-	-	3.47	-	-	3.47	-	-	0.06	-	-	0.10	-	

Ambience						0.10			0.05			0.10		
Homes Pvt.Ltd.	-	-	-	-	-	0.10	-	-	0.06	-	-	0.10	-	
Skyvalley														
Buildcon														
Pvt.Ltd.	-	-	0.10	-	-	0.10	-	-	0.06	-	-	0.10	-	
Ambience Sez														
Developers														
Pvt.Ltd.	-	-	0.10	-	-	0.10	-	-	-	-	-	-	-	
Ambience														
Infrastructure														
Developers														
Pvt.Ltd.	-	-	0.10	-	-	0.10	-	-	-	-	-	-	-	
Ambience IT														
Developers														
Pvt.Ltd.	-	-	0.10	-	-	0.10	-	-	-	-	-	-	-	
Ambience														
Home														
Developers														
Pvt.Ltd.	-	-	0.10	-	-	0.10	-	-	-	-	-	-	-	
17. Purchases														
of Agriculture														
land	-	-	-	207.56	269.53	256.69	-	-	-	-	-	-	-	
Smt. Sheela														
Gehlot	-	-	-	207.56	-	-	-	-	-	-	-	-	-	
Raj														
Commercial														
Agencies	-	-	-	-	269.53	-	-	-	-	-	-	-	-	
Ambience														
Farms Pvt.Ltd.	-	-	-	-	-	224.91	-	-	-	-	-	-	-	
Ambience														
Apartment Pvt														
.Ltd.	-	-	-	-	-	31.78	-	-	-	-	-	-	-	
Note: - KMP =														
key														
management														
persons														
<u></u>														

* In the financial year 2006-07 the marked companies were associate concern up to February 27, 2007 and after than these companies became subsidiary of the Company.

ANNEXURE-XX		CE LIMITED TATEMENT OF	DIVIDENDS PA	ID	
Particulars	March 31, 2009	March 31, 2008	Year ended March 31, 2007	March 31, 2006	March 31, 2005
Number of equity shares (A)	-	-	96,012,000	-	-
Rate of final dividend (%)	-	-	20%	-	-
Amount of dividend on equity shares	-	-	218.96	-	-
Tax paid on dividend	-	-	26.93	-	-

AUDITORS' REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors, Ambience Limited, L-4 Green Park Extension, New Delhi-110016, India.

Dear Sirs,

We have examined the Restated Consolidated Summary Statements and Other Financial Information of Ambience Limited (the 'Company') and its Subsidiaries (collectively referred to as the "Ambience Group") for each of the financial years ended March 31, 2009, 2008, 2007 and 2006 annexed to this report and initialed by us for identification. The said Restated Consolidated Summary Statements and Other Financial Information have been prepared by the Company for the purposes of inclusion in the Draft Red Herring Prospectus in connection with the proposed Initial Public Offer ("IPO") of the Company in accordance with the requirements of:

- (i) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 (the 'Act');
- (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'SEBI Regulations') issued by the Securities and Exchange Board of India ('SEBI'); and
- (iii) The terms of our letter of engagement dated August 4, 2009 with the Company requesting us to carry out work in connection with the proposed IPO.

The Restated Consolidated Summary Statements and Other Financial Information have been approved by the Board of Directors of the Company.

A. Restated Consolidated Summary Statements

- We have examined the attached 'Consolidated Summary Statement of Assets and Liabilities, As Restated' (Annexure I) as at March 31, 2009, 2008, 2007 and 2006 and the attached 'Consolidated Summary Statement of Profits and Losses, As Restated' (Annexure II) and the attached 'Consolidated Summary Statement of Cash Flows, As Restated' (Annexure III) for the years ended March 31, 2009, 2008, 2007 and 2006 (Annexure I, II and III are collectively referred to in this report as the "Restated Consolidated Summary Statements"). The Company did not have any subsidiaries as at and for the year ended March 31, 2005.
- 2. The Restated Consolidated Summary Statements are after making adjustments and regroupings as in our opinion were appropriate and more fully described in the 'Statement of Significant Accounting Policies and Notes to the Statements' (Annexure IV).
- 3. We did not audit the financial statement of certain subsidiaries, the details of which are given in the table below. These financial statements have been audited by other auditors as per the details given in table below whose Auditors' reports have been furnished to us. Our opinion in so far as it relates to the amounts included in these Restated Consolidated Summary Statements are based on the auditors' report of the respective auditors. We have verified the impact of retrospective adjustments on account of changes in accounting policies, prior period items and regrouping for the years as applicable.

S. No.	Name of Company	Name of Auditors	Total Assets (Amounts in Rs. Millions)
	Ambience Developer & Infrastructure Private		
1	Limited	Ramesh Shah & Associates	8,055.32
2	RSG Housing & Finance Private Limited	Ramesh Shah & Associates	418.93
3	Sara Estates Private Limited	Ramesh Shah & Associates	372.50
4	Ambience Buildcon Private Limited	Ramesh Shah & Associates	55.71
5	Greenline Developers Private Limited	Ramesh Shah & Associates	442.80

S. No.	Name of Company	Name of Auditors	Total Assets (Amounts in Rs. Millions)
6	Senator Developers Private Limited	Ramesh Shah & Associates	394.54
7	Ambience Infracon Private Limited	Ramesh Shah & Associates	53.07
8	Ambience Facilities Services Private Limited	Ramesh Shah & Associates	360.59
9	Ambience Apartment Private Ltd	Ramesh Shah & Associates	150.72
10	Rajsheela Housing Private Limited	Ramesh Shah & Associates	310.29
11	Four Square Promoters Private Limited	Ramesh Shah & Associates	198.26
12	Alankar Apartment Private Limited	Ramesh Shah & Associates	474.13
13	Grandvalley Realtors Private Limited	Ramesh Shah & Associates	48.78
14	Lagoon Realtors Private Limited	Ramesh Shah & Associates	156.68
15	Littlevalley Promoters Private Limited	Ramesh Shah & Associates	75.18
16	Moonvalley Realtors Private Limited	Ramesh Shah & Associates	101.99
17	Skyvalley Buildcon Private Limited	Ramesh Shah & Associates	52.87
18	Starvalley Realtors Private Limited	Ramesh Shah & Associates	81.91
19	Ambience Home Developers Private Limited	Ramesh Shah & Associates	0.10
20	Ambience IT Developers Private Limited	Ramesh Shah & Associates	0.23
		Total	11,804.62

4. Based on our examination of the Restated Consolidated Summary Statements, we confirm that:

- (i) Adjustments on account of changes in accounting policies have been made to the financial statements for the respective financial years;
- (ii) Amounts relating to adjustments for previous years have been identified and adjusted in the statements in the year to which they relate;
- (iii) There are no extraordinary items that need to be disclosed separately in the Restated Consolidated Summary Statements;
- (iv) There are no qualifications in auditors' reports or incorrect accounting policies that require adjustment in the Restated Consolidated Summary Statements; and
- (v) There are no revaluation reserves that require deduction from fixed assets, reserves and net worth in the Summary Statement of Assets and Liabilities, As Restated".
- 5. Summary of significant accounting policies adopted by the Ambience Group and material adjustments and regroupings carried out in the preparation of the Restated Consolidated Summary Statements and the significant accounting policies and notes on Restated Consolidated Summary Statements are enclosed as Annexure IV to this report.

B. Other Financial Information

- 6. We have also examined the following financial information ("Other Financial Information") in respect of the Ambience Group as at and for the years ended March 31, 2009, 2008, 2007 and 2006, included in the Draft Red Herring Prospectus, as approved by the Board of Directors and annexed to this report:
 - a) Consolidated Summary Statement of Fixed Assets (Annexure V);
 - b) Consolidated Summary Statement of Investments (Annexure VI);
 - c) Consolidated Summary Statement of Inventories (Annexure VII);
 - d) Consolidated Summary Statement of Receivables (Annexure VIII);
 - e) Consolidated Summary Statement of Loan & Advances (Annexure IX);
 - f) Consolidated Summary Statement of Secured Loans (Annexure X);
 - g) Consolidated Summary Statement of Unsecured Loans (Annexure XI);
 - h) Statement of Share Capital (Annexure XII);
 - i) Consolidated Summary Statement of Reserves and Surplus (Annexure XIII);

- j) Consolidated Summary Statement of Income from Operation (Annexure XIV);
- k) Consolidated Summary Statement of Other Income (Annexure XV);
- 1) Consolidated Summary Statement of Cost of Operations (Annexure XVI);
- m) Consolidated Summary Statement of Establishment Expenses (Annexure XVII);
- n) Consolidated Summary Statement of Administrative and Other Expenses (Annexure XVIII);
- o) Consolidated Summary Statement of Accounting Ratios based on the restated profits relating to earnings per share (basic and diluted), net asset value and return on net worth (Annexure XIX);
- p) Capitalization Statements (Annexure XX);
- q) Consolidated Statement of Related Party Transactions (Annexure XXI); and
- r) Statement of tax shelters (Annexure XXII).
- 7. In our opinion, the Restated Consolidated Summary Statements and the Other Financial Information set forth in Annexure I XXI read with the significant accounting policies and notes to the statements have been prepared in accordance with Part II of Schedule II the Act and the SEBI Regulations.
- 8. This report is intended solely for your information and for inclusion in the Draft Red Herring Prospectus in connection with the Company's proposed IPO of its equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For BLY & Associates Chartered Accountants

B.L. Yadav FCA/Prop. Membership No. 91601

Place : New Delhi Dated: September 22, 2009

	ANNEXURE-I CONSOLIDATED SU	MMARY STATEME	ENT OF ASSETS AN		RESTATED ount in Rs. million)
			As	at	
	Particulars	March 31, 2009	March 31, 2006		
A.	Fixed assets				
	Gross block	389.81	279.89	163.16	63.35
	Less: Accumulated depreciation	61.47	45.09	33.49	11.7
	Net block	328.34	234.80	129.67	51.64
B.	Investments	17,059.27	5,891.73	2.13	0.3
C.	Current assets, loans and advances				
	Inventories	14,953.46	21,394.82	19,887.96	2,651.3
	Receivables	342.03	236.68	375.69	
	Cash and bank balances	138.58	249.72	65.35	5.7
	Loans and advances	3,020.73	1,567.49	435.24	440.3
		18,454.80	23,448.71	20,764.24	3,097.3
	Total assets	35,842.42	29,575.24	20,896.04	3,149.3
D.	Liabilities and provisions				
	Loan funds:				
	Secured loans	26,613.11	20,711.63	13,171.56	1,829.9
	Unsecured loans	730.71	1,573.00	1,845.47	
	Deferred tax liability	17.29	13.64	12.66	5.8
	Current liabilities & provisions				
	Sundry liabilities	2,440.40	2,979.50	2,556.29	541.9
	Provisions	769.34	574.01	247.72	91.0
		30,570.85	25,851.78	17,833.69	2,468.7
Е	Minority interest	-	-	914.70	
	Net Worth (A+B+C-D)	5,271.57	3,723.46	2,147.65	680.5
	Net worth represented by:	_			
	Shareholder funds				
	Share capital	1,817.03	1,806.23	960.12	28.5
	Reserve & surplus Less : Miscellaneous expenditure	3,473.23	1,940.95	1,195.34	652.4
	not written off	18.69	23.72	7.81	0.4
	Net worth	5,271.57	3,723.46	2,147.65	680.5

ANNEXURE-II CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED

	(Amount in Rs. million)					
		For the y	ear ended			
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006		
INCOME						
Income from operations	4,422.05	4,479.37	4,447.18	2,645.12		
Other income	35.38	62.76	11.07	0.73		
	4,457.43	4,542.13	4,458.25	2,645.85		
EXPENDITURE						
Cost of operations	2,740.58	2,828.39	3,861.34	2,322.52		
Establishment expenses	49.30	97.13	27.17	19.63		
Administrative and other expenses	79.94	79.88	13.02	9.61		
Interest & finance charges	984.55	504.99	76.36	72.97		
Preliminary expenses written off	3.39	4.16	1.63	0.05		
Depreciation	14.27	11.60	5.12	4.67		
	3,872.03	3,526.15	3,984.64	2,429.45		
Profit before tax and prior period items	585.40	1,015.98	473.61	216.40		
Provision for taxation						
- Income tax	188.53	335.80	164.40	72.57		
- Fringe benefit tax	1.23	0.90	0.33	-		
- Deferred tax liability(assets)	3.75	0.98	(0.28)	0.30		
Net Profit after tax and before prior period and extraordinary items	391.89	678.30	309.16	143.53		
Less: Prior period items	0.18	1.08	0.50	-		
Net Profit before restatement adjustments	391.71	677.22	308.66	143.53		

	For the year ended					
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006		
Restatement adjustments		-				
Prior period items (refer D-5 of Annexure IV) Change in accounting policy (refer D-5 of Annexure	0.18	0.90	0.50	(1.07)		
IV)	-	-	(68.70)	-		
Tax impact of adjustments	-	-	23.09	-		
Restated net profit before minority interest	391.89	678.12	263.55	142.46		
Less: Restated profit transferred to minority interest	-	-	10.07	-		
Restated net profit after minority interest	391.89	678.12	253.48	142.46		

Balance in profit and loss account brought forward from previous years	207.95	8.38	202.94	60.48
Appropriations				
Interim Dividend including dividend tax	-	-	218.96	-
Transfer to general reserve	5.00	6.00	26.21	-
Bonus issue of shares	-	472.55	202.87	-
Balance carried over to Balance Sheet	594.84	207.95	8.38	202.94

ANNEXURE-III CONSOLIDATED SUM	IMARY STATEM	ENTS OF CASH	,	nt in Rs. million)		
	for the year ended					
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006		
A. CASH FLOW FROM OPERATING						
ACTIVITIES						
Profit before tax and minority interest, as	585.40	1,015.80	404.91	215.33		
restated	14.07	11.60	5.12	4.67		
Depreciation	14.27	4.16	1.63	0.05		
Misc. expenses written off	3.39	4.10	0.48	0.05		
(Profit)/ loss on disposal of fixed assets	0.18	(2.00)		-		
(Profit)/ loss on sale of investments	(13.74)	(2.00)	(0.20)	-		
(Profit)/ loss on sale of investments	1.43	-	-	-		
Interest income	(11.88)	(4.04)	(0.02)	(0.03)		
Dividend income	(0.26)	-	(0.01)	(0.01)		
Interest expense	984.55	504.99	76.36	72.97		
Operating profits before working capital changes	1,563.34	1,530.51	488.26	292.98		
Adjustment for:		120.01	(241.57)	04.20		
Decrease/(Increase) in sundry debtors	(105.35)	139.01	(341.57)	84.38		
Decrease/(Increase) in inventories	(4,607.74)	(7,414.60)	(2,235.17)	(2,629.71)		
Decrease/(Increase) in loan & advances	(1,704.24)	(752.48)	2,238.46	348.87		
Increase/(Decrease) in sundry creditors & other	((1.79)	423.20	(2,103.03)	250.01		
liabilities	(61.78)	(21.31)	(8.28)	(0.35)		
Miscellaneous expenditure incurred	(0.42)	(21.51)	(0.20)	(0.55)		
Cash generated from/(used in) from operations	(4,916.19)	(6,095.67)	(1,961.33)	(1,653.82		
Less : Direct tax paid	288.97	323.85	187.71	54.72		
Net cash generated from/(used in) operations	(5,205.16)	(6,419.52)	(2,149.04)	(1,708.54)		
(A) B. CASH FLOW FROM INVESTING						
ACTIVITIES						
Purchase of fixed assets	(110.95)	(116.73)	(4.71)	(11.65)		
Sale of fixed assets	0.42	-	0.11	-		
Purchase of investments	(655.54)	(468.62)	(71.39)	(0.14)		
Sale of Investment	15.67	4.11	98.03	5.01		
Other investment receipts	21.03	18.74	3.65	7.04		
Interest received	11.88	4.04	0.02	0.03		
Dividends received	0.26		0.01	0.01		
Net cash generated from/(used in) investing	(717.21)	(558.42)	25.72	0.30		
activities (B)	(717.21)	(550.42)	23.72	0.50		
C. CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from issuance of shares including share		400.00	866.59	450.00		
premium	1,080.00	10 201 15	1			
Proceeds from borrowings	15,638.62	10,286.42	1,669.99	1,326.54		
Repayment of Borrowings	(9,922.76)	(3,018.82)	(87.61)	(12.61)		
Interest expenses	(984.55)	(504.99)	(76.36)	(72.97)		
Dividend paid (including tax)	-	-	(218.96)	-		
Net cash generated from/ (used in) financing activities (C)	5,811.31	7,162.61	2,153.65	1,690.96		

ANNEXURE-III CONSOLIDATED SUMMARY STATEMENTS OF CASH FLOWS, AS RESTATED

Net change in cash and cash equivalents (A+B+C)	(111.06)	184.67	30.33	(17.28)
Cash and cash equivalents at the beginning of the	249.71	65.35	5.73	22.48
year Add : Cash and cash equivalents in respect of	(0.07)	(0.30)	29.29	0.53
subsidiaries acquired/sold during the year	138.58	249.72	65.35	5.73
Closing cash and cash Equivalents	130.30	249.12	05.55	5.75
Components of cash & cash equivalents				
Cash in hand	12.25	48.48	8.32	1.30
Balance with scheduled bank				
- In current accounts	16.14	154.58	10.51	4.30
- In deposits and margin money accounts	110.19	46.65	46.53	0.13

ANNEXURE IV – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

A. Background and Group Structure

Ambience Limited, a public limited company, together with its subsidiaries (herein after referred as Ambience Group) and is engaged in the business of real estate development. The operations of the Ambience group span all aspects of real estate development, from the identification and acquition of land to planning, execution, construction and marketing of projects. The Ambience group is also engaged in the business of leasing and licensing of commercial space, providing common area maintenance service and other related activities of real estate business.

B. Basis of Preparation of Restated Consolidated Summary Statements

The Restated Consolidated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows of Ambience group (collectively the "Restated Consolidated Summary Statement) have been prepared by applying the necessary adjustments to the audited financial statements of the respective group entities. These audited financial statements of the group entities have been prepared under the historical cost convention, on an accrual basis and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India ('ICAI').

These Restated Consolidated Summary Statements have been prepared in accordance with the requirements of AS 21 (Accounting for Consolidated Financial Statements), issued by ICAI, on the following basis:

- i) The Company and its Subsidiaries (the "Ambience Group") are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances and intra-group transactions and also unrealised profits or losses. The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent-subsidiary relationship comes into existence.
- ii) The difference between the cost to the Company of its investment in the subsidiary and its proportionate share in the equity of the subsidiary as at the date of acquisition of stake is recognized as Goodwill or Capital Reserve, as the case may be.
- iii) Minorities' interest in net profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same are accounted for by the Company.
- iv) Consolidated financial statements are prepared using uniform accounting policies across the Ambience Group.
- V) There are no differences in reporting dates within the Ambience Group.
- vi) The Company has acquired first Subsidiary Company on 31st March 2006, therefore no consolidation is required for and as at year ended March 31, 2005 and before.

C. Significant accounting policies.

1. Basis of accounting

a. The accounts of the company are prepared under the historical cost convention on an accrual basis, in accordance with generally accepted accounting principles and the provisions of the Companies Act, 1956. The Company follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

b. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and the disclosures of contingent assets and liabilities on the date of financial statements. Although estimates are based on management knowledge & skill of real estate events and actions, the actual result could differ from those estimates and revisions if any are recognised in the current & future periods.

2. Fixed Assets

Fixed Assets have been stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and directly attributable cost of bringing the asset to its working conditions for its intended use.

3. Depreciation

Depreciation on fixed assets has been provided on the basis of straight line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

4. Borrowing Cost

Borrowing cost that is directly attributable to the acquisition or construction of qualifying assets (including real estate projects) is considered as part of the cost of the asset/project. All other borrowing costs are treated as period cost and charged to the profit and loss account in the period in which incurred.

5. Investment

Investments in quoted/unquoted shares and properties have been shown as long term investments and stated at cost.

6. Inventories

- i) Inventories comprise of building material at site, consumable stores, cost of land, internal development costs, external development charges, construction and development costs, advance given to contractors and supplies, cost of borrowed funds and the amounts paid as earnest money and deposits to its subsidiary companies to acquire irrevocable licenses and development rights of lands acquired by the subsidiary companies and the cost of borrowing of funds.
- ii) Building materials and consumable stores at site are valued at lower of cost or net realizable value and cost of above said stock is calculated on the basis of the "First in and First Out" method.
- iii) Real Estate projects, including the value of land and construction work in progress, are valued at cost.

7. Revenue Recognition

i) Revenue from real estate projects is recognised on the "Percentage of Completion Method" of accounting. Revenue is recognized, in relation to the sold areas only, on the basis of percentage of actual cost incurred thereon, including land, as against the total estimated cost of the project under execution subject to such actual costs being 30% or more of the total estimated cost of project. The estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined. However, when the total project cost is estimated to exceed total revenue from the project, the loss is recognised immediately.

- ii) The stage of completion under the "Percentage of Completion Method" is measured on the basis of the percentage of the actual cost incurred in real estate projects, including land, construction and development cost incurred, in relation to the total estimated cost to the project. The estimates of the projected revenue, projected cost, projected profit and cost to the completion and future loss are reviewed periodically by the management and any effect of changes in estimates is recognised in the period such changes are determined.
- iii) Income from construction contracts is recognised by reference to the stage of completion of the contract activity at the reporting date of the financial statements. The related costs against the on going construction project are charged to the Profit and Loss account of the period.
- iv) Income from leasing and license fee, maintenance, electricity charges, management fee and commission income has been recognised on accrual basis on the basis of bills raised to the customers for the services rendered.
- v) Interest income is recognised on an accrual basis on a time proportion basis.
- vi) Dividend income is recognised when the Company's right to receive dividend is established.
- vii) Income from parking services is recognized on receipts basis.
- viii) Income from subscription and membership fee has been booked on accrual basis

8. Provision for Current and Deferred Tax

Provision for tax for the period comprises current tax, deferred tax and fringe benefit tax.

Provision for current tax and fringe benefit tax is the amount of tax payable as determined in advance in accordance with the provisions of the Income Tax Act, 1961 and other relevant tax laws and tax rates in force.

Deferred tax is recognised subject to consideration of prudence on timing difference being difference between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future.

9. Foreign Currency

a. Transactions in foreign currency are recorded at the exchange rates prevailing at the date of respective transactions. At each balance sheet date monetary items denominated in foreign currency are translated at the exchange rate prevailing on the date of Balance Sheet date.

b. Loss and gain arise from exchange differences on translation of monetary assets and liabilities and fixed assets are recognized in the profit and loss account in the period in which they arise.

10. Provision for retirement benefits

- i). The Company's contribution to Provident Fund is deposited with the Employees Provident Fund Organization. These are charged to the profit and loss account when the contribution to the fund is due.
- ii). The Company has taken gratuity scheme with Life Insurance Corporation of India. Provision for gratuity for the period as been made in the accounts based on valuation provided by Life Insurance Corporation of India.

- iii). The balance of unearned leave due to employees is measured and recognized based on the expected cost thereof. However, the employees either avail their leave during a particular financial year or are enchased in the same financial year and therefore the balance is not carried forward.
- iv). Expenses in respect of other short term benefits is recognized on the basis of amount paid or payable for the period during which services are rendered by the employee.

11. Earnings per share

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of equity shares outstanding during the period, as adjusted for the issuance of any bonus shares. The weighted diluted earnings per equity shares are computed using the weighted average number of equity shares and the dilutive potential equity shares outstanding during the period.

12. Contingent liability and assets

Depending upon the facts and circumstances of each and every case and after due evaluation of legal aspects, claims against the Company not acknowledged as debts are treated as contingent liabilities. A disclosures for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation or a present obligation of a present obligation or a present obligation of a present obligation obligation of a present obligation obligation of a present obligation obligation obligation of a present obligation obligat

13. Lease security against shops at commercial complex is accounted for in the books of accounts on receipts basis.

14. Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset, and such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the profit and loss account. On the balance sheet date, if there is any indication that previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciated historical cost and accordingly reversed in the profit and loss account.

15. Miscellaneous expenditure

Preliminary expenses are written off to the extent of $1/5^{th}$ per year of the total amount.

D. NOTES TO THE STATEMENTS

1. Composition of the Ambience Group

The list of Subsidiaries considered in the preparation of the Restated Consolidated Summary Statements for Ambience Limited is as under-

Name of the group company	Proportion of ownership interest as at March 31, 2009	Proportion of ownership interest as at March 31, 2008	Proportion of ownership interest as at March 31, 2007	Proportion of ownership interest as at March 31, 2006	Period considered in preparation of Restated Consolidated Summary Statements
Ambience Developer & Infrastructure Private Limited	100%	100%	54.24%		Period from February 28, 2007 to March 31 2007 (54.24%); April 1 2007 to August 2 2007 (54.24%); August 3 2007 to March 31 2008 (100%); from April 1 2008 to

Name of the group company	Proportion of ownership interest as at March 31, 2009	Proportion of ownership interest as at March 31, 2008	Proportion of ownership interest as at March 31, 2007	Proportion of ownership interest as at March 31, 2006	Period considered in preparation of Restated Consolidated Summary Statements
					August 29, 2008 (100%) and from August 30, 2008 it ceases from subsidiary and again on March 31, 2009 it became 100% subsidiary
Ambience Commercial Developers Private Limited	100%	100%	59.48%		Period from February 28, 2007 to March 31 2007 (54.48%); from April 1 2007 to August 2 2007 (59.48%); August 3 2007 to March 31 2008 (100%); April 1 2008 to August 29, 2008 (100%) and from August 30, 2008 it ceases from subsidiary and again on March 31, 2009 it became 100% subsidiary
Ambience Infracon Private Limited	100%	100%		1	Period from December 16, 2007 to March 31 2008 (100%); from April 1 2008 to November 30 2008 (100%) and from November 30, 2008 it ceases from subsidiary and again on March 31, 2009 it became 100% subsidiary
RSG Housing & Finance Private Limited	100%	100%	54.24%, It is a 100% Subsidiary of M/s. Ambience Developer & Infrastructure Private Limited, where Ambience Limited holds 54.24% of ownership interest		Period from August 3, 2007 to March 31 2008 (100%); from April 1 2008 to November 30 2008 (100%) and from December 30, 2008 it ceases from subsidiary and again on March 31, 2009 it became 100% subsidiary
Sara Estates Private Limited	100%	100%	54.24%, It is a 100% Subsidiary of M/s. Ambience Developer & Infrastructure Private Limited, where Ambience Limited holds 54.24% of ownership interest		Period from August 3, 2007 to March 31 2008 (100%); from April 1 2008 to November 30 2008 (100%) and from December 30, 2008 it ceases from subsidiary and again on March 31, 2009 it became 100% subsidiary
Ambience Buildcon Private Limited	100%	100%			Period from December 16, 2007 to March 31 2008 (100%); from April 1 2008 to November 30 2008 (100%) and from December 1, 2008 it ceases from subsidiary and again on March 31, 2009 it became 100% subsidiary
Ambience Farms Private Limited	100%	100%	60%		Period from February 28, 2007 to March 31 2007 (60%); from April 1 2007 to August 2 2008 (60%) and from August 3, 2007 to March 31, 2009 (100%)
Ambience Towers Private Limited	100%	100%	60%		Period from February 28, 2007 to March 31 2007 (60%); from April 1, 2007 to August 2, 2007 (60%); from August 3, 2007 to March 31, 2008 (100%); from April 1, 2008 to November 30, 2008 (100%); from December 1 2008 it ceases from subsidiary and again on March 31, 2009 it became 100% subsidiary.
Alankar Apartment Private Limited	100%	100%	54.24%, It is a 100% Subsidiary of M/s. Ambience Developer & Infrastructure Private Limited,		Period from August 3, 2007 to March 31 2008 (100%); from April 1 2008 to November 30 2008 (100%) and from December 30, 2008 it ceases from subsidiary and

Name of the group company	Proportion of ownership interest as at March 31, 2009	Proportion of ownership interest as at March 31, 2008	Proportion of ownership interest as at March 31, 2007	Proportion of ownership interest as at March 31, 2006	Period considered in preparation of Restated Consolidated Summary Statements
			where Ambience Limited holds 54.24% of ownership interest		again on March 31, 2009 it became 100% subsidiary
Greenline Developers Private Limited	100%	100%	54.24%, It is a 100% Subsidiary of M/s. Ambience Developer & Infrastructure Private Limited, where Ambience Limited holds 54.24% of ownership interest		Period from August 3, 2007 to March 31 2008 (100%); from April 1 2008 to November 30 2008 (100%) and from December 30, 2008 it ceases from subsidiary and again on March 31, 2009 it became 100% subsidiary
Prime Commercial Private Limited	100%	100%	54.24%, It is a 100% Subsidiary of M/s. Ambience Developer & Infrastructure Private Limited, where Ambience Limited holds 54.24% of ownership interest		Period from August 3, 2007 to March 31 2008 (100%); from April 1 2008 to November 30 2008 (100%) and from December 30, 2008 it ceases from subsidiary and again on March 31, 2009 it became 100% subsidiary
Senator Developers Private Limited	100%	100%	54.24%, It is a 100% Subsidiary of M/s. Ambience Developer & Infrastructure Private Limited, where Ambience Limited holds 54.24% of ownership interest		Period from August 3, 2007 to March 31 2008 (100%); from April 1 2008 to November 30 2008 (100%) and from December 30, 2008 it ceases from subsidiary and again on March 31, 2009 it became 100% subsidiary
Ambience Facilities Services Private Limited	100%	100%	60.04%		Period from February 28, 2007 to March 31 2007 (60.04%); from April 1 2007 to August 2 2008 (60.04%) and from August 3, 2007 to March 31, 2009 (100%)
Ambience Apartment Developers Private Limited	100%	100%	60%		Period from February 28, 2007 to March 31 2007 (60%); from April 1 2007 to August 2 2008 (60%) and from August 3, 2007 to March 31, 2009 (100%)
Lagoon Club Private Limited	100%	100%	60.26%		Period from February 28, 2007 to March 31 2007 (60.26%); from April 1 2007 to August 2 2008 (60.26%) and from August 3, 2007 to March 31, 2009 (100%)
Rajsheela Housing Private Limited	100%	100%	60.06%		Period from February 28, 2007 to March 31 2007 (60.06%); from April 1 2007 to August 2 2008 (60.06%) and from August 3, 2007 to March 31, 2009 (100%)
Four Square Promoters Private Limited	100%	100%	60%		Period from February 28, 2007 to March 31 2007 (60%); from April 1 2007 to August 2 2008 (60%) and from August 3, 2007 to March 31, 2009 (100%)
NGR Consultants Private Limited	100%	100%	60%		Period from February 28, 2007 to March 31 2007 (60%); from April 1 2007 to August 2 2008 (60%) and from August 3, 2007 to March 31, 2009 (100%)
Ambience Power Projects Limited	100%	100%			Period from December 16, 2007 to March 31 2008 (100%); from April 1 2008 to November 30 2008

Name of the group company	Proportion of ownership interest as at March 31, 2009	Proportion of ownership interest as at March 31, 2008	Proportion of ownership interest as at March 31, 2007	Proportion of ownership interest as at March 31, 2006	Period considered in preparation of Restated Consolidated Summary Statements
					(100%) and from December 1, 2008 it ceases from subsidiary and again on March 31, 2009 it became 100% subsidiary.
Ambience Highway Developers Limited	100%	100%			Period from December 16, 2007 to March 31 2008 (100%); from April 1 2008 to November 30 2008 (100%) and from December 1, 2008 it ceases from subsidiary and again on March 31, 2009 it became 100% subsidiary.
Ambience Overseas Private Limited	100%	100%	60.15%		Period from February 28, 2007 to March 31 2007 (60.15%); from April 1 2007 to August 2 2008 (60.15%) and from August 3, 2007 to March 31, 2009 (100%)
Ambience Homes Private Limited		100%	60.78%		Period from February 28, 2007 to March 31 2007 (60.78%); from April 1, 2007 to August 2, 2007 (60.78%); from August 3 2007 to March 31, 2008 (100%); from April 1 2008 to November 30, 2008 (100%) from and December 1, 2008 it ceases from subsidiary.
Ambi Estates Private Limited	100%	100%	60%	100%	Period from March 31, 2006 (100%); from April 1, 2006 to February 27, 2007 (100%); from February 28, 2007 to March 31 2007 (60%); April 1 2007 to August 2 2008 (60%) and from August 3, 2007 to March 31, 2009 (100%)
Armaan Buildcon Private Limited	100%	100%	60%	100%	Period from March 31, 2006 (100%); from April 1, 2006 to February 27, 2007 (100%); from February 28, 2007 to March 31 2007 (60%); from April 1 2007 to August 2 2008 (60%) and from August 3, 2007 to November 30, 2008 (100%) and from December 1, 2008 it ceases from subsidiary and again on March 31, 2009 it became 100% subsidiary.
Bigway Colonizers Private Limited	100%	100%	60%		Period from February 28, 2007 to March 31 2007 (60%); from April 1 2007 to August 2 2008 (60%) and from August 3, 2007 to March 31, 2009 (100%)
Fineview Realtors Private Limited	100%	100%	60%	100%	Period from March 31, 2006 (100%); from April 1, 2006 to February 27, 2007 (100%); from February 28, 2007 to March 31 2007 (60%); from April 1 2007 to August 2 2008 (60%) and from August 3, 2007 to March 31, 2009 (100%)
Grandvalley Developers Private Limited	100%	100%	60%	100%	Period from March 31, 2006 (100%); from April 1, 2006 to February 27, 2007 (100%); from February 28, 2007 to March 31 2007 (60%); from April 1 2007 to August 2 2008 (60%) and from August 3, 2007 to March 31, 2009 (100%)

Name of the group company	Proportion of ownership interest as at March 31, 2009	Proportion of ownership interest as at March 31, 2008	Proportion of ownership interest as at March 31, 2007	Proportion of ownership interest as at March 31, 2006	Period considered in preparation of Restated Consolidated Summary Statements
Grandvalley Realtors Private Limited	100%	100%	60%	100%	Period from March 31, 2006 (100%); from April 1, 2006 to February 27, 2007 (100%); from February 28, 2007 to March 31 2007 (60%); from April 1 2007 to August 2 2008 (60%) and from August 3, 2007 to March 31, 2009 (100%)
Greenvalley Realtors Private Limited	100%	100%	60%	100%	Period from March 31, 2006 (100%); from April 1, 2006 to February 27, 2007 (100%); from February 28, 2007 to March 31 2007 (60%); from April 1 2007 to August 2 2008 (60%) and from August 3, 2007 to November 30, 2008 (100%) and from December 1, 2008 it ceases from subsidiary and again on March 31, 2009 it became 100% subsidiary.
Lagoon Realtors Private Limited	100%	100%	60%	100%	Period from March 31, 2006 (100%); from April 1, 2006 to February 27, 2007 (100%); from February 28, 2007 to March 31 2007 (60%); April 1 2007 to August 2 2008 (60%) and from August 3, 2007 to March 31, 2009 (100%)
Littlevalley Promoters Private Limited	100%	100%	60%	100%	Period from March 31, 2006 (100%); from April 1, 2006 to February 27, 2007 (100%); from February 28, 2007 to March 31 2007 (60%); from April 1 2007 to August 2 2008 (60%) and from August 3, 2007 to March 31, 2009 (100%)
Moonvalley Realtors Private Limited	100%	100%	60%	100%	Period from March 31, 2006 (100%); from April 1, 2006 to February 27, 2007 (100%); from February 28, 2007 to March 31 2007 (60%); from April 1 2007 to August 2 2008 (60%) and from August 3, 2007 to March 31, 2009 (100%)
Skyvalley Buildcon Private Limited	100%	100%	60%	100%	Period from March 31, 2006 (100%); from April 1, 2006 to February 27, 2007 (100%); from February 28, 2007 to March 31 2007 (60%); April 1 2007 to August 2 2008 (60%) and from August 3, 2007 to November 30, 2008 (100%) and from December 1, 2008 it ceases from subsidiary and again on March 31, 2009 it became 100% subsidiary.
Starvalley Realtors Private Limited	100%	100%	60%	100%	Period from March 31, 2006 (100%); from April 1, 2006 to February 27, 2007 (100%); from February 28, 2007 to March 31 2007 (60%); April 1 2007 to August 2 2008 (60%) and from August 3, 2007 to March 31, 2009 (100%)
Ambience SEZ Developers Private	100%	100%			Period from October 26, 2007 to March 31, 2008 (100%); from

Name of the group company	Proportion of ownership interest as at March 31, 2009	Proportion of ownership interest as at March 31, 2008	Proportion of ownership interest as at March 31, 2007	Proportion of ownership interest as at March 31, 2006	Period considered in preparation of Restated Consolidated Summary Statements
Limited					April 1, 2008 to November 30, 2008 (100%); from December 1, 2008 it ceases from subsidiary and again on March 31, 2009 it became 100% subsidiary.
Ambience IT Developers Pvt. Ltd.	100%	100%			Period from January, 2008 to March 31, 2008 (100%); from April 1, 2008 to November 30, 2008 (100%); from December 1, 2008 it ceased from subsidiary and again on March 31, 2009 it became 100% subsidiary.
Ambience Infrastructure Developers Pvt. Ltd.	100%	100%			Period from January, 2008 to March 31, 2008 (100%); from April 1, 2008 to November 30, 2008 (100%); from December 1, 2008 it ceased from subsidiary and again on March 31, 2009 it became 100% subsidiary.
Ambience Home Developers Pvt. Ltd.	100%	100%			Period from January, 2008 to March 31, 2008 (100%); from April 1, 2008 to November 30, 2008 (100%); from December 1, 2008 it ceased from subsidiary and again on March 31, 2009 it became 100% subsidiary.

Note: - The aforementioned all subsidiary companies are incorporated in Indian.

2. Change in name of Company

The name of the Company was changed from Ambience Projects Limited to Ambience Projects & Infrastructure Limited pursuant to shareholders resolution dated November 24, 2006 and subsequently on March 14, 2008 the name was changed from Ambience Projects & Infrastructure Limited to Ambience Limited pursuant to shareholders resolution dated March 13, 2008 and the name of subsidiaries company has been changed in below manner.

Changed name	Previous name	Date of
		change
Ambience Developers & Infrastructure Pvt. Ltd.	Ambience Infrastructure Pvt. Ltd.	24.11.2006
Ambience Commercial Developers Pvt. Ltd.	Ambience Developers Pvt. Ltd.	04.01.2008
Ambience Apartments Developers Pvt. Ltd.	Ambience Apartments Pvt. Ltd.	04.01.2008
Ambience SEZ Developers Pvt. Ltd.	Ambience Haryana SEZ Developers	04.01.2008
	Pvt. Ltd.	
Ambience Highway Developers Ltd.	Ambience Highway Projects Ltd.	04.01.2008

3. Material Regrouping

Appropriate adjustments by way of reclassification of corresponding items of assets, liabilities, income and expenses have been made wherever required, in the restated summary statements of the subsidiaries and the Company, to bring them in line with the groupings as per the restated summary statements as at and for the year ended March 31, 2009.

4. Segment Policies

The Company is engaged in business of construction and real estate development, which is considered to be the only reportable segment in accordance with Accounting Standard 17. The Company is operating in India, which is considered a single geographical segment.

5. Notes to adjustment & regrouping in Restated Consolidated Summary Statement

The results of restatements made in the audited financial statements of the entities within the Ambience (a) Group and their impact on the profits / losses of the Group is briefly summarized as under:

			(H	Rs. in million)
Particulars	Year ended 31 st March,			
	2009	2008	2007	2006
Income tax items charged in the year	0.18	1.08	0.50	-
Net profit before restatement adjustments	391.71	677.22	308.66	143.53
Adjustment for change in accounting policy for revenue recognition	-		(68.70)	
Adjustment for such prior period items in the respective	0.18	0.90	(08.70)	-
years to which they relate			0.50	(1.07)
Total	0.18	0.90	(68.20)	(1.07)
Current/ Deferred tax impact of adjustment		-	23.09	-
Restated Net profit	391.89	678.12	263.55	142.46

(b) Prior period taxes

The Group recorded tax in earlier years which primarily resulted on completion of assessments made by the Income tax authorities and any difference was recorded as credit/ charge in the financial statements. Accordingly, the effect of these items has been adjusted in the period to which the tax related to with a corresponding charge/ credit to the recorded period in the 'Summary Statement of Profits and Losses, as Restated.'

(c) Change in accounting policy

> i). During the year ended March 31, 2008, the Ambience Group revised the accounting policy for recognizing revenue on constructed properties from the date of registration of sale deed/ transfer of ownership to percentage of completion method. The impact of this change has been recorded in the year ended March 31, 2007 in one of the subsidiary company namely Ambience Developers & Infrastructure Pvt. Ltd. Further the accumulated profit and loss balance as on the date of acquisition of the respective subsidiary have been appropriately adjusted to reflect the impact of change pertaining to the year ended on or before the date they become subsidiary.

> ii). The Company follows straight line method for charging depreciation on fixed assets as per the manner and rate as prescribed in schedule XIV of the Companies Act, 1956. However, same of the subsidiary companies namely Ambience Developers & Infrastructure Private Limited, Ambience Commercial Developers Private Limited., Lagoon Club Private Limited, NGR Consultants Private Limited and Prime Commercial Private Limited follow written down value method for charging depreciation on fixed assets. For the purposes of consolidation the depreciation on fixed assets of all the subsidiary companies has been charged on straight line method and gain and loss arisen from such adjustment has been appropriately adjusted in the Restated Consolidated financial information of the company.

- In the opinion of Board of Directors, the current assets, loans and advances have a value on realization in 6. the ordinary course of business, at least equal to the amount at which they are stated. Further all known expenses, liabilities and incomes have been accounted for.
- 7. Balance of some of the sundry creditors, contractors, loans & advances are subject to confirmation from the respective parties. The management however does not expect any material variances.
- 8. During the financial year 2007-08 the Ambience Mall, Gurgaon was completed and transferred from inventories to investment in properties and fixed assets and accordingly during the financial year 2008-09 the Ambience Mall Vasant kunj was completed and transferred from inventories to investment in properties

and fixed assets. Subsequently the Company has incurred addition cost on these shopping mall that has been capitalized in the investment as addition to the cost of investment.

- 9. Miscellaneous expenditure included the fee paid to Registrar of Companies to increases the authorized capital of the company and these expenses are preliminary nature and according to the accounting policy it is written off to the extend of 1/5th per year of the total amount incurred. Miscellaneous expenditure also included the preoperative expenses of the few subsidiaries and these preoperative expenses will be allocated when operation will start.
- 10. As per revised Accounting Standard 15 "Employee Benefit", the disclosure of employees benefits are given below.

	(Amount in Rs. million)				
Defined Contribution Plan	Year ended 31 st March,				
	2009	2008	2007	2006	2005
Employer Contribution to Provident Fund		0.02			
Employer Contribution to Gratuity Pension Scheme	0.04	0.67			

Regarding the above gratuity scheme, it has been noted that there were no employees in the Company who were eligible to avail any benefit under the scheme and therefore the company has not provided for any liability under the scheme in the earlier years, prior to the financial year 2007-08, when the company took a policy of gratuity scheme with LIC of India to cover the liability arising under the said scheme.

- 11. During the financial period under audit the Ambience group was subject to a search and seizure operation u/s 132 of the Income Tax Act, 1961 on 10th October, 2007. During the search proceedings the office premises of the Ambience Group of companies along with resident of its directors and their related parties were searched on the aforesaid date and related proceeding are under process. The company has also been issued notice u/s 131 of the Income Tax Act, 1961 and the proceeding for the same are under process. The company has not received any tax demand from Income Tax Department till date and therefore on provision has been made on account of any tax liability in the books of accounts of the companies.
- 12. Remuneration to Directors debited under different heads of account is as follows:

	(Rs. in millions)					
Particulars	Year ended 31 st March,					
	2009	2008	2007	2006		
Salaries and Allowances	20.10	68.62	11.64	8.44		
Total	20.10	68.62	11.64	8.44		

13. Deferred Tax Liabilities for the respective period/ years comprise of Follows:

(Rs. in Millions)

Particulars	Year ended 31 st March,					
	2009	2008	2007	2006		
Opening Deferred Tax Liability	13.64	12.66	5.81	5.51		
Balance of subsidiaries acquired during the year	(0.10)	-	7.13	-		
Add:/less Deferred Tax Liability/Assets due to difference	3.75	0.98	(0.28)	0.30		
in tax depreciation and book depreciation						
Closing Deferred Tax Liability	17.29	13.64	12.66	5.81		

14. Contingent Liabilities (not provided for) in respect of:-

			(Rs. in r	nillion)
Particulars	Year ended 31 st March,			
	2009	2008	2007	2006
i) Bank Guarantee towards internal and external development charges in favour of Director, Town &	1705.74	1755.74	255.74	-
Country Planning, Chandigarh.				
ii) Claim against the Ambience Group not acknowledged as debts	3.77	1.54	1.54	-

						(Amount in Rs.	million)		
		Particular of assets							
	Building	Plant & Machinery	Office equipments	Moter vehicles	Furniture & Fixtures	Computers	Total		
March 31, 2009									
Gross block Less:- Accumulated	24.26	277.85	6.47	68.68	4.71	7.84	389.81		
depreciation	2.37	36.31	1.50	16.87	0.88	3.54	61.47		
Net block	21.89	241.54	4.97	51.81	3.83	4.30	328.34		
March 31, 2008									
Gross block Less:- Accumulated	24.26	197.72	6.04	42.39	3.65	5.83	279.89		
depreciation	1.98	26.55	1.21	12.15	0.60	2.60	45.09		
Net block	22.28	171.17	4.83	30.24	3.05	3.23	234.80		
March 31, 2007									
Gross block Less:- Accumulated	24.26	90.45	4.20	37.70	2.69	3.86	163.16		
depreciation	1.58	20.22	0.99	8.38	0.40	1.92	33.49		
Net block	22.68	70.23	3.21	29.32	2.29	1.94	129.67		
March 31, 2006									
Gross block Less:- Accumulated	-	46.37	0.65	14.97	0.22	1.14	63.35		
depreciation	-	7.02	0.07	3.87	0.10	0.65	11.71		
Net block	-	39.35	0.58	11.10	0.12	0.49	51.64		

ANNEXURE-V CONSOLIDATED SUMMARY STATEMENTS OF FIXED ASSETS, AS RESTATED

ANNEXURE-VI CONSOLIDATED SUMMA	RY STATEMENT O	F INVESTMEN	TS, AS REST	ATED			
			Amount in	n Rs. million)			
	As at						
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006			
A) Investment in shares							
In quoted shares							
Equity shares of M/s Hotel Leela Ventures Limited Equity shares of M/s Tata Consultancy Services	-	3.36	-	-			
Limited	-	-	0.57	0.16			
Equity shares of M/s IDFC Limited	-	-	0.09	0.02			
Equity shares of M/s Punjab National Bank Limited	-	-	0.77	0.13			
Equity shares of M/s Indian Bank	-	-	0.69	-			
Equity shares of M/s UFLEX Limited	10.32	10.32	-	-			
	10.32	13.68	2.13	0.30			
In unquoted shares Equity shares of M/s Times Steel & Power Limited	4.00	-	-	-			
	4.00	-	-	-			
TOTAL (A)	14.32	13.69	2.13	0.30			
	1402	10.07	2.10	0.00			
B) Investment in properties							
Ambience Mall, Gurgaon	6,179.27	5,877.45	-	-			
Ambience Mall, Vasant Kunj	10,765.75	-	-	-			
Plot at Village Sikohpur, Sector-82, Gurgaon	96.30	-	-	-			
TOTAL (B)	17,041.32	5,877.45	-	-			
C) Other investment (Gold coins)	3.63	0.60	_	-			
· · · · · · · · · · · · · · · · · · ·							
TOTAL (A+B+C)	17,059.27	5,891.73	2.13	0.30			
Book value of investments in quoted shares	10.32	13.68	2.13	0.30			
Market value of investments in susted shares	3.08	10.71	2.20	0.36			
Market value of investments in quoted shares	3.08	10./1	2.20	0.30			

ANNEXURE-VII CONSOLIDATED SUMM	ARY STATEME	NTS OF INVEN	TORIES, AS RI	ESTATED
			(Amount in Rs.	million)
		As	at	
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
- Construction material at site	65.30	124.24	24.90	41.54
Stock of food & beverages at club	0.17	0.19	0.20	-
Land, construction and development work in progress	1,972.36	9,927.79	11,531.27	-
Land, including plats and development cost	11,959.82	10,466.72	6,487.54	680.25
Earnest money and deposits under development agreements	955.81	875.88	1,844.05	1,929.56
Total	14,953.46	21,394.82	19,887.96	2,651.35

			(Amoun	t in Rs. millio
Particulars		As	at	
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
Debts outstanding for the period exceeding 6 months				
Unsecured considered good	8.83	17.31	6.53	-
Debts outstanding for the period less than 6 months				
Unsecured considered good	333.20	219.37	369.16	-
Total	342.03	236.68	375.69	

ANNEXURE-VIII CONSOLIDATED SUMMARY STATEMENT OF RECEIVABLE, AS RESTATED

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Note :- There are no sundry debtors who are related to the directors, promoters, group companies or the company for the aforementioned years.

			(7 Hild	ount in Rs. million)
		Α	ls at	
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
Unsecured, considered good				
Advances recoverable in cash or in kind or for value to be received	1,395.75	192.04	148.72	323.84
Advance to suppliers & contractors	14.89	47.77	28.29	49.23
Security deposits	750.57	750.83	0.19	0.02
Advance tax and tax deducted at source	859.52	576.85	257.98	67.21
Prepaid expenses	-	-	0.06	-
TOTAL	3,020.73	1,567.49	435.24	440.30
				Acot
Name of entity	March 31, 2009	March 31, 2008	March 31, 2007	As at March 31, 2006
	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
Name of entity Finance & Investment				
				March 31, 2006
Finance & Investment Ambience Developers and Infrastructure Private				March 31, 2006 311.56
Finance & Investment Ambience Developers and Infrastructure Private Limited			-	March 31, 2006 311.56
Finance & Investment Ambience Developers and Infrastructure Private Limited Raj Commercial Agencies	2009 - - 1,245.69		2007 - - 127.07	March 31, 2006 311.56
Finance & Investment Ambience Developers and Infrastructure Private Limited Raj Commercial Agencies Raj Sheela Growth Fund Private Limited	2009 - - 1,245.69 -	- - - - -	2007 - - 127.07 0.40	March 31, 2006 311.56
Finance & Investment Ambience Developers and Infrastructure Private Limited Raj Commercial Agencies Raj Sheela Growth Fund Private Limited Aman Growth Fund Private Limited	2009 - - 1,245.69 - -	2008 - - - - -	2007 - - 127.07 0.40 1.20	March 31, 2006 311.56
Finance & Investment Ambience Developers and Infrastructure Private Limited Raj Commercial Agencies Raj Sheela Growth Fund Private Limited Aman Growth Fund Private Limited Nutan Growth Fund Private Limited	2009 - - 1,245.69 - - - -	2008 - - - - -	2007 - - 127.07 0.40 1.20 0.40	March 31, 2006 311.56

ANNEXURE-IX CONSOLIDATED STATEMENTS OF LOAN AND ADVANCES, AS RESTATED

Note :- Except as provided above, there are no loans & advances due from directors, promoters, group entities or the company for the aforementioned years.

			s at	nount in RS. minion)
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
Term loans	23,134.55	18,007.28	12,691.67	1,820.10
Short term loans	950.00	1,100.00	17.15	-
Working capital loans	2,292.82	1,440.58	449.85	-
Other equipment and vehicle loans	18.28	7.91	12.88	9.82
Interest accrued & due	217.46	155.86	-	-
Total	26,613.11	20,711.63	13,171.55	1,829.92

ANNEXURE-X CONSOLIDATED SUMMARY STATEMENTS OF SECURED LOAN, AS RESTATED

(Amount in Rs. million)

There are no secured loans taken from the directors, promoters, promoters group, group companies or associated companies for the aforementioned years.

							(Rs. in Million)
Name of Bank	Nature of Loan	Purpose of Loan	Sanction Amount	Outstanding as on 31.03.2009	Installment amount/Repayment/R e-schedulement	Rate of Interest	Security
Indian Bank	Term Loan	Project Loan for Ambience City, Panipat	350.00	316.48	Repayable in 10 equal quarterly installments commencing from March 31, 2009.	PLR+2	(The project lands, the term loan of the lenders are secured
Syndicate Bank	Term Loan	Project Loan for Ambience City, Panipat	600.00	*618.89	Repayable in eight equal quarterly installments of Rs.75 million the first of which shall be on June 30, 2012 and the entire loan is to be liquidated by March 31, 2014.	PLR + 0.50%	 by way of first paripassu charge on 13.65 acres of licenced land situated at Ambience Island, NH-8, Gurgaon, owned by M/s Greenline Developers Pvt. Ltd.) First pari-passu charge by way of hypothecation of receivables of the project. Personal guarantees of Sh. Raj Singh Gehlot, Sh. Mohan Singh and Sh. Dayanand Singh, directors of the company.

ANNEXURE – X CONSOLIDATED SUMMARY STATEMENT OF SECURED LOAN, AS RESTATED **n**)

ICICI Bank	Term Loan	Project Loan for Residential Complex at Sector-50, Noida.	400.00	130.00	The Rupee term Loan – I of Rs. 175 million and Rupee term Loan – II Rs. 225 million shall be repayable in 19 monthly installments and the first of such installment shall be on April 15, 2010.	IHPLR- 0.75%	pr add sqp 50 > ch pr Pr S ch Es an cr th \$ \$ Q f G	edited / deposited erein. Irrevocable id unconditional ersonal guarantee Sh. Raj Singh ehlot.
HDFC Ltd.	Term Loan	Project loan for Caitriona, Ambience Island, Gurgaon.	1900.00	1466.75	 Principal amount to be repaid to ensure that the maximum principal outstanding on the dates specified below does not exceed the limit indicated below: 1. at the end of June 30, 2011 : Rs. 1,583.30 million 2. at the end of September 30, 2011 : Rs. 1,266.60 million 3. at the end of December 31, 2011 : Rs. 949.90 million 4. at the end of March 31, 2012 : Rs. 633.20 million 5. at the end of June 30, 2012 : Rs. 316.50 million 6. at the end of September 30, 2012 : Rs. 316.50 million 	HDFC - CPLR	 pa pa www.mm accased accased	First pari- assu charge by ay of equitable ortgage of 10.46 res of project nd, owned by M/s ura Estates Pvt. d. and building of aitriona esidential partments omplex onstructed / to be onstructed Ambience Island, H-8, Gurgaon. First pari- assu charge by ay of /pothecation of ceivables of the oject. First pari- assu charge on scrow Account ith HDFC Ltd. Personal uarantee of Sh. Raj ngh Gehlot, Sh. ayanand Singh d Sh. Mohan ngh.
HDFC Limited	Line of Credit	Loan for Delhi Properties	750.00	750.00	 Principal amount to be repaid to ensure that the maximum principal outstanding on the dates specified below does not exceed the limit indicated below: 1. at the end of June 30, 2010 : Rs. 656.25 million 2. at the end of September 30, 2010 : Rs. 562.50 million 	HDFC - CPLR	pr No Gi Ez Du ccc th fu Sn Su Ez or ada	rst Charge on operty bearing o.L-5 & L-6, reen Park stension, New elhi with onstruction ereon, present and ture, owned by mt. Sheela Gehlot. stension of charge a land lmeasuring 10.92 res of land and onstruction

	1			
		 at the end of December 31, 2010 : Rs. 468.75 million at the end of March 31, 2011 : Rs. 375 million at the end of June 30, 2011 : Rs. 281.25 million 		 thereon, present and future situated at Ambience Island, NH-8, Gurgaon, owned by M/s Senator Developers Pvt. Ltd ➤ Extension of charge on 9.84 acres of land and
		 6. at the end of September 30, 2011: Rs. 187.50 million 7. at the end of December 31, 2011 : Rs. 93.75 million 8. at the end of 		 construction thereupon, present and future situated at Ambience Island, NH-8, Gurgaon, owned by M/s RSG Housing & Finance Pvt. Ltd. > Extension of charge
		8. at the end of March 31, 2012 : Nil		on residential property at 1/7, Sarva Priya Vihar, New Delhi, owned by Mr. Raj Singh Gehlot. ➤ Extension of mortgage of 2.3125
				acres of land and construction thereupon, present and future situated at situated at Ambience Island, NH-8, Gurgaon, owned by M/s RSG Housin g & Finance
				 Pvt. Ltd First charge by way of hypothecation of receivables of the project. First charge on Escrow Account with HDFC Ltd.
	0 1012.60	Repayable on demand	BPLR +	 Personal guarantee of Sh. Raj Singh Gehlot, Sh. Mohan Singh and Sh. Dayanand Singh. Equitable mortgage (i) 152 paragef
working capital requirement of the company			1%	on (i) 1.552 acres of land at Ambience Island, NH-8, Gurgaon owned by M/s Sara Estates Pvt. Ltd. (ii) 1/8, Shanti Niketan, New Delhi owned by Smt. Sheela Gehlot (iii) L-1,
				Green Park Extension, New Delhi owned by Smt. Sheela Gehlot (iv) B 1/25, Vasant Vihar, New Delhi owned by Smt. Sheela Gehlot and (v) 6 residential plots at Jasola,
	working capital requirement of	working capital requirement of	mit To meeting 100.00 1012.60 Repayable on demand	mit To meeting 1000.00 1012.60 Repayable on demand BPLR + 1%

							A A	Pocket-II, New Delhi owned by Smt. Sheela Gehlot, Sh. Mohan Singh and Sh. Dayanand Singh. Personal / corporate guarantee of (i) Sh. Raj Sing Gehlot (ii) Sh. Dayanand Singh (iii) Sh. Mohan Singh (iv) Smt. Sheela Gehlot (v) Smt. Madhu Bakshi (vi) M/s Sara Estates Pvt. Ltd. 2 nd hypothecation charge (1 st charge being with term lenders for project division) on current assets of the company comprising construction material at site, work-in-progress and receivables etc. of construction division.
UCO Bank	Working Capital Term Loan	To meeting working capital requirement of the company	600.00	612.83	Repayable in four quarterly installments of Rs. 150 million each repayable from December, 2009.	BPLR + 2%	A	Hypothecation of receivable, work-in- progress, tools & implements, material-at-site including advances to suppliers and advances related to the two construction projects of the company Equitable mortgage of immovable properties being residential properties being residential properties at (i) C-8, Paschimi Marg, Vasant Vihar, New Delhi, admeasuring 1200 sq. yds. and (ii) 7, Anand Lok, New Delhi admeasuring 800 sq. yds. both owned by Smt. Sheela Gehlot. Personal guarantee of Sh. Raj Singh Gehlot and Smt. Sheela Gehlot.
Uco Bank	Cash Credit Limit	To meeting working capital requirement	600.00	**667.39	Repayable on demand	BPLR + 2%	>	1 st hypothecation charge over the present and future construction material, receivable, work-in-progress, tools & implements

							4	at site including advances to suppliers of the construction projects. Equitable mortgage of immovable properties being residential properties at (i) E- 1/9, Vasant Vihar, New Delhi,
							A	admeasuring 640 sq. yds. owned by Smt. Sheela Gehlot and (ii) 33, Poorvi Marg, Vasant Vihar, New Delhi, admeasuring 780 sq. yds. owned by Smt. Sunita Gehlot. Personal guarantee of Sh. Raj Singh Gehlot, Smt. Sheela Gehlot and Smt. Sunita Gehlot.
Bank of Baroda	Short Term Loan	To meeting working capital requirement	950.00	950.00	Repayable in 4 monthly instalments commencing from June 30, 2010 of which first 3 instalments would be of Rs.250 million each and last instalment would be of Rs.200 million.	BPLR + 1.25%	A .	First First exclusive charge by way of equitable mortgage of land (non-agricultural) admeasuring 2 bigha, 18 biswa & 8 biswansi comprised in Khasa No.587, 588 & 589 situated in the revenue estate of Village Nathupur, Tehsil & Distt. Gurgaon, Haryana standing in the name of M/s Alankar Apartments Private Limited Personal guarantee of Sh Raj Singh Gehlot Smt. Sheela Gehlot and corporate guarantees.
Bank of India	Term Loan	Project Loan for Shopping- cum-Office Complex at Shalimar Bagh, New Delhi.	1000.00	515.18	Repayable in eight equal quarterly installments of Rs.125 million each commencing from October 1, 2011.	1.50% above BPLR	>	First pari-passu charge by way of equitable mortgage of project land and building constructed / to be constructed thereupon situated at
Small Industrial Developme nt Bank of India (SIDBI)	Term Loan	Project Loan for Office Complex at Shalimar Bagh, New Delhi.	400.00	181.28	Repayable in eight equal quarterly installments of Rs.50 million each commencing from October 1, 2011.	1.75% above SIDBI PLR	A	Plot No.10 (admeasuring 5610 sq. mtrs.), Community Centre, Block-B, Shalimar Bagh, New Delhi. First pari-passu charge by way of hypothecation of receivables of the project. Personal guarantees of Sh. Raj Singh

								Gehlot, director of the company.
UCO Bank	Term Loan	Project Loan for Office Complex at Rohini, New Delhi.	600.00	600.00	Repayable in eight equal quarterly installments of Rs.75 million commencing from December 31, 2011.	BPLR	4	First pari-passu charge by way of equitable mortgage of project land and building constructed / to be constructed
Central Bank of India	Term Loan	Project Loan for Office Complex at Rohini, New Delhi.	500.00	306.19	Repayable in eight quarterly installments of Rs.62.50 million each commencing December 31, 2011.	BPLR		thereupon situated at Plot No.2B2 (admeasuring 4106.91 sq. mtrs.), Twin Distt. Centre,
Small Industrial Developme nt Bank of India (SIDBI)	Term Loan	Project Loan for Office Complex at Rohini, New Delhi.	400.00	150.00	Repayable in eight equal quarterly installments of Rs. 50 million each commencing from January 1, 2012.	0.50% above SIDBI PLR	AA	Sector-10, Roini, New Delhi. First pari-passu charge by way of hypothecation of receivables of the project. Personal guarantees of Sh. Raj Singh Gehlot, director of the company.
Bank of India	Term Loan	Lease discounting loans against Ambience Mall, Gurgaon.	3000.00	2950.00	Repayable in 108 ballooning monthly installments beginning in October 2008.	0.50% below BPLR, subject to min. floors rate of 11.50	A	First pari-passu charge by way of hypothecation / assignment of lease rentals and other revenues from Ambience Mall,
HDFC Ltd.	Term Loan	Lease discounting loans against Ambience Mall, Gurgaon.	1500.00	1458.25	Repayable in 108 ballooning monthly installments beginning in October 2008.	BPLR	A	Gurgaon, both present and future. First pari-passu charge by way of
Dena Bank	Term Loan	Lease discounting loans against Ambience Mall, Gurgaon.	1000.00	983.33	Repayable in 108 ballooning monthly installments beginning in October 2008.	BPLR+ 0.25%+T P (0.50) – 1.50 (concessi on)		equitable mortgage on land (admeasuring 8 acres) and building of Shopping Mall and Office Complex
Union Bank of India	Term Loan	Lease discounting loans against Ambience Mall, Gurgaon.	500.00	491.67	Repayable in 108 ballooning monthly installments beginning in October 2008.	BPLR- 0.50%		thereupon (except 4^{th} to 7^{th} floors which have already been sold out in the Office Tower).
							A	Personal guarantee of Sh. Raj Singh Gehlot and director of the company.
							A	First pari-passu charge in favour of lenders over the Escrow Account with Escrow Agent, i.e. Bank of India.
Punjab National Bank	Term Loan	Lease discounting loan against Ambience Mall, Vasant Kunj, New Delhi.	3250.00	3036.18	Repayable in 99 ballooning installments commencing from October 31, 2009.	BPLR	A	First pari-passu charge by way of hypothecation / assignment of lease rentals on an area of 8,78,073 sq. ft. out of total leasable area
Oriental Bank of	Term Loan	Lease discounting	2000.00	2000.00	Repayable in 99 ballooning installments	1% over BPLR		of 11,29,812 sq. ft. at Ambience Mall,

Commerce		loan against Ambience Mall, Vasant Kunj, New Delhi.			commencing from October 31, 2009.		•	Vasant Kunj, New Delhi. First pari-passu charge by way of
Indian Overseas Bank	Term Loan	Lease discounting loan against Ambience Mall, Vasant Kunj, New Delhi.	1000.00	995.00	Repayable in 99 ballooning installments commencing from October 31, 2009.	0.50% below BPLR		equitable mortgage on land (admeasuring 8.25 acres) and building of Shopping Mall thereupon situated at Plot No.2, Vasant
Allahabad Bank	Term Loan	Lease discounting loan against Ambience Mall, Vasant Kunj, New Delhi.	2000.00	2000.00	Repayable in 99 ballooning installments commencing from October 31, 2009.	BPLR	A	Kunj Shopping Mall Complex, Vasant Kunj, Phase-II, New Delhi. Personal guarantee of Sh. Raj Singh Gehlot, Sh. Mohan Singh and Sh. Shekhar Singh, directors of the company.

The J&K Bank Ltd.	Term Loan	Project loan against Ambience Mall, Vasant Kunj, New Delhi.	900.00	752.50	Repayable in 20 equal quarterly installments commencing from July 31, 2008.	0.50% above BPLR	First pari-passu charge by way of equitable mortgage of project land and building constructed / to be
HDFC Ltd.	Term Loan	Project loan against Ambience Mall, Vasant Kunj, New Delhi.	600.00	540.00	Repayable in 18 equal quarterly installments commencing from June 30, 2010.	0.25% over HDFC CPLR	constructed thereupon situated at Plot No.2 (admeasuring 8.25 acres), Vasant Kunj Shopping
Vijaya Bank	Term Loan	Project loan against Ambience Mall, Vasant Kunj, New Delhi.	750.00	637.50	Repayable in 20 equal quarterly installments of Rs.37.5 million commencing from July 31, 2008.	TL-I of Rs.500 million at 0.50% over BPLR and TL-II of Rs.250 million at 1.50% over BPLR	 Mall Complex, Vasant Kunj, Phase-II, New Delhi. First pari-passu charge by way of hypothecation of receivables of the project. Personal guarantees of Sh. Raj Singh Gehlot
Syndicate Bank	Term Loan	Project loan against Ambience Mall, Vasant Kunj, New Delhi.	600.00	627.73	Repayable in 18 quarterly installments commencing June 30, 2010.	0.50% over BPLR	Sh. Mohan Singh and Sh. Shekhar Singh, directors of the company.
Canara Bank	Term Loan	Project loan against Ambience Mall, Vasant Kunj, New Delhi.	350.00	304.03	Repayable in 18 quarterly installments commencing from June 30, 2010.	0.50% over BPLR	
Punjab & Sind Bank	Term Loan	Project loan against Ambience Mall, Vasant Kunj, New Delhi.	350.00	315.00	Repayable in 18 equal quarterly installments commencing from August 30, 2010.	0.50% over BPLR + 0.80	
HDFC Bank Ltd.	Loan against	Loan against Property		133.45	Repayable by way of 108 Equated Monthly	14.25% p.a. on	Equitable mortgage of C-2/49, Safdarjung

Bank of Funded Indai Term Loan	Funded Interest Term Loan	525.14	Instalments (EMI) of Rs.2.27 million. Repayable in 4 equal monthly instalments commencing from Rs.125.00 million commencing from 30.04.2010.	variable basis. 1.5% over BPLR	Development Area, New Delhi owned by M/s Raj Sheela Housing Pvt. Ltd ➤ Equitable mortgage of 1.15625 acres of licenced land situated at Ambience Island, NH-8, Gurgaon owned by RSG Housing & Finance Pvt. Ltd. ➤ Personal guarantee of Sh. Raj Singh Gehlot.
ICICI Bank Ltd. Term Loan	Short Term Loan against Ambience Mall, Vasant Kunj, New Delhi.	350.00	Rs.175.00 million on 15.04.2009 and Rs.175.00 million on 15.05.2009.	1.75% below IHPLR.	 Equitable mortgage of immovable properties being (i) licenced land measuring 2 bigha, 10 biswa & 13 biswansis (1.58 acres) situated at Ambience Island, NH-8, Guraon, owned by M/s Alankar Apartments Private Limited (2) A-14, Mayfair Garden, New Delhi owned by Smt. Sheela Gehlot, (3) A-16, Mayfair Garden, New Delhi, owned by Smt. Sheela Gehlot, and (4) A- 19, Geetanjali Enclave, New Delhi, owned by Smt. Sheela Gehlot. Personal guarantee of Sh. Raj Singh Gehlot. Corporate guarantee of M/s Ambience Limited and M/s Alankar Apartments Pvt. Ltd.
Interest accrued & due	1	217.46			
Total		26,613.11			

• *The amount in excess of sanctioned amount represents interest accrued.

• ** The amount in excess of sanction amount represents the book over draft

• The Company has not defaulted on loans and no penalty has been levied.

			(Amount in R	s. million				
		As at						
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006				
From other bodies corporate	450.10	450.10	-					
From directors, share holders and their relatives	146.70	943.99	1,661.06					
From others	133.91	178.91	184.41					
TOTAL	730.71	1,573.00	1,845.47					
Name of lender	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006				
Raj Commercial Agencies	14.93	812.22	1,529.29					
Sh. Raj Singh Gehlot	90.17	90.17	90.17					
Smt. Sheela Gehlot	41.60	41.60	41.60					
Total	146.70	943.99	1,661.06					

ANNEXURE-XI CONSOLIDATED SUMMARY STATEMENT OF UNSECURED LOAN, AS RESTATED

Note :-(1) Except as provided above, there are no unsecured loans taken from directors, promoters, group entities or the company for the aforementioned years.

Note:- (2) There are no default on aforementioned loans and no penalty has been levied.

Note: -(3): The abovementioned loans cannot be recalled by the lender.

			(Amount in	Rs. million)
Particulars		As at 31st	March,	
	2009	2008	2007	2006
Authorised share capital Equity share of Rs.10/- each	2,250.00	2,250.00	1250.00	50.00
Issued, subscribed & paid up share capital Equity share of Rs.10/- each fully paid	1,817.03	1,806.23	960.12	28.58
Total	1,817.03	1,806.23	960.12	28.58

ANNEXURE-XII STATEMENTS OF SHARE CAPITAL, AS RESTATED

			(Amount in R	s. million)
Particulars		As at 31st	March,	
	2009	2008	2007	2006
Share premium	2,539.84	1,467.52	689.44	442.92
Capital reserve	244.18	197.15	453.51	6.54
General reserve	94.37	68.33	44.01	-
Surplus from profit & loss account	594.84	207.95	8.38	202.94
Total	3,473.23	1,940.95	1,195.34	652.40

ANNEXURE-XIII CONSOLIDATED STATEMENTS OF RESERVE & SURPLUS, AS RESTATED

RESTATED					
				nt in Rs. million)	
		For the ye	ar ended		
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	
Sales	2,407.89	2,874.32	1,644.69	-	
Contract receipts	1,236.89	1,122.24	2,788.86	2,632.89	
Leasing income	344.42	295.98	1.36	-	
Income from management, maintenance & electricity charges	422.39	176.99	4.69	-	
Other operational income	10.46	9.84	7.58	12.23	
	4,422.05	4,479.37	4,447.18	2,645.12	

ANNEXURE-XIV CONSOLIDATED SUMMARY STATEMENTS OF INCOME FROM OPERATION, AS RESTATED

ANNEXURE-XV CONSOLIDATED SUMMARY STATEMENT OF OTHER INCOME, AS RESTATED							
					(Amount	in Rs. million)	
		For the ye	ear ended		``````````````````````````````````````	Related or non related	
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	Nature (Recurring/ Non-Recurring)	to business	
Interest	3.56	4.04	0.02	0.03	Recurring	Related	
Dividend received	0.26	-	0.01	0.01	Non recurring	Non related	
Profit on sale of shares	13.74	1.76	0.08	-	Non recurring	Non related	
Profit on sale of investment	-	0.25	10.26	0.11	Non Recurring	Non related	
Miscellaneous income	9.50	51.04	-	0.58	Non Recurring	Related	
Commission and service charges	8.32	5.67	0.70	-	Recurring	Related	
TOTAL	35.38	62.76	11.07	0.73			
% of other income to profit before tax (PBT)	6.04%	6.18%	2.34%	0.34%			

ANNEXURE-XVI CONSOLIDATED SUMMARY STATEMENTS OF COST OF OPERATION, AS RESTATED					
		For the	(Amo year ended	unt in Rs. million)	
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	
Cost of sales & contract receipts	2,339.46	2,709.08	3,855.32	2,322.52	
Cost of management, maintenance & electricity charges	395.90	114.84	5.56	-	
Other operational cost	5.22	4.47	0.46	-	
Total	2,740.58	2,828.39	3,861.34	2,322.52	

ANNEXURE-XVII CONSOLIDATED STATEMENTS OF ESTABLISHMENT EXPENSES, AS RESTATED					
	(Amount in Rs. million)				
		For the y	ear ended		
Particulars	March 31, 2009 March 31, 2008 March 31, 2007 March 2006				
Directors Remuneration	20.10	61.02	7.34	5.76	
Salaries, Wages & other benefits to Staff	27.98	35.24	19.44	13.73	
Staff Welfare Expenses	1.21	0.87	0.39	0.14	
Total	49.29	97.13	27.17	19.63	

ANNEXURE-XVIII- CONSOLIDATED STATEMENT OF ADMINISTRATIVE & OTHER EXPENSES, AS RESTATED				
			(Amount in Rs.	million)
Particulars	March 31, 2009	For the y March 31, 2008	vear ended March 31, 2007	March 31, 2006
Advertising & business promotion expenses	16.63	36.76	0.70	0.57
Rent, rates & taxes	12.60	5.41	0.21	0.36
Conveyance & traveling expenses	10.09	7.10	1.97	2.45
Bank charges	11.29	3.11	0.54	0.05
Legal & professional charges	12.99	10.28	1.58	0.58
Communication expenses	2.92	2.40	1.12	0.57
Charity & donations	1.39	0.29	0.87	1.52
Electricity & water charges	2.13	2.88	0.97	0.40
Printing & stationary expenses	2.87	2.56	0.58	0.40
Insurance expenses	1.06	1.60	2.21	2.25
Watch & ward expenses	0.21	1.66	0.92	-
Subscription & membership fees	0.08	0.14	0.08	0.28
Others expenses	5.68	5.68	1.26	0.18
TOTAL	79.94	79.88	13.02	9.61

			(Amour	nt in Rs. million)
		As a	t	
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
Weighted average number of equity shares of Rs. 10/- each				
i) Number of shares at the beginning of the year	180,622,500	96,012,000	2,857,500	1,057,500
ii) Number of shares at the end of the yeariii) Weighted average number of	181,702,500	180,622,500	96,012,000	2,857,500
outstanding equity shares iv) Weighted average number of	181,163,979	180,181,517	95,492,170	1,072,295
outstanding equity shares (diluted)	181,163,979	180,181,517	179,047,819	56,295,488
Net profit after tax available for Equity Shareholders (Rs.)	391,891,451	678,121,016	263,542,210	142,461,383
1. Basic earning per share (EPS) (Rs)	2.16	3.76	2.76	132.86
2. Diluted earning per share (EPS) (Rs)	2.16	3.76	1.47	2.53
3. Return on net worth (%)	7.43%	18.21%	12.27%	20.93%
4. Net asset value per share (NAV) (Rs)	29.01	20.61	22.37	238.17

Earning per Share (Basic)	=	Net profit attributable to Equity Shareholders
		Weighted Average number of equity shares outstanding during the year.
Earning per Share (Diluted)	=	Net profit attributable to Equity Shareholders
		Weighted average number of diluted equity shares outstanding during the year.
Return on Net Worth (%)	=	Net profit after tax
		Net worth at the end of the year
Net Asset Value per Share (Rs.)	=	Net worth at the end of the year
		Equity shares outstanding during the year

			(Amount in Rs. million
	Particulars	As Adjusted for the issue	Pre-issue as at 31st March 2009
	Borrowing		
	Short term Debt		3,460.28
	Long term Debt		23,883.53
	Total Debts		27,343.81
	Shareholder's Fund		
	Equity Share Capital		1,817.03
	Reserve & Surplus		3,473.23
	Less:- Miscellaneous Expenditure not wtitten off		18.69
	Total Shareholder's Fund		5,271.57
	Long-term Debt/Equity ratio		4.53
	Total Debt to Equity Ratio		5.19
2.	Long term debts represent debts other than short term debts, as d	efined above.	
3.	The figures disclosed above are based on the Restated Consolida the Company as at March 31, 2009.	ted Summary Statement of A	Assets and Liabilities of
4.	Long Term debt to equity =		g Term Debts bholders' Funds
5	Total debt to equity ratio =		Fotal Debt sholders' Funds
6	The corresponding post issue figures are not determinable at this Process and hence have not been furnished.	stage pending the completion	on of Book Building
7	Since March 31, 2009 equity share capital of the Company has be million by way of issuing 12,11,35,000 bonus shares of Rs.10/- e equity shareholder vide resoluation dated August 26, 2009.		

	ANNEXURE XXI: CONSOLIDATED STATEMENT OF RELATED PARTY DISCLOSURE Related party information					
S. No	Name of the Related Parties	Nature of Relationship	Relationship			
110	Name of the Kelateu I al ties		With effect from 30th March			
1	Ambi Estates Private Limited	Subsidiary Company	2006			
			With effect from 30th March			
2	Armaan Buildcon Private Limited	Subsidiary Company	2006			
	Grandvalley Developers Private		With effect from 30th March			
3	Limited	Subsidiary Company	2006			
4			With effect from 30th March			
4	Grandvalley Realtors Private Limited	Subsidiary Company	2006 With effect from 30th March			
5	Greenvalley Realtors Private Limited	Subsidiary Company	2006			
5	Siconvancy Realions Fill and Elimited	Substatury Company	With effect from 30th March			
6	Fineview Realtors Private Limited	Subsidiary Company	2006			
			With effect from 30th March			
7	Lagoon Realtors Private Limited	Subsidiary Company	2006			
	Littlevalley promoters Private		With effect from 30th March			
8	Limited	Subsidiary Company	2006			
~			With effect from 30th March			
9	Moonvalley Realors Private Limited	Subsidiary Company	2006 With effect from 30th March			
10	Skyvalley Buildcon Private Limited	Subsidiary Company	2006			
10	Skyvaney Bundcon Filvate Limited	Subsidiary Company	With effect from 30th March			
11	Starvalley Realtors Private Limited	Subsidiary Company	2006			
11	Ambience Apartment Developers	Subsidiary Company	With effect from 28th February			
12	Private Limited	Subsidiary Company	2007			
	Ambience Developers &		With effect from 28th February			
13	Infrastructure Private Limited	Subsidiary Company	2007			
	Ambience Commercial Developers		With effect from 28th February			
14	Private Limited	Subsidiary Company	2007			
15	Ambience Facilities Services Private		With effect from 28th February			
15	Limited	Subsidiary Company	2007 With effect from 28th February			
16	Ambience Farms Private Limited	Subsidiary Company	2007			
10		Substatury Company	With effect from 28th February			
17	Ambience Homes Private Limited	Subsidiary Company	2007 to 30th November 2008			
17	Amblence Homes I fivate Emitted	Subsidiary Company	With effect from 28th February			
18	Ambience overseas Private Limited	Subsidiary Company	2007			
			With effect from 28th February			
19	Ambience Towers Private Limited	Subsidiary Company	2007			
			With effect from 28th February			
20	Bigway Colonizers Private Limited	Subsidiary Company	2007			
21	Four Square Promoters Private	Subsidiary Company	With effect from 28th February			
21	Limited	Subsidiary Company	2007 With effect from 28th February			
22	Lagoon Club Private Limited	Subsidiary Company	2007			
	Zugoon chuc i firtute Emiliou	Substanty Company	With effect from 28th February			
23	NGR Consultants Private Limited	Subsidiary Company	2007			
			With effect from 28th February			
24	Rajsheela Housing Private Limited	Subsidiary Company	2007			
			With effect from 28th February			
25	Alankar Apartments Private Limited	Subsidiary Company	2007			
2.5	Greenline Developers Private		With effect from 28th February			
26	Limited	Subsidiary Company	2007 With affect from 28th Echanom			
27	Prime commercial Private Limited	Subsidiary Company	With effect from 28th February 2007			
28	RSG Housing & Finance Private	Subsidiary Company	With effect from 28th February			

ANNEXURE XXI: CONSOLIDATED STATEMENT OF RELATED PARTY DISCLOSURE

	Limited		2007
			With effect from 28th February
29	Sara Estates Private Limited	Subsidiary Company	2007
			With effect from 28th February
30	Senatore Developers Private Limited	Subsidiary Company	2007
			With effect from 16th December
31	Ambience Buildcon Private Limited	Subsidiary Company	2007
			With effect from 16th December
32	Ambience Infracon Private Limited	Subsidiary Company	2007
			With effect from 16th December
33	Ambience Power Projects Limited	Subsidiary Company	2007
	Ambience Sez Developers Private		With effect from 26th October
34	Limited	Subsidiary Company	2007
	Ambience Highway Developers		With effect from 16th December
35	Limited	Subsidiary Company	2007
	Ambience Infrstructure Developers		With effect from 21st January
36	Private Limited	Subsidiary Company	2009
	Ambience Home Developers Private		With effect from 21st January
37	Limited	Subsidiary Company	2009
	Ambience IT Developers Private		With effect from 21st January
38	Limited	Subsidiary Company	2009
			Chairman cum Managing
35	Sh. Raj Singh Gehlot	Key Management Personnel	Director
36	Sh. Dayanand Singh	Key Management Personnel	Director
37	Sh. Mohan Singh	Key Management Personnel	Director
38	Sh. Aman Gehlot	Key Management Personnel	Director
39	Smt Sheela Gehlot	Key Management Personnel	Director
40	Smt Nutan Gehlot	Key Management Personnel	Director
41	Smt Sunita Choudhary	Key Management Personnel	Director

		Related party information	
S. No	Name of the Related Parties	Nature of Relationship	Relationship
42	Sh. Arjun Gehlot	Key Management Personnel	Director
43	Aman Growth Fund Private Limited	Associate Concerns	Enterprises owned and significantly influenced by key management personnel or their relatives
44	Aman Holding Private Limited	Associate Concerns	Enterprises owned and significantly influenced by key management personnel or their relatives
45	Ambience Hotels & Resorts Limited	Associate Concerns	Enterprises owned and significantly influenced by key management personnel or their relatives
46	Nutan Growth Fund Private Limited	Associate Concerns	Enterprises owned and significantly influenced by key management personnel or their relatives
47	Raj sheela Growth Fund Private Limited	Associate Concerns	Enterprises owned and significantly influenced by key mangement personnel or their relatives
48	Raghubinder Singh	Relative of key management personnel	Brother of Sh. Raj Singh Gehlot
49	Shekhar Singh	Relative of key management personnel	Brother of Smt Sheela Gehlot
50	Saheb Singh Gehlot	Relative of key management personnel	Brother of Sh. Raj Singh Gehlot
51	Smt. Shyamo Devi	Relative of key management personnel	Sister of Smt Sheela Gehlot
52	Smt. Usha Devi	Relative of key management personnel	Sister of Smt Sheela Gehlot
53	Smt. Suchitra	Relative of key management personnel	Wife of Sh Shekhar Singh
54	Smt. Sita Gehlot	Relative of key management personnel	Wife of Saheb Singh

55	Raj Singh & Sons HUF	Associate Concerns	HUF of Sh Raj Singh Gehlot
56	Finance & Investment	Associate Concerns	HUF of Sh Mohan Singh
57	Dayanand Singh HUF	Associate Concerns	HUF of Sh Dayanand Singh
58	Raghubinder Singh HUF	Associate Concerns	HUF of Sh Raghubinder Singh
59	Shekhar Singh & Sons HUF	Associate Concerns	HUF of Sh Shekhar Singh

ANNEXURE XXI: CONSOLIDATED STATEMENT OF RELATED PARTY TRANSACTION

T							(Amoun	ts in millions)
Nature of	For the year March			ar ended 31st h, 2008		nr ended 31st h, 2007	For the year of March, 2006	ended 31st
Transactions	KMP & their relative	Associate Concerns	KMP & their relative	Associate Concerns	KMP & their relative	Associate Concerns	KMP & their relative	Associate Concerns
1. Contract								
receipts & sales	39.77	1,164.50	92.62	1,049.98	108.60	3,250.37	-	2,614.55
Ambience				,		,		
Facilities Services Private Limited	-		-	-	-	0.20	-	0.19
Ambience								
Developers & Infrastructure								
Private Limited	-	-	-	-	-	870.83	-	1,375.58
Ambience								
Commercial								
Developers Private Limited	-	640.00	-	-	-	754.30	-	453.38
Ambience Hotels								
& Resorts Limited	-	524.50	-	1,049.98	-	1,625.00	-	785.35
Smt. Sunita Choudhary	-	-	_	-	65.00	-	-	
Lagoon Club	-			-	05.00		_	_
Private Limited	-	-	-	-	-	0.04	-	0.05
Smt Sheela Gehlot	39.77	-	92.62	-	43.60	-	-	-
2. Other income	-	8.02	-	4.28	-	-	8.47	3.76
Smt Sheela Gehlot	-	-	_	-	-	-	8.47	-
Prime Commercial							0.1.7	
Private Limited	-	-	-	-	-	-	-	3.03
Ambience Apartments								
Private Limited	-	-	-	-	-	-	-	0.73
Ambience Hotels								
& Resorts		0.1.5						
Limited Raj Commercial	-	0.16	-	-	-	-	-	-
& Agencies	-	7.86	-	4.28	-	-	-	-
<u>3. Electricity &</u>								
fuel charges Ambience	1.83	-	0.45	-	-	11.13	-	-
Ambience Facilities Services								
Private Limited	-	-	-	-	-	11.13	-	-
Smt Shools Cablet	1 02		0.45					
Smt Sheela Gehlot	1.83	-	0.45	-	-	-	-	-
4. Financial								
charges paid	-	8.08	-	1.92	-	-	-	
Raj Commercial		0.00		1.00				
Agencies	-	8.08	-	1.92	-	-	-	-
5. Payment of rent	13.77	-	9.84	-	-	-	-	-

Smt. Sheela Gehlot	13.77	-	9.84	-	-	-	-	-
<u>6. Construction &</u> <u>developments</u> <u>expenses</u>	7.97	-	528.33	883.23	-	-	-	-
Dayanand Singh HUF	-	-	-	170.96	-	-	-	-
Mohan Singh & Sons HUF	-	-	-	170.66	-	-	-	-
Raghubinder Singh	-	-	171.05	-				
Raghubinder Singh HUF	-	-	-	172.20	-	-	-	_
Saheb Singh & Sons	-	-	-	20.86	_	-	_	-
Saheb Singh & Sons HUF	-	-	-	177.29	-	-	_	-
Shekhar Singh	-	-	172.13	-	-	-	-	-

Nature of	For the year ended 31st March, 2009			For the year ended 31st March, 2008		r ended 31st , 2007	For the year ended 31st March, 2006	
Transactions	KMP & their relative	Associate Concerns	KMP & their relative	Associate Concerns	KMP & their relative	Associate Concerns	KMP & their relative	Associate Concerns
Shekhar Singh HUF	-	-	-	171.26	-	-	-	-
Saheb Singh Gehlot	-	-	155.43	-	-	-	_	-
Smt. Suchitra Devi	-	-	21.96	-	-	-	-	-
Smt. Shyamo Devi	3.99	-	3.95	-	-	-	-	-
Smt. Usha Devi	3.98	-	3.95	-	-		-	
7. Payment of dividend Aman Growth	-	-	-	-	85.36	106.70	-	-
Fund Private Limited	-	-	_	-	_	21.34	-	_
Aman Holding Private Limited	_	-	_	-	-	21.34	_	_
Nutan Growth Fund Private Limited	-	-	-	-	-	21.34	_	-
Raj sheela Growth Fund Private Limited	-	-	-	-	-	21.34	-	-
Sh. Raj Singh Gehlot	-	-	-	-	21.34	-	-	_
Smt Sheela Gehlot	-	-	-	-	21.34	-	-	-
Mr Aman Gehlot	-	-	-	-	21.34	-	-	-
Mr Arjun Gehlot	-	-	-	-	21.34	-	-	-
Raj Singh & Sons HUF	-	-	-	-	-	21.34	-	-
8. Allotment of								
share		600.00	-	4,000.00	127.00	158.75	220.00	230.00

<u>(Face value +</u> share premium)	480.00							
Sh Raj Singh Gehlot	120.00	-	-	_	31.75	-	50.00	
Smt Sheela Gehlot	120.00	-	-	-	31.75	-	50.00	-
Mr Aman Gehlot	120.00	-	-	-	31.75	-	20.00	_
Mr Arjun Gehlot	120.00	-	-	-	31.75	-	-	
Mr Mohan Singh	-	-	-	-	-	-	30.00	
Mr Dayanand Singh	-	-	-	-	-	-	20.00	-
Ms. Nutan Gahlot	-	-	-	-	-	-	30.00	-
Ms. Anita Gahlot	-	-	-	-	-	-	20.00	-
Aman Holding Private Limited	-	120.00	-	1,000.00	_	31.75	_	10.00
Aman Growth Fund Private Limited	-	120.00	-	1,000.00	-	31.75	-	10.00
Nutan Growth Fund Private Limited	-	120.00	-	1,000.00	-	31.75	_	10.00
Raj Sheela Growth Fund Private Limited	-	120.00	_	1,000.00	_	31.75	-	10.00
Sh Raj Singh & Sons (HUF)	-	120.00	-	-	-	31.75	-	-
Ambience Farms Private Limited	-	_	-	-	-	-	_	50.00
Raj Sheel Housing Private Limited	-	-	-	-	-	-	-	50.00
NGR Consultant Private Limited	-	-	-	-	-	-	-	25.00
Ambience Overseas Private Limited	-	_	_	-	_	_	_	25.00
Ambience Apartments Private Limited	-	_	-	-	-	_	_	20.00

Nature of	For the year ended 31st March, 2009		For the year ended 31st March, 2008			ar ended 31st ch, 2007	For the year ended 31st March, 2006	
Transactions	KMP & their relative	Associate Concerns	KMP & their relative	Associate Concerns	KMP & their relative	Associate Concerns	KMP & their relative	Associate Concerns
Four Square Promoters Private Limited	_	-	-	-	-	-	-	20.00
9. Issue bonus share (face value)		-	373.40	468.75	594.44	743.05	_	-
Sh Raj singh gehlot	-	_	93.35	_	148.61	-	-	-
Smt Sheela gehlot	-	-	93.35	-	148.61	-	-	-
Mr Aman gehlot	-	-	93.35	-	148.61	-	-	-
Mr Arjun Gehlot	-	-	93.35	-	148.61	-	-	-
Aman Holding			-	93.85	-	148.61	-	-

Private Limited	-	-				I	1	
Aman Growth								
Fund Private								
Limited	-	-	-	93.85	-	148.61	-	-
Nutan Growth Fund Private								
Limited	-	_	_	93.85	-	148.61	-	_
Raj Sheela Growth				70100		110101		
Fund Private								
Limited	-	-	-	93.85	-	148.61	-	-
Raj singh & sons (HUF)		_		93.35	_	148.61		
(HUF)	-	-	-	93.35	-	148.01	-	-
10. Investment in								
short term projects	-	_	_	-	-	_	707.00	43.00
Ambience							707.00	10100
Apartment Private								
Limited	-	-	-	-	-	-	-	10.00
Prime Commercial								22.00
Private Limited Smt. Sheela	-	-	-	-	-	-	-	33.00
Smt. Sneela Gehlot	-	_	-	-	-	-	707.00	-
							,	
11. Salary and								
remuneration	20.10	-	68.62	-	11.64	-	8.44	-
Smt Sheela Gehlot	-	-	2.25	-	2.40	-	2.40	-
Smt Nutan Gehlot	-	-	0.36	-	0.36	-	0.26	_
Shiti Matan Geniot			0.50		0.50		0.20	
Sh. Mohan Singh	-	-	3.48	-	0.64	-	0.38	-
Sh. Raj Singh								
Gehlot	20.10	-	54.30	-	6.75	-	5.40	-
Sh Aman Gehlot	-	_	6.74	-	0.08			
Smt. Sunita	-	-	0.74		0.08			
Choudhary	-	-	-	-	0.18	-	-	-
Sh.Vinay								
Choudhary	-	-	-	-	1.11	-	-	-
Sh. Dayanand			0.01		0.07			
Singh	-	-	0.81	-	0.07	-	-	-
Smt Sunita Gehlot	-	-	0.68	-	0.06	-	-	-
12. Advances								
received	-	-	-	1,015.66	-	68.71	-	-
Smt. Sunita								
Choudhary	-	-	-	-	-	-	-	-
Ambience Hotels & Resorts Ltd	-		_	782.66	_	68.71	_	_
Apex Home	-	-	-	782.00		00.71		
Private Limited	-	-	-	233.00	-	-	-	-
13. Advances								
recoverable	-	1,245.69	-	-	-	130.82	-	336.26
Finance &								211 54
Investments Ambience	-	-	-	-	-	-	-	311.56
Developers &								
Infrastructure Pvt								
Ltd	-	-	-	-	-	-	-	24.70
Raj commercial	~					100 00		
agencies Aman Growth	0	1,245.69	-	-	-	127.07	-	-
Aman Growth Funds Pvt Ltd	_	_	_	-	-	1.20	_	-
i unus i vi Liu	-	-	-	-	-	1.20	-	-

Nature of		r ended 31st 1, 2009	For the year March		For the year March,		For the year of March, 2	
Transactions	KMP & their relative	Associate Concerns	KMP & their relative	Associate Concerns	KMP & their relative	Associate Concerns	KMP & their relative	Associate Concerns
Aman Holding Pvt Ltd	-	-	-	-	-	1.75	-	-
Nutan Growth								
Funds Pvt Ltd Rajsheela Growth	-	-	-	-	-	0.40	-	-
Fund Pvt Ltd	-	-	-	-	-	0.40	-	-
14. Advances from customers	-					-	65.00	270.00
Smt. Sunita Chaudhary	-	-	-	-	-	-	65.00	-
Ambience Developers Pvt Ltd	-		-		-		-	270.00
<u>15. Share</u> application money received	-	-	-	-	12.81	1.75	10.23	4.37
NGR Consultants Pvt Ltd	-	-	-	-	-	-	-	0.40
Nutan Growth Fund Pvt Ltd	-	-	-	-	-	0.65		0.65
Smt Sunita Gehlot	-	-	-	-	0.75	-	0.75	-
Sh. Shekhar Singh	-	-	-	-	0.10	-	0.10	-
Aman Growth Fund Pvt Ltd	-		-	-	-	0.40	-	0.40
Rajsheela Growth Fund Pvt Ltd	-	-	-	-	-	0.40	-	0.40
Smt Anita Gehlot	-	-	-	-	3.03	-	1.35	-
Aman Gehtot	-	-	-	-	0.73	-	0.73	-
Sh. Dayanand singh	-	-	-	-	0.80	-	0.80	-
Ambience Overseas Pvt Ltd	-	-	-	-	-	-	-	0.50
Four square promoters Pvt Ltd	-	-	-	-	-	-	_	0.62
Smt Nutan Gehlot	-		-	-	1.60	-	1.60	-
Smt Sheela Gehlot	-	-	-	-	1.28	-	1.28	-
Smt Suchitra	-	-	-	-	0.50	-	0.50	-
Sh. Raghubinder singh	-	-	-	-	1.82	-	1.82	-
Aman Holding Pvt Ltd	-	-	-	-	-	0.30	-	0.30
Smt Sita Gehlot	-	-	-	-	1.20	-	0.30	-
Sh. Shekhar Singh	-	-	-	-	1.00	-	1.00	-
Apex Home Finance Limited	-	-		-	-	-		1.10
16. Unsecured loan received	131.77	14.93	131.77	812.22	131.77	1,529.29	-	-

Raj commercial agencies	-	14.93	-	812.22	-	1,529.29	-	-
Sh Raj Singh								
Gehlot	90.17	-	90.17	-	90.17	-	-	-
Smt Sheela Gehlot	41.60	-	41.60	_	41.60	-	_	-
	-	-	-	-	-	-	-	-
<u>17. Advances</u> outstanding at year end for acquiring development								
rights of projects.	954.28	-	976.72	-	1,044.88	-	-	-
Smt. Nootan								
Gehlot	100.83	-	100.83	-	100.83	-	-	-
Smt. Sheela								
Gehlot	853.45	-	875.89	-	944.05	-	-	-

Nature of	For the year ended 31st March, 2009		For the year March	r ended 31st , 2008		ar ended 31st h, 2007	For the year March,	ended 31st 2006
Transactions	KMP & their relative	Associate Concerns	KMP & their relative	Associate Concerns	KMP & their relative	Associate Concerns	KMP & their relative	Associate Concerns
18. Sale of share of subsidiary company	-	-	-	-	0.15	0.26	-	-
Aman Gehlot	-	-	-	-	0.04	-	-	-
Aman Growth Fund Private Limited	-	-	-	-	_	0.04	-	_
Aman Holdings Private Limited	-	-	-	-	-	0.04	-	-
Arjun Gehlot	-	-	-	-	0.04	-	-	-
NutanGrowthFundPrivateLimited	-	-	-	-	-	0.04	-	_
Raj Sheela Housing Private Limited	-	-	-	-	-	0.04	_	-
Raj Singh & Sons HUF	-	-	-	-	-	0.08	_	-
Sh. Raj Singh Gehlot	-	-	-	-	0.02	-	_	-
Smt Sheela Gehlot	-	-	-	-	0.04	-	-	-
19. Purchases of share of subsidiary Company	-	-	-	-	49,20	81.77	0.58	-
Sh Dayanand Singh	-	_	-	_	_	-	0.10	-
Smt Nutan Gehlot	-	-	-	-	-	-	0.10	-
Aman Gehlot	-	-	-	-	10.88	-	-	-
Aman Growth Fund Pvt. Ltd	-	-	-	-	-	14.68	_	-
Aman Holdings Pvt. Ltd	_	-	_	-	-	15.46	-	-
Arjun Gehlot	-	-	-	-	10.98	-	-	-
Dayanand Singh & Sons (HUF)	-	-	-	-	-	0.04	-	-
Mehtab Singh & Sons HUF	-	_	-	-	-	0.24	-	-
Mohan Singh & Sons HUF	-	-	-	-	-	0.02	-	-
Nutan Growth Fund Pvt. Ltd	-	-	-	-	-	13.03	-	-

Raghubinder Singh & Sons (HUF)	_	-	-	-	-	0.03	-	_
Raj Sheela Growth Fund Private								
Limited	-	-	-	-	-	14.52	-	-
Raj Singh & Sons HUF	-	-	-	-	-	23.60	-	-
Sh. Mohan Singh	-	-	-	-	-	-	0.10	-
Saheb Singh & Sons HUF	-	-	-	-	-	0.10	-	-
Sh. Raghubinder Singh	-	-	-	-	0.03	-	0.10	-
Sh. Raj Singh Gehlot	-	-	-	-	19.54	-	-	_
Sh. Shekhar Singh	-	-	-	-	0.03	-	-	-
Sh. Saheb Singh	-	-	-	-	0.01	-	0.10	-
Shekhar Singh & Sons HUF	-	-	-	-	-	0.03	-	-
Smt Sheela Gehlot	-	-	-	-	7.69	-	0.10	-
Smt Suchitra	-	-	-	-	0.04	-	-	-

Notions of	•	ar ended 31st h, 2009	For the yea March	r ended 31st 1, 2008	•	For the year ended 31st March, 2007		nded 31st
Nature of Transactions	KMP & their relative	Associate Concerns	KMP & their relative	Associate Concerns	KMP & their relative	Associate Concerns	KMP & their relative	Associate Concerns
20. Purchases of agriculture land	-	-	207.56	269.53	-	-	-	-
Smt. Sheela Gehlot	-	-	207.56	-	-	-	-	-
Raj Singh & Sons HUF	-	-	-	269.53	-	-	_	-
21. Security								
deposits	-	750.00	-	750.00	-	-	-	-
Ambience Hotels & Resorts Limited		750.00		750.00				

		r ended		
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
Profit before tax as restated	585.57	1,016.89	405.40	215.3
Tax rate (%)	33.99	33.99	33.66	33.6
Tax as per actual rate on profits (A)	199.03	345.64	136.46	72.4
Adjustments:				
Permanent differences				
Income chargeable under the other head of income	13.00	2.00	0.15	
Dividend income exempt	0.26	-	0.02	0.0
Other non taxable income	-	254.35	-	
Loss on sale of car	(0.18)	-	(0.48)	
Charity and donations	(1.39)	(0.29)	(0.87)	(1.52
Deduction under section 24	436.33	416.93	0.49	
Disallowance u/s 36 & u/s 37 of the Income Tax Act,1961	(296.43)	(277.81)	-	
Tax impact of adjustments	0.18	0.90	0.50	(1.07
Total permanent difference	151.77	396.08	(0.19)	(2.58
Total tax effect from permanent difference (B)	51.59	134.63	(0.06)	(0.8
Timing difference				
Difference between tax depreciation and book depreciation	12.76	5.58	1.17	1.8
Deduction claimed under the provisions of Income Tax Act, 1961.	0.65	0.13	0.38	0.5
Carried forward loss/unabsorbed depreciation Unrealized profit on transactions between holding and subsidiary	(99.32)	(100.07)		
Со.	-	(260.64)	(15.76)	
Total timing difference	(85.91)	(355.00)	(14.21)	2.3
Total tax effect from timing difference (C)	(29.20)	(120.67)	(4.79)	0.7
Tax payable under head capital gain	4.70	0.07	-	
Total adjustments (B+C-D) =E	17.69	13.89	(4.85)	(0.09
Tax payable for the period/ year (A-E)	181.34	331.75	141.31	72.5
Γax payable under MAT (u/s 115JB)	7.19	4.05	-	
	188.53	335.80	141.31	72.5
Current tax (Net of Tax Impact of Adjustments)	188.53	335.80	141.30	72.5
nterest under section 234B and 234C of the Income tax Act, 1961	16.40	8.57	1.31	2.8
Fotal tax payable	204.93	344.37	142.61	75.3
Counied forward uncheenhad docurrent or	202 (5	102 52	2 15	
Carried forward unabsorbed depreciation	382.65	103.52	3.45	

Tax saving on carried forward unabsorbed depreciation	130.06	35.19	1.16	-

Note: (1). The above statement has been prepared as per the income tax computations filed with Income Tax Return for the year ended March 31, 2008, 2007, 2006 and 2005 and the figures for the year ended March 2009 are based on provisional computation of income and tax.

Note: (2). The aforesaid statement of tax shelter has been prepared on the line of Accounting Standards Interpretation (ASI) 26 on AS 21 issued by the Institute of Chartered Accountants of India.

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

You should read the following discussion of our financial condition and results of operations together with our restated consolidated financial statements included in this Draft Red Herring Prospectus. Our financial statements are prepared in conformity with Indian GAAP, which differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles and auditing standards with which prospective investors may be familiar with in other countries.

Overview

We are a real estate development company in the National Capital Region with in-house construction capabilities, focused on premium developments. We have a diversified portfolio of completed, ongoing and planned real estate development projects, which include integrated townships; residential projects, including, premium and luxury residential apartment complexes; commercial projects, including corporate office towers and retail projects, including shopping malls. We believe we have established a strong brand image and a successful track record in the real estate industry with the completion of innovative, premium and contemporary projects.

Our signature integrated township project is "Ambience Island", a township of approximately 134.60 acres on the Delhi-Gurgaon border, adjacent to National Highway 8. To date, we have developed "Ambience Mall", Gurgaon, which is the largest operational retail shopping mall in India (*Source: Jones Lang LaSalle Meghraj*), and an eight-floor corporate office tower as part of the "Ambience Island" township. The township also has a 345-unit residential complex called "Lagoon", which we constructed, and the "Leela Kempinksi", a hotel with 322 rooms and 90 serviced apartments, which was also constructed by us and which is owned by Ambience Hotels and Resorts Limited, a Group Entity. We have two Ongoing Projects at "Ambience Island" – a 240 condominium complex with an estimated Saleable Area of approximately 1.87 million square feet called "Caitriona" and a 12 storey premium office tower with an estimated Leaseable Area of approximately 0.56 million square feet. We are also developing a nine-hole pitch and putt golf course as part of the township. We will continue to develop the balance of the township's Developable Area of approximately 18.73 million square feet with a mixture of luxury residential developments with an estimated Developable Area of approximately 1.58 million square feet.

In November 2007 we officially opened "Ambience Mall", Gurgaon at "Ambience Island". "Ambience Mall" has one kilometre of shopping experience on each floor and has a total leasable area of approximately 1.66 million square feet spread over eight floors and a three-level basement, of which we have leased out approximately 1.17 million square feet as on August 31, 2009. The shopping mall includes six anchor stores, retail shops, a seven screen multiplex, restaurants and coffee shops, a food court, a car showroom, a beer garden, a bowling alley, a kids play zone, a hyper market, a fitness and meditation centre, a recreational zone, a simulated golf works and more than 2,500 car parking spaces. We have over 165 international and domestic brands as tenants in the shopping mall, including, Debenhams, PVR Cinemas, Fitness First, Reliance Retail, Pantaloon, Rockman's Beer Island, Westside, Big Bazar, BMW, Marks & Spencers and BJN food chain.

We recently completed construction of "Ambience Mall" at Vasant Kunj, New Delhi located adjacent to the 150 foot wide signal free Nelson Mandela Road, which is strategically located enroute to the international airport. The shopping mall has a Leaseable Area of approximately 1.17 million square feet and will offer four anchor stores, retail shops, a hyper market, a four screen gold-class multiplex, food courts, restaurants, a discotheque and more than 1,800 car parking spaces. The shopping mall is expected to be officially opened to the public in the fourth quarter of fiscal 2010.

In November 2007 we completed the development of a corporate office tower at "Ambience Island" consisting of eight floors. The office tower has a leasable area of approximately 0.23 million square feet, of which approximately 0.10 million square feet was sold (including buyers agreements) and approximately 0.08 million square feet has been leased. The balance 0.03 million square feet is held for future lease.

In 2002, ADIPL, which was then owned by the Promoters but is now a 100% owned subsidiary of our Company, completed the development of the "Lagoon" premium residential apartment complex at Ambience Island. We constructed this project. The "Lagoon" residential apartment complex has 345 units and a Developed Area of approximately 1.21 million square feet. We believe it was among the first colonies in the NCR with a two-level basement, 100% power back-up, 24-hour high-alert three tier security, a sewerage treatment plant, landscaped parks and a dedicated club with gym. All 345 units in the project were sold (including 31 units for which buyer's agreements have been entered and possession was handed over) by ADIPL prior to it becoming a subsidiary of our Company.

We have total Land Reserves of approximately 816.56 acres at strategic locations in the NCR and in Vishakhapatnam, Andhra Pradesh. The Developable Area of our Ongoing Projects and Planned Projects is approximately 3.57 million square feet and approximately 84.14 million square feet, respectively. Of our total Land Reserves, we are entitled to develop approximately 209.28 acres and have received a letter of intent for development of approximately 314.81 acres. Approximately 145.21 acres of un-licensed Land Reserves for our integrated township development at Sonepat falls under a residential zone as per the Final Development Plans, 2021 applicable to Sonepat.

Our Ongoing Projects comprise:

- two projects which are part of "Ambience Island", Gurgaon, Haryana: "Caitriona", a 240 condominium complex with an estimated Saleable Area of approximately 1.87 million square feet, and a premium office tower with an estimated leasable area of approximately 0.56 million square feet.
- 120 planned multi-unit residential apartments in Jasola, New Delhi with an estimated Saleable Area of approximately 0.35 million square feet;
- 24 multi-unit residential apartments in South Delhi with an estimated Saleable Area of approximately 0.12 million square feet;
- an office tower in Rohini, New Delhi with an estimated Saleable Area of approximately 0.26 million square feet; and
- a shopping and office complex in Shalimar Bagh, New Delhi with an estimated Saleable Area of approximately 0.23 million square feet.

Our Planned Projects comprise:

- residential and commercial projects at our "Ambience Island" integrated township in Gurgaon, Haryana with an estimated Developable Area of approximately 18.73 million square feet;
- residential, commercial and retail projects at our "Ambience City" integrated township in Panipat, Haryana with an estimated Developable Area of approximately 16.88 million square feet;
- residential and retail projects at our "Ambience City" integrated township in Sonepat, Haryana with an estimated Developable Area of approximately 7.53 million square feet;
- residential, commercial and retail projects at our "Ambience City" integrated township in Visakhapatnam, Andhra Pradesh with an estimated Developable Area of approximately 6.28 million square feet;
- a residential apartment complex at Sector 50, Noida, with an estimated Developable Area of approximately 0.54 million square feet;
- a residential apartment complex at Sector 115, Noida, with an estimated Developable Area of approximately 6.78 million square feet;
- a retail-cum-Office complex at Greater Noida, with an estimated Developable Area of approximately 2.22 million square feet;
- an Office complex at Sector 82/82A, Gurgaon, with an estimated Developable Area of approximately 1.69 million square feet; and

• a proposed SEZ in Kharkhoda with a current estimated Developable Area of approximately 23.49 million square feet.

We have an integrated in-house development team, which means that we have the key competencies and in-house resources to deliver a project from its conceptualization to completion. We have in-house architectural, engineering, procurement, project management and quality control capabilities. We received the Brick and Mortar Award (North Zone) from the Architecture and Design Spectrum Foundation in 2006 along with the Mapsor Indian Property Award for the best commercial project (State level) from the IPA in 2007. In 2009, "Ambience Mall", Gurgaon was awarded the Emerging Shopping Centre of the Year at the Images Shopping Centre Awards (ISCA) and the Award of Excellence – by Augtics Systems (International Real Estate Data Bank).

We maintain a mix of lease and sale properties in an attempt to maximize our profits and maintain regular cash flow. The decision to sell or lease a property depends upon the nature of the development and its location. We have retained the "Ambience Mall" and part of the corporate office tower at Gurgaon as lease properties. As at August 31, 2009, we have leased approximately 1.17 million square feet at "Ambience Mall" and approximately 0.08 million square feet at the corporate office tower, and for the month of August 2009 had lease revenues of Rs. 100.33 million and Rs. 9.03 million from each of these projects. We intend to lease out all of the remaining approximately Rs. 0.49 million square feet of the Leaseable Area of "Ambience Mall", Gurgaon and approximately 0.03 million square feet of the Leaseable Area of "Ambience Mall", Vasant Kunj. As at September 15, 2009, we have entered into preliminary arrangements for leasing out approximately 0.85 million square feet of "Ambience Mall", Vasant Kunj. We also intend to lease out the office towers/ spaces we plan to develop on "Ambience Island", which will have an estimated Leaseable Area of approximately 6.02 million square feet, of which approximately 0.56 million square feet relates to an Ongoing Project.

We currently manage and maintain "Ambience Mall", Gurgaon, the corporate office tower and "Lagoon" residential apartment complex at "Ambience Island". For the month of August 2009, we received revenue of Rs. 33.80 million from management and maintenance fees. We intend to manage and maintain our future residential and commercial developments.

Our founder, Chairman and Managing Director, Mr. Raj Singh Gehlot has been associated with the property development, real estate and construction sector in India for over 23 years. Mr. Gehlot has been primarily responsible for the direction and growth of our business and has been instrumental in identifying our current development projects, including strategic planning. He received an award for Building Industry Leadership from the Buildings Information Bureau in 2007.

Our income from operations for fiscal 2009, 2008 and 2007 were Rs. 4,422.05 million, Rs. 4,479.37 million and Rs. 4,447.18 million, respectively, on a consolidated basis. Our restated net profit after minority interest for fiscal 2009, 2008 and 2007 was Rs. 391.89 million, Rs. 678.12 million and Rs. 253.48 million, respectively, on a consolidated basis.

Factors Affecting our Results of Operations, Cash Flows and Financial Condition

Our income and expenses depend on various factors, including the following:

The performance of, and the prevailing conditions affecting, the premium real estate market in northern India, in particular those in the NCR. We conduct our operations primarily in the NCR and as such our business is affected by the prevailing market conditions for real estate in the NCR. The sale prices for our residential properties are determined on the basis of the prevailing market conditions and the nature of the properties being developed. Market conditions are affected by various factors, including the availability of properties, prevailing economic and demographic conditions, the availability of financing and the interest rates available to purchasers requiring financing, among others.

Sales volume and the rate of progress of construction. For properties that we intend to sell, we follow the percentage of completion method of revenue recognition. Under this method, our revenue from sales depends on the volume of bookings we are able to obtain for our developments as well as the rate of progress with respect to the construction

of our projects. Our bookings depend on our ability to identify suitable types of developments that will meet customer preferences and market trends, and our ability to market and pre-sell our projects. Construction progress depends on various factors, including the availability of labour and raw materials, the prompt receipt of regulatory clearances, access to utilities such as electricity and water, and the absence of contingencies such as litigation and adverse weather conditions. This revenue recognition policy is applicable to developments that we intend to sell; it is not applicable to developments that we intend to lease.

The occupancy levels of our leased commercial and retail properties and the rates per sq. ft we charge for those properties. We receive lease income from rentals of our commercial and retail real estate developments, primarily Ambience Mall, Gurgaon and the corporate office tower at Ambience Island, Gurgaon. The amount that we receive in rental income is based upon the amount of space we have available to lease, the occupancy rate for that space and the rate per sq. ft we charge for that leased space. The occupancy and rates we charge per sq. ft depends on various factors including the location and design of the property, the tenant mix for shopping malls, prevailing economic conditions and competition. Our typical lease agreement for our shopping mall bases the lease amount payable on a percentage of a tenant's turnover, with a minimum guaranteed lease rental. Therefore, the more consumers spend at our mall, the more lease revenue we will receive. The amount of money spent by consumers at our mall is dependent on numerous factors outside our control including prevailing economic conditions and competition from other shopping malls and stores.

Construction costs of our property developments. Construction costs of our property developments include the costs of the raw materials that we use such as steel, cement, wood, bricks, sand, glass and aluminium and labour and employee costs, plant and machinery hire charges as well as payments to construction subcontractors and consultants. The price and supply of raw materials depends on factors not under our control, including general economic conditions, competition, production levels, transportation costs and import duties. The prices of certain materials, such as steel and cement, in particular, are susceptible to rapid price increases. Labour costs for skilled personnel, such as engineers, have increased in the past year and the cost of unskilled construction labour has also increased.

The construction of our property developments generally takes more than a year and can take as much as four years. Due to the often long-period between the entering into of agreements to sell or lease a property under development and completing the construction of a project, the cost of labour, materials and other inputs may increase more than we expected and our actual expenses in constructing a project may vary substantially from the assumptions underlying our budget, which may have a material adverse effect on our results of operations and financial condition.

As we undertake construction work for Group Entities on a cost-plus basis, increases in construction costs with respect to work undertaken for Group Entities will not have an adverse effect on our results of operations.

The development of our Land Reserves. The development of our Land Reserves is subject to a number of risks and contingencies, some of which are summarized below:

- the agreements to purchase land may not culminate in the execution of a sale deed if they expire or if conditions precedents are not satisfied;
- we may not receive final allotment letters from the relevant government authorities if we fail to satisfy conditions precedent pursuant thereto;
- we may not receive vacant possession of the land; and
- we may not receive required statutory and regulatory approvals and permits for us to develop our projects.

The mix of leased properties and properties developed for sale. Our revenue is derived primarily from development of properties for sale and the leasing of commercial and retail properties. The decision to sell or lease a property depends upon the nature of the development and its location. We have retained the Ambience Mall, Gurgaon and part of the corporate office tower at Gurgaon as lease properties. We intend to retain Ambience Mall, Vasant Kunj, New Delhi as a rental property. We sell all of our residential properties and intend to continue to do so in the future. We intend to sell all of our other commercial developments, except our future commercial developments at Ambience Island.

Changes in interest rates. Our results of operations are affected by prevailing interest rates in India. As at March 31, 2009, we had total debt of Rs. 27,343.82 million of which Rs. 26,613.11 million was at a floating rate of interest. We do not currently use any derivative instruments to modify the nature of our debt so as to manage our interest rate risk.

Other Factors. For further details on these and other factors that may affect our results of operations, see "Risk Factors" on page 10.

Principles of Consolidation

The principles of consolidation are set forth in the section titled "Financial Statements-Auditor's Report on Restated Consolidated Financial Information", as required by Part II of Schedule II of the Companies Act (the "Auditor's Report") on page 200.

The list of entities that are included in the consolidated financial statements and the Company's holdings therein are set forth in the Auditors Report as required by Part II of Schedule II of the Companies Act on page 100. The table in Part D "Composition of the Ambience Group" in the Auditor's Report, also shows the dates during which we held an interest in each of the entities included in our consolidated financial statements. Our ownership interest in our Subsidiaries has changed during the last three fiscal years as we have disposed of and reacquired interests in material subsidiaries at various times during that period.

This means that, whilst we may have held a certain percentage interest in a certain subsidiary as at March 31, 2007, 2008 or 2009, we may have not held that interest for the entire fiscal year and, as such, our consolidated restated accounts are not directly comparable year on year due to the changes in our interest in our Subsidiaries. You should read the following discussion of our results of operations together with the notes to the Auditor's Report for a full understanding of the composition of our Company on a consolidated basis.

In particular, we note that we have one subsidiary that contributed over 20% of the consolidated restated net worth of the Company and 7.36% of our income from operations in fiscal 2009, namely ADIPL, which holds the ownership interest in Ambience Mall, Gurgaon. Further, we have one subsidiary that contributed over 5% of our income from operations in fiscal 2009, namely Ambience Facilities Services Private Limited ("**AFSP**").

In respect of ADIPL, the Company acquired a 54.24% interest in ADIPL on February 28, 2007 and it increased this interest to 100% on August 3, 2007. Our Company disposed of its entire interest in ADIPL on August 29, 2008. We subsequently reacquired a 100% interest in ADIPL on March 31, 2009 and continue to hold a 100% interest in ADIPL.

In respect of AFSP, the Company acquired a 60.04% interest in AFSP on February 28, 2007 and it increased this interest to 100% on August 3, 2007. We continue to hold a 100% interest in AFSP.

Critical Accounting Policies

Our significant accounting policies as a whole are more fully described in the "Statement of Significant Accounting Policies and Notes on Restated Consolidated Financial Information" on page 208. Some of our accounting policies are particularly important to the portrayal of our financial position and results of operations and require the application of significant management assumptions and estimates. Herein, we refer to these accounting policies as our "critical accounting policies." Our management uses our historical experience and analyses the terms of existing contracts, historical cost conventions, industry trends, information provided by our agents and others and information available from outside sources, as appropriate, to formulate its assumptions and estimates. However, the task is inexact, because our management is making assumptions and providing estimates on matters that are inherently uncertain. Actual results may differ from management's assumptions and estimates. While all aspects of our financial statements and accounting policies should be understood in assessing our current and expected financial condition and results of operations, we believe that the following critical accounting policies warrant additional attention:

Basis of Accounting

Our accounts are prepared under the historical cost convention on an accrual basis in accordance with Indian GAAP and the provisions of the Companies Act and the ICDR Regulations. We follow the mercantile system of accounting and recognize significant items of income and expenditure on an accrual basis. The preparation of financial statements in conformity with Indian GAAP requires our management to make estimates and assumptions that affect the reported balances of assets and liabilities and the disclosures of contingent assets and liabilities on the date of the financial statements.

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and the directly attributable cost of bringing the asset to the site of its intended use.

Depreciation

Depreciation on fixed assets is provided on the basis of a straight line method as per the rates prescribed in Schedule XIV to the Companies Act.

Borrowing Cost

Borrowing cost that is directly due to the acquisition or construction of qualifying assets (including real estate projects) is considered as part of the cost of an asset or project. All other borrowing costs are treated as period cost and charged to the profit and loss account in the period in which it is incurred.

Investment

Investments in quoted/unquoted shares and properties are shown as long term investments and stated at cost.

Inventories

Inventories comprise building material at site, consumable stores, cost of land, internal development costs, external development charges, construction and development costs, amounts paid as earnest money, deposits to acquire irrevocable licenses and land development rights and the cost of borrowing funds. Building materials at site and consumable stores are valued at cost on the basis of "First In and First Out" method. Real estate projects, including the value of land and construction work in progress, are valued at cost.

Revenue Recognition

Revenue from Property Development Sales

Revenue from property development sales is recognised on the percentage of completion method of accounting. Revenue is recognized, in relation to the sold areas only, on the basis of the percentage of the actual cost incurred thereon, including land, as against the total estimated cost of the project under execution, subject to such actual costs being 30% or more of the total estimated cost of the project. Estimates of saleable area and costs are revised periodically by our management. The effect of such changes to estimate is recognised in the period such changes are determined. However, when the total project cost is estimated to exceed total revenue from the project, the loss is recognised immediately.

The stage of completion under the percentage of completion method is measured on the basis of the percentage of the actual cost incurred in real estate projects, including land, construction and development cost incurred, in relation to the total estimated cost to the project. Estimates of the projected revenue, projected cost, projected profit, cost of completion and future loss are reviewed periodically by our management and any effect of changes in estimates is recognised in the period such changes are determined.

Income from Construction Contracts

Income from construction contracts (called contract receipts in our financial statements) is recognised by reference to the stage of completion of the contract activity at the reporting date of the financial statements. The related costs against the on-going construction project are charged to the profit and loss account of the period.

Leasing Income

Income from leasing out our commercial properties is recognised on an accrual basis. Income from parking charges at our shopping mall is recognized on a receipts basis. Income from the leasing out of advertisement space at our shopping mall is recognised on an accrual basis based on invoices raised.

Management and Maintenance Income and electricity charges

Income from maintenance work on our properties charged to third parties, electricity charges passed on to third parties and management fees charged to third parties for operating our properties is recognised on an accrual basis based on invoices sent to the customers for the services rendered.

Other Income

Interest income is recognised on an accrual basis on a time proportion basis. Dividend income is recognised when our right to receive the dividend is established. Commission on services charges is recognised on an accrual basis based on invoices sent to the customers.

Provision for Current and Deferred Tax

Provision for tax for the period comprises current tax, deferred tax and fringe benefit tax. Provision for current tax and fringe benefit tax is the amount of tax payable as determined in advance in accordance with the provisions of the IT Act and other relevant tax laws and tax rates in force. Deferred tax is recognised subject to consideration of prudence on timing difference, being the difference between taxable and accounting income/expenditure that originates in one period and are capable of reversal in one or more subsequent periods. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future.

Contingent Liability and Assets

Depending upon the facts and circumstances of each and every case and after due evaluation of legal aspects, claims against us not acknowledged as debts are treated as contingent liabilities. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation for which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Impairment of Assets

We assess at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, we estimate the recoverable amount of the asset, and if such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the profit and loss account. On the balance sheet date, if there is any indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to maximum depreciated historical cost, and accordingly reversed in the profit and loss account.

Changes in Significant Accounting Policies

During the year ended March 31, 2008, we revised the accounting policy for recognising revenue on constructed

properties from the date of the registration of the sale deed/transfer of ownership to the percentage of completion method. The impact of this change has been recorded in the year ended March 31, 2007. Further, the accumulated profit and loss balance as on the date of the acquisition of a subsidiary has been appropriately adjusted to reflect the impact of the change pertaining to the year ended on or before the date it become subsidiary.

For a discussion on changes in our significant accounting policies, see "*Effect of Restatement Adjustments*" on page 272.

Results of Operations

The following table sets forth for the periods indicated certain line items from our restated consolidated summary statement of profit and loss both in absolute terms and with each line item represented as a percentage of total income. Amounts have been rounded to ensure percentages total to 100% as appropriate.

						(An	nount in Rs.	million)	
	Fiscal 2	2 009 ⁽¹⁾	Fiscal	Fiscal 2008		Fiscal 2007		Fiscal 2006	
		% of Total Income		% of Total Income		% of Total Income		% of Total Income	
INCOME:									
Income from operations:									
-Sales	2,407.89	54.02%	2,874.32	63.28%	1,644.69	36.89%	-	0%	
-Contract receipts	1,236.89	27.75%	1,122.24	24.71%	2,788.86	62.56%	2,632.89	99.51%	
- Leasing income	344.42	7.73%	295.98	6.52%	1.36	0.03%	-	-	
- Management, and maintenance income and									
electricity charges	422.39	9.48%	176.99	3.90%	4.69	0.11%	-	-	
- Other operational									
income	10.46	0.23%	9.84	0.22%	7.58	0.17%	12.23	0.46%	
Total income from									
operations	4,422.05	<i>99.21%</i>	4,479.37	<i>98.62%</i>	4,447.18	99.75%	2,645.12	99.9 7%	
Other income	35.38	0.79%	62.76	1.38%	11.07	0.25%	0.73	0.03%	
Total income	4,457.42	100%	4,542.13	100%	4,458.25	100%	2,645.85	100%	
EXPENDITURE:									
Cost of operations:									
- Cost of construction and									
property sold	2,339.46	52.48%	2,709.08	59.64%	3,855.32	86.48%	2,322.52	87.78%	
- Management,									
maintenance and									
electricity expenses	395.90	8.88%	114.84	2.53%	5.56	0.12%	-	-	
- Other operational									
expenses	5.22	0.12%	4.47	0.10%	0.46	0.01%	-	-	
Total cost of operations	2,740.58	<i>61.48</i> %	2,828.39	<i>62.27</i> %	3,861.34	86.61 %	2,322.52	87.78%	
Establishment expenses	49.30	1.11%	97.13	2.14%	27.17	0.61%	19.63	0.74%	
Administrative and other									
expenses	79.94	1.79%	79.88	1.76%	13.02	0.29%	9.61	0.36%	
Interest and finance									
charges	984.54	22.09%	504.99	11.12%	76.36	1.71%	72.97	2.76%	
Preliminary expenses	2.20	0.000/	4.1.6	0.000/	1.62	0.040/	0.05	0.000/	
written off	3.39	0.08%	4.16	0.09%	1.63	0.04%	0.05	0.00%	
Depreciation	14.27	0.32%	11.60	0.26%	5.12	0.11%	4.67	0.18%	
Total expenditure	3,872.03	86.87%	3,526.15	77.63%	3,984.64	89.38%	2,429.45	91.82%	
Profit before tax	585.40	13.13%	1,015.98	22.37%	473.61	10.62%	216.40	8.18%	
Provision for taxation:	100 52	4 020/	225.90	7 2004	164.40	2 (00)	70.57	0 7 40/	
- Provision for income tax	188.53	4.23%	335.80	7.39%	164.40	3.69%	72.57	2.74%	
- Fringe benefit tax	1.22	0.03%	0.90	0.02%	0.33	0.01%	-	-	
- Deferred tax liability	275	0.080/	0.09	0.020/	(0.28)	(0.01)0/	0.20	0.010/	
(assets)	3.75	0.08%	0.98	0.02%	(0.28)	(0.01)%	0.30	0.01%	

	Fiscal 2009 ⁽¹⁾		Fiscal	Fiscal 2008		Fiscal 2007		Fiscal 2006	
-		% of Total Income		% of Total Income		% of Total Income		% of Total Income	
Net profit after tax and before prior period and extraordinary items	391.89	8.79%	678.30	14.93%	309.16	6.93%	143.53	5.42%	
Prior period items	0.18	0.00%	1.08	0.02%	0.50	0.01%	-		
Net profit before restatement adjustments RESTATEMENT ADJUSTMENTS:	391.71	8.79 %	677.22	14.91 %	308.66	6.92 %	143.53	5.42%	
Prior period items	0.18	0.00%	0.90	0.02%	0.50	0.01%	(1.07)	(0.04)%	
Change in accounting policy	-	-	-	-	(68.70)	(1.54)%	-	-	
Tax impact of adjustments	-	-	-	-	23.09	0.52%	-	-	
Restated profit transferred to minority interest	-	-	-	-	10.07	0.23%	-	-	
Restated net profit after minority interest	391.89	8.79 %	678.12	14.93%	253.48	5.69 %	142.46	5.38%	

(1) The Company acquired a 54.24% interest in its material subsidiary, ADIPL, on February 28, 2007 and it increased this interest to 100% on August 3, 2007. We sold our 100% interest on August 29, 2008. We repurchased all of the shares in ADIPL on March 31, 2009 at which time it again became a 100% subsidiary of the Company. ADIPL was a subsidiary for the full fiscal 2008. The financial results of ADIPL were not included in our consolidated financial statements for the seven months it was not a subsidiary in fiscal 2009. As such, our profit and loss statement for fiscal 2009 is not directly comparable with fiscal 2008.

Income

Our total income comprises our income from operations and other income.

Income from Operations

Income from operations comprises (1) property developments and sales, (2) income from construction contracts, (3) leasing income, (4) income from management, maintenance and electricity charges and (5) other operational income.

<u>Sales</u>

We earn income from sales of property developed by us, which is recognised on the percentage of completion method of accounting.

Contract Income

We earn construction contract income from undertaking construction work for our Group Entities on a cost plus basis. Due to the restructuring by the Promoters of their businesses and the consolidation of their property development businesses (except for hotel developments) under the direct and indirect ownership of the Company, we do not expect to earn any more construction income except for any construction work on hotel developments by Ambience Hotels and Resorts Limited and/or Aman Hospitality Private Limited, our Group Entities. We do not have any current contracts for the construction of hotels for Ambience Hotels and Resorts Limited or Aman Hospitality Private Limited, but we have the right of first refusal to undertake the construction work for any such future developments.

Leasing Income

Our leasing income comprises income from the leasing out of our commercial properties to tenants, income from parking fees at our shopping mall and income from leasing out space for advertisements at our shopping mall.

Income from Management, Maintenance and Electricity Charges

We derive operational and maintenance income from common areas maintenance fees that we charge our lessees and buyers and from electricity charges that are passed on to our tenants.

Other Operational Income

Other operational income includes income from the sale of food and other services at the private members club we run at the Lagoon residential development at Ambience Island.

Other Income

Our other income comprises interest payments received, dividends received, profit on sales of shares, profit on sales of investments, commission on service charges and miscellaneous income.

Expenditure

Our total expenditure comprises cost of operations, establishment expenses, administrative and other expenses, interest and finance charges, preliminary expenses written off and depreciation.

Cost of Operations

Our cost of operations comprise cost of sales and contract revenue, management and maintenance expenses, leasing expenses and other operational expenses.

Cost of sales and contract revenue

Cost of sales includes the cost of the land, construction cost, direct finance costs and other direct overheads in relation to the development of properties for sale.

We account for the costs of constructing and developing our properties held for sale only when we have sold those properties and in accordance with the percentage of completion method. Construction and development costs are recognized, in relation to the sold areas only, on the basis of the percentage of the actual cost incurred thereon as against the total estimated cost of the project under execution, subject to such actual costs being 30% or more of the total estimated cost of the project. Estimates of costs are revised periodically by our management. The effect of such changes to estimates is recognized in the period such changes are determined. We recognize our cost for construction income in the year we recognize the contract income.

Cost of contract revenue refer to our costs for constructing projects for our Group Entities, which include the costs of the raw materials that we use (such as steel, cement, wood, bricks, sand, glass and aluminium), labour and employees' costs, plant and machinery hire charges as well as payments to construction subcontractors and consultants.

Management, Maintenance and Electricity Expenses

Management and maintenance expenses include expenses relating to the management of our properties, the maintenance of common areas and electricity charges.

Leasing Expenses

Leasing expenses include expenses relating the generation of leasing income from our commercial properties and advertising space.

Other Operational Expenses

Other operational expenses include cost of food and expenses incurred in connection with the provision of other services at the private members club we run at the Lagoon residential development at Ambience Island.

Establishment Expenses

Our establishment expenses comprise Directors' remuneration and employee costs, which includes salaries, employees' benefit costs and welfare expenses.

Administrative and Other Expenses

Our administrative and other expenses includes: insurance expenses; brokerage paid to real estate agents on the sale of our properties; rent, rates and taxes for our corporate offices; bank charges; legal and professional charges; conveyance and traveling expenses; business promotion expenses; vehicle running and maintenance costs; printing and stationary costs and electricity and water charges.

Interest and Finance Charges

Interest and finance charges are those interest and finance charges that do not directly relate to the acquisition or construction of qualifying assets (including real estate projects). Bank charges relating to loans are not included in interest and finance charges but are included in administrative and other expenses.

Preliminary Expenses Written Off

Preliminary expenses written off is the amortisation of fees and stamp duty for increases in the share capital of the Company and its subsidiaries, the total cost of which is amortised over five years.

Depreciation

Depreciation includes depreciation on the Lagoon club building, plant and machinery, vehicles, furniture and fixtures, computers, office equipment and other fixed assets.

Fiscal 2009 Compared with Fiscal 2008

As noted in the table in Part D "*Composition of the Ambience Group*" in the Auditor's Report, our percentage holdings in certain subsidiaries, including certain material subsidiaries, changed during fiscal 2008 as, on August 3, 2007, we acquired the outstanding shares in those subsidiaries that were not fully owned. Further, the Company disposed of its interest in those subsidiaries in fiscal 2009 on the dates set out in the table. Due to our disposal of our interest in these entities, the financial results of these entities were not included in our consolidated financial statements for the period of time they were not our subsidiaries in fiscal 2009. As such, our profit and loss statement for fiscal 2009 is not directly comparable with fiscal 2008. We subsequently repurchased all of the shares of all these entities on March 31, 2009 at which time they again became 100% subsidiaries of the Company.

Income

Our total income decreased by Rs. 84.71 million, from Rs. 4,542.13 million in fiscal 2008 to Rs. 4,457.42 million in fiscal 2009, a decrease of 1.86%. Our total income in fiscal 2009 was negatively affected compared with fiscal 2008 by the fact that certain of our material subsidiaries, including ADIPL, the owner of Ambience Mall, Gurgaon, were not our subsidiaries for the entire fiscal 2009 whereas they were our subsidiaries for the full 2008 fiscal year. See "—*Principles of Consolidation*" in this section above.

Income from Operations

Our income from operations decreased by Rs. 57.32 million, from Rs. 4,479.37 million in fiscal 2008 to Rs.

4,422.05 million in fiscal 2009, a decrease of 1.28%.

Sales decreased by Rs. 466.43 million, from Rs. 2,874.32 million in fiscal 2008 to Rs. 2,407.89 million in fiscal 2009, a decrease of 16.23%. In fiscal 2008 our sales included Rs. 1,991.67 million from the corporate office tower at Ambience Island and Rs. 882.65 million from other properties. In fiscal 2009 our sales included Rs. 1,850.63 million from the Caitriona condominium complex development and Rs. 557.26 million from other properties.

The Caitriona condominium complex development has a total Saleable Area of 1.74 million sq. ft. As at March 31, 2009, we had sold 88 condominiums with a total Saleable Area of 0.64 million sq. ft for a total sales price of Rs. 5,238.12 million. From April 1, 2009 to August 31, 2009 we have sold 19 condominiums with a total Saleable Area of 0.128 million sq. ft for a total sales price of Rs. 1,352.94 million. We expect to complete this project by fiscal 2011. As such, we expect our sales income to increase in fiscal 2010 compared with fiscal 2009.

The corporate office tower at Ambience Island has a total Saleable Area of 0.23 million sq. ft. We completed the construction of the corporate office tower in March 2007. In fiscal 2008, we sold 0.17 million sq. ft of the corporate tower for a total sales price of Rs. 1,991.67 million. Further, in order to lease out a contiguous area of 0.08 million sq. ft to our tenant ILFS Limited with effect from September 8, 2008 we repurchased 0.05 million sq. ft. of office space at the corporate office tower at Ambience Island for a price of Rs. 550.04 million. As of August 31, 2009, we have 0.03 million sq. ft. of leasable area remaining in the corporate office tower at Ambience Island.

Contract receipts increased by Rs. 114.65 million, from Rs. 1,122.24 million in fiscal 2008 to Rs. 1,236.89 million in fiscal 2009, an increase of 10.22%. In both fiscal 2008 and fiscal 2009, our construction income related to our work on the Leela Kempinski hotel for Ambience Hotels and Resorts Limited, a Group Entity and on Ambience Mall, Vasant Kunj for Ambience Commercial Developer Private Limited during the period it was not a subsidiary of the Company.

Leasing income increased by Rs. 48.44 million, from Rs. 295.98 million in fiscal 2008 to Rs. 344.42 million in fiscal 2009, an increase of 16.37%. The majority of our lease income is from Ambience Mall, Gurgaon, which was officially opened in November 2007. Therefore, our leasing income for Ambience Mall in fiscal 2008 was for a period of less than five months. ADIPL owns Ambience Mall, Gurgaon. The Company acquired a 54.24% interest in ADIPL on February 28, 2007 and it increased this interest to 100% on August 3, 2007. ADIPL is leasing income from Ambience Mall, Gurgaon for fiscal 2009 was Rs. 915.12 million, however for the purposes of consolidation, only Rs. 344.42 million was included in our consolidated statement of profit and loss for fiscal 2009 due to the fact that the Company held its interest in ADIPL for less than a full fiscal year. As this company is now once again a 100% subsidiary, we expect our leasing income to significantly increase in fiscal 2010 compared with fiscal 2009. As at August 31, 2009, we had entered into agreements to lease 1.17 million sq. ft of the shopping mall at Ambience Mall, Gurgaon for a total monthly rent of Rs. 100.33 million. Furthermore, Ambience Mall, Vasant Kunj, New Delhi, with a Leaseable Area 1.17 million sq. ft, is expected to open to the public in the last quarter of fiscal 2010, which will also contribute significantly to our leasing income. As at September 15, 2009, we had entered into agreements to lease an area of 0.85 million sq. ft. at monthly rent of Rs. 185.25 million. As such, we expect our leasing income to be significantly higher in future fiscal years compared with fiscal 2009.

Management, maintenance income and electricity charges increased by Rs. 245.40 million, from Rs. 176.99 million in fiscal 2008 to Rs. 422.39 million in fiscal 2009, an increase of 138.65%. Management and maintenance income is primarily from Ambience Mall, Gurgaon. AFSP has the contract to provide the management and maintenance services for the shopping mall. The Company acquired a 60.04% interest in AFSP on February 28, 2007 and it increased this interest to 100% on August 3, 2007 and thereafter it remained 100% subsidiary of the Company. We intend for AFSP to provide the management and maintenance services for Ambience Mall, Vasant Kunj and out other future developments. As such, we expect that our management and maintenance income will increase significantly in future fiscal years compared with fiscal 2009.

Other operating income associated with the Lagoon Club at Ambience Island increased Rs. 0.62 million, from Rs. 9.84 million in fiscal 2008 to Rs. 10.46 million in fiscal 2009, an increase of 6.31%.

Other Income

Our other income decreased by Rs. 27.38 million, from Rs. 62.76 million in fiscal 2008 to Rs. 35.38 million in fiscal 2009, a decrease of 43.63%. This decrease was primarily due to a Rs. 42.50 million decrease in miscellaneous income in fiscal 2009 compared with fiscal 2008, offset by a Rs. 11.99 million increase in profit on sales of shares. Miscellaneous income mainly included interest, dividend income, and receipts not able to be allocated to a particular project.

Expenditure

Our total expenditure increased by Rs. 345.88 million, from Rs. 3,526.15 million in fiscal 2008 to Rs. 3,872.03 million in fiscal 2009, an increase of 9.81%.

Cost of Operations

Our cost of operations decreased by Rs. 87.81 million, from Rs. 2,828.39 million in fiscal 2008 to Rs. 2,740.58 million in fiscal 2009, a decrease of 3.10%.

The operational cost of sales and contract revenues decreased by Rs. 369.62 million, from Rs. 2,709.08 million in fiscal 2008 to Rs. 2,339.46 million in fiscal 2009, a decrease of 13.64%. The cost of sales and contract revenues as a percentage of revenue from sales and contract receipts was 64.19% in fiscal 2009 as compared to 67.79% in fiscal 2008.

Management, maintenance and electricity expenses increased by Rs. 281.06 million, from Rs. 114.84 million in fiscal 2008 to Rs. 395.90 million in fiscal 2009, an increase of 244.74%. This increase was primarily due to the fact that we only provided management and maintenance services for Ambience Mall, Gurgaon for five months in fiscal 2008 compared with the full fiscal 2009.

Other operational expenses increased by Rs. 0.75 million, from Rs. 4.47 million in fiscal 2008 to Rs. 5.22 million in fiscal 2009, an increase of 16.74%. This increase is due to a corresponding increase in other operational income.

Establishment Expenses

Our establishment expenses decreased by Rs. 47.83 million, from Rs 97.13 million in fiscal 2008 to Rs. 49.30 million in fiscal 2009, a decrease of 49.24%. This decrease was principally due to a Rs. 40.92 million decrease in Directors' remuneration paid to representatives of the Promoters in fiscal 2009 compared with fiscal 2008 which was due to a decision by the Promoters to reduce their cost to the Company.

Administrative and Other Expenses

Our administrative and other expenses increased by Rs. 0.06 million, from Rs. 79.88 million in fiscal 2008 to Rs. 79.94 million in fiscal 2009, an increase of 0.08%. This was due to a Rs. 20.13 million decrease in advertising and business promotion expenses, which was offset by a Rs. 8.18 million increase in bank charges and a Rs. 7.19 million increase in rent, rates and taxes.

Interest and Finance Charges

Our interest and finance charges increased by Rs. 479.55 million, from Rs. 504,99 million in fiscal 2008 to Rs. 984.54 million in fiscal 2009, an increase of 94.96%. The interest on long term project loans is capitalised, however, interest on short term loans not related to any project, lease discounting loans and working capital related loans are charged to the profit and loss account. As of March, 31, 2009, our total short term and working capital loans was Rs. 3,242.82 million in comparison to Rs. 2,540.57 million as of March 31, 2008. Interest also increased in fiscal 2009 due to the fact that ADIPL borrowed long and short term project loans to partially fund the completion of Ambience Mall, Gurgaon, and such loans were repaid out of a lease discounting loan raised by ADIPL. As on March 31, 2009, the lease discounting loan was Rs. 5,883.25 million compared to long and short term loans of Rs. 4,249.96 million as on March, 31, 2008. The increase in interest was also due to generally higher rates of interest during fiscal 2009

in comparison to fiscal 2008.

Preliminary Expenses Written Off

Our preliminary expenses written off decreased by Rs. 0.77 million, from Rs. 4.16 million in fiscal 2008 to Rs. 3.39 million in fiscal 2009, a decrease of 18.51%.

Depreciation

Depreciation increased by Rs. 2.67 million, from Rs. 11.60 million in fiscal 2008 to Rs. 14.27 million in fiscal 2009, an increase of 23.02%. This increase was due to the depreciation on Rs. 110.95 million of fixed assets added to gross block fixed assets in fiscal 2008, principally due to the acquisition of new assets for our construction and development activities including six tower cranes.

Profit before Tax

Principally for the reasons described above, our profit before tax decreased by Rs. 430.59 million, from Rs. 1,015.98 million in fiscal 2008 to Rs. 585.40 million in fiscal 2009, a decrease of 42.38% which is primarily due to the increase in interest and finance charges.

Provision for Taxation

Our provision for taxation decreased by Rs. 144.19 million, from Rs. 337.68 million in fiscal 2008 to Rs. 193.51 million in fiscal 2009, a decrease of 42.70%. This decrease was principally due to decreased profits. Our effective rate of taxation in fiscal 2008 was 33.24% compared with 33.05% in fiscal 2009. The statutory taxation rate for fiscal 2008 and fiscal 2009 was 33.99%.

Net Profit before restatement adjustments

Principally for the reasons described above, our net profit before restatement adjustments decreased by Rs. 285.51 million, from Rs. 677.22 million in fiscal 2008 to Rs. 391.71 million in fiscal 2009, a decrease of 42.16%.

Restated Net Profit After Minority Interest

Our net profit as restated attributable after minority interest decreased by Rs. 286.23 million, from Rs. 678.12 million in fiscal 2008 to Rs. 391.89 million in fiscal 2009, a decrease of 42.21%. Restatement adjustments increased net profit by Rs. 0.18 million in fiscal 2009 and Rs. 0.90 million in fiscal 2008. For details, see "*Effect of Restatement Adjustments*" on page 272.

Fiscal 2008 Compared with Fiscal 2007

Income

Our income increased by Rs. 83.88 million, from Rs. 4,458.25 million in fiscal 2007 to Rs. 4,542.13 million in fiscal 2008, an increase of 1.88%.

Income from Operations

Our income from operations increased by Rs. 32.19 million, from Rs. 4,447.18 million in fiscal 2007 to Rs. 4,479.37 million in fiscal 2008, an increase of 0.72%.

Sales increased by Rs. 1,229.63 million, from Rs. 1,644.69 million in fiscal 2007 to Rs. 2,874.32 million in fiscal 2008, an increase of 74.76%.

In fiscal 2008 our property development sales (including sales pursuant to allotment letters) included Rs. 1,991.67 million from the corporate office tower at Ambience Island and Rs. 882.65 million from other properties. In fiscal

2007 we derived Rs. 1,644.69 million of our sales from properties at Ambience Island.

In fiscal 2008, we sold 0.17 million sq. ft. of the corporate office tower at Ambience Island for a total sales price of Rs. 1,991.67 million.

Contract receipts decreased by Rs. 1,666.62 million, from Rs. 2,788.86 million in fiscal 2007 to Rs. 1,122.24 million in fiscal 2008, a decrease of 59.76%. This decrease was primarily due to the proportion of revenue we received from material subsidiaries on consolidation as ADIPL and Ambience Commercial Developers Private Limited become subsidiaries of the Company on February 28, 2007. Thus, these companies were only subsidiaries for one month of fiscal 2007, as compared to being subsidiaries throughout the whole of fiscal 2008. During fiscal 2007 we received contract receipts in respect of Ambience Mall, Vasant Kunj from Ambience Commercial Developer Private Limited during the period it was not a subsidiary of the Company and Ambience Hotels & Resorts Limited.

Leasing income increased by Rs. 294.62 million, from Rs. 1.36 million in fiscal 2007 to Rs. 295.98 million in fiscal 2008. This increase was primarily due to receipt of lease revenues from ADIPL on the operationalisation of Ambience Mall, Ambience Island, Gurgaon in November, 2007.

Management, maintenance and electricity charges increased by Rs. 172.30 million, from Rs. 4.69 million in fiscal 2007 to Rs. 176.99 million in fiscal 2008. This increase was primarily due to commencement of receipt of management and maintenance income and electricity charges from the lessees of Ambience Mall, Ambience Island, Gurgaon upon its operationalisation in November, 2007.

Other operating income increased by Rs. 2.25 million, from Rs. 7.58 million in fiscal 2007 to Rs. 9.84 million in fiscal 2008, an increase of 29.68%. This increase was primarily due to higher revenues from the sale food and beverages at the Lagoon Club at Ambience Island, Gurgaon.

Other Income

Our other income increased by Rs. 51.69 million from Rs. 11.07 million in fiscal 2007 to Rs. 62.76 million in fiscal 2008. The increase in other income is due to the receipt of Rs. 51.06 million in miscellaneous revenue during fiscal 2008.

Expenditure

Our total expenditure decreased by Rs. 458.49 million from Rs. 3,984.64 million in fiscal 2007 to Rs. 3,526.15 million in fiscal 2008, a decrease of 11.51%. This decrease was primarily due to decreases in operational cost of sales and contract revenue.

Cost of Operations

Our cost of operations decreased by Rs. 1,032.95 million, from Rs. 3,861.34 million in fiscal 2007 to Rs. 2,828.39 million in fiscal 2008, a decrease of 26.75%. This decrease was principally due to an increase in sales and contract revenues. The cost of sales and contract revenues as a percentage of revenue from sales and contract receipts was 67.79% in fiscal 2008 as compared to 86.96% in fiscal 2008.

Management, maintenance and electricity expenses increased by Rs. 109.28 million, from Rs. 5.56 million in fiscal 2007 to Rs. 114.84 million in fiscal 2008. This increase was primarily due to costs incurred in respect of the management and maintenance of Ambience Mall, Ambience Island, Gurgaon for the five months from its operationalisation in November, 2007.

Other operational expenses increased by Rs. 4.03 million, from Rs. 0.46 million in fiscal 2007 to Rs. 4.47 million in fiscal 2008. The increase in expenses is due to the corresponding increase in other operational income.

Establishment Expenses

Our establishment expenses increased by Rs. 69.96 million, from Rs. 27.17 million in fiscal 2007 to Rs 97.13 million in fiscal 2008, an increase of 257.49%. This increase was principally due to a Rs. 53.68 million increase in Directors' remuneration, which was Rs. 7.34 million in fiscal 2007 compared with Rs. 61.02 million in fiscal 2008. Directors' remuneration increased as a consequence of the Directors decision to increase their remuneration following commencement of operations at Ambience Mall, Ambience Island, Gurgaon. This increase was further due to an increase in employee costs from Rs. 19.44 million in fiscal 2007 compared with Rs. 35.28 million in fiscal 2008 due to costs incurred in employing staff in connection with the management and maintenance of Ambience Mall, Ambience Island, Gurgaon for the five months from its operationalisation in November, 2007. Further, establishment expenses increased due to general increases in employee wages during fiscal 2008.

Administrative and Other Expenses

Our administrative and other expenses increased by Rs. 66.86 million, from Rs. 13.02 million in fiscal 2007 to Rs. 79.88 million in fiscal 2008, an increase of 513.52%. This increase was principally due to costs incurred in fiscal 2008 in connection with the operation of Ambience Mall, Ambience Island, Gurgaon for the five months from November, 2007, in particular a Rs. 36.06 million increase in advertising and business promotion expenses. Further, administrative and other expenses increased in fiscal 2008 due to a Rs. 8.70 million increase in legal and professional charges, a Rs. 5.20 million increase in rent rates and taxes and a Rs. 5.13 million increase in conveyance and traveling expenses.

Interest and Finance Charges

Our interest and finance charges increased by Rs. 428.63 million from Rs. 76.36 million in fiscal 2007 to Rs. 504.99 million in fiscal 2008.

The interest on long term project loans is capitalised, however, interest on short term loans not related to any project and working capital related loans are charged to the profit and loss account. As of March, 31, 2008, our total short term and working capital loans was Rs. 2,540.57 million in comparison to Rs. 467.01 million as of March 31, 2007. The increase in interest was also due to generally higher floating rates of interest during fiscal 2008 in comparison to fiscal 2007.

Preliminary Expenses Written Off

Our preliminary expenses written off increased by Rs 2.53 million from Rs. 1.63 million in fiscal 2007 to Rs. 4.16 million in fiscal 2008, an increase of 155.21%. This increase was primarily due to increases in the Company's authorized capital during fiscal 2008.

Depreciation

Depreciation increased by Rs. 6.48 million from Rs. 5.12 million in fiscal 2007 to Rs. 11.60 million in fiscal 2008, an increase of 126.56%. This increase was due to the depreciation on Rs. 116.73 million of fixed assets purchased during fiscal 2008.

Profit before Tax

Principally for the reasons described above, our profit before tax increased by Rs. 542.38 million from Rs. 473.61 million in fiscal 2007 to Rs. 1,015.98 million in fiscal 2008, an increase of 114.52%.

Provision for Taxation

Our provision for taxation increased by Rs. 173.23 million, from Rs. 164.45 million in fiscal 2007 to Rs. 337.68 million in fiscal 2008, an increase of 105.33%. This increase was primarily due to increased profits. Our effective rate of taxation in fiscal 2007 was 34.73% compared with 33.24% in fiscal 2008. The statutory taxation rate for fiscal 2007 and fiscal 2008 was 33.99%.

Net Profit before restatement adjustments

Principally for the reasons described above, our net profit before restatement adjustments increased by Rs. 368.57 million, from Rs. 308.66 million in fiscal 2007 to Rs. 677.22 million in fiscal 2008, an increase of 119.41%.

Restated Net Profit After Minority Interest

Our net profits as restated attributable after minority interest increased by Rs. 424.64 million, from Rs. 253.48 million in fiscal 2007 to Rs. 678.12 million in fiscal 2008. Restatement adjustments increased net profit by Rs. 0.90 million in fiscal 2008 and decreased Rs. 45.11 million in 2007. For details, see "*Effect of Restatement Adjustments*" on page 272. Minority interests were nil in fiscal 2008 compared with Rs. 10.07 million in fiscal 2007. For reasons in changes to minority interests, see "*Liabilities and Provisions – Minority Interests*" in this section on page 277.

Fiscal 2007 Compared with Fiscal 2006

As noted in the table in Part D "Composition of the Ambience Group" in the Auditor's Report, we acquired an interest in a number of subsidiaries, including certain material subsidiaries, on February 28, 2007. As such, our consolidated financial statements for fiscal 2007 include the financial results of these subsidiaries for approximately one month.

Income

Our income increased by Rs. 1,812.41 million from Rs. 2,645.84 million in fiscal 2006 to Rs. 4,458.25 million in fiscal 2007, an increase of 68.50%.

Income from Operations

Our income from operations increased by Rs. 1,802.06 million, from Rs. 2,645.12 million in fiscal 2006 to Rs. 4,447.18 million in fiscal 2007, an increase of 68.13%.

Sales were Rs. 1,644.69 million in fiscal 2007 compared with nil in fiscal 2006. In fiscal 2007 we derived Rs. 1,644.69 million of our sales from properties at Ambience Island. We made no sales in fiscal 2006.

Constract receipts increased by Rs. 155.97 million, from Rs. 2,632.89 million in fiscal 2006 to Rs. 2,788.86 million in fiscal 2007, an increase of 5.92%. We derived contract revenue of Rs. 1,025.00 million from Ambience Hotels & Resorts Limited in fiscal 2007. In fiscal 2006, we derived income of Rs. 1,375.58 million from ADIPL during the period that it was not a subsidiary of the company, in connection with the construction of Ambience Mall at Gurgaon and construction contract income of Rs. 785.35 million from Ambience Hotels & Resorts Limited in connection with the construction of a hotel project for a Group Entity.

Leasing income was Rs. 1.36 million in fiscal 2007 compared with nil in fiscal 2006. The leasing income represents the leasing income from Raj Sheela Housing Private Limited and Ambience Farms Private Limited, which became subsidiaries of the Company on February, 28, 2007.

Management, maintenance and electricity charges were Rs. 4.69 million, in fiscal 2007 compared with nil in fiscal 2006. This income represents the income of AFSP, which became a subsidiary of the Company on February, 28, 2007.

Other operating income decreased Rs. 4.65 million from Rs. 12.23 million in fiscal 2006 to Rs. 7.58 million in fiscal 2007, a decrease of 38.02%.

Other Income

Our other income increased by Rs. 10.34 million from Rs. 0.73 million in fiscal 2006 to Rs. 11.07 million in fiscal 2007. This increase was mainly due to an increase of Rs. 10.15 million in profits on sales of investments.

Expenditure

Our total expenditure increased by Rs. 1,555.20 million, from Rs. 2,429.44 million in fiscal 2006 to Rs. 3,984.64 million in fiscal 2007, an increase of 64.01%.

Cost of Operations

Our cost of operations increased by Rs. 1,538.82 million, from Rs. 2,322.52 million in fiscal 2006 to Rs. 3,861.34 million in fiscal 2007, an increase of 66.26%. This increase was primarily due to increase in sales and contract income. The cost of sales and contract revenues as a percentage of revenue from sales and contract receipts was 86.96% in fiscal 2007 as compared to 88.21% in fiscal 2006.

Establishment Expenses

Our establishment expenses increased by Rs. 7.54 million, from Rs. 19.63 million in fiscal 2006 to Rs. 27.17 million in fiscal 2007, an increase of 38.41%. This increase was mainly due to a Rs. 5.71 million increase in employee costs.

Administrative and Other Expenses

Our administrative and other expenses increased by Rs. 3.41 million, from Rs. 9.61 million in fiscal 2006 to Rs. 13.02 million in fiscal 2007, an increase of 35.48%, due in part to a Rs. 0.92 million increase in watch and ward expenses, a Rs. 0.55 million increase in communication expenses and a Rs. 1.08 million increase in other expenses.

Interest and Finance Charges

Our interest and finance charges increased by Rs. 3.39 million, from Rs. 72.97 million in fiscal 2006 to Rs. 76.36 million in fiscal 2007, an increase of 4.65%. This increase was principally due to an increase in number of loans taken and a general increase interest rates.

Preliminary Expenses Written Off

Our preliminary expenses written off increased by Rs. 1.58 million, from Rs. 0.05 million in fiscal 2006 to Rs. 1.63 million in fiscal 2007.

Depreciation

Depreciation increased by Rs. 0.45 million, from Rs. 4.67 million in fiscal 2006 to Rs. 5.12 million in fiscal 2007, an increase of 9.64%. This increase was due to the purchase of Rs. 99.81 million in assets.

Profit before Tax

Principally for the reasons described above, our profit before tax increased by Rs. 257.20 million, from Rs. 216.40 million in fiscal 2006 to Rs. 473.61 million in fiscal 2007, an increase of 118.85%.

Provision for Taxation

Our provision for taxation increased by Rs. 91.59 million, from Rs. 72.87 million in fiscal 2006 to Rs. 164.45 million in fiscal 2007, an increase of 125.69%. This increase was principally due to increased profits. Our effective rate of taxation in fiscal 2006 was 33.67% compared with 34.73% in fiscal 2007. The statutory taxation rate for fiscal 2006 and fiscal 2007 was 33.66%.

Net Profit before restatement adjustments

Principally for the reasons described above, our net profit before restatement adjustments increased by Rs. 165.12 million, from Rs. 143.53 million in fiscal 2006 to from Rs. 308.66 million in fiscal 2007, an increase of 115.04%.

Restated Net Profit After Minority Interest

Our net profits as restated after minority interest increased by Rs. 111.01 million, from Rs. 142.46 million in fiscal 2006 to Rs. 253.47 million in fiscal 2007. Restatement adjustments increased net profit by nil in fiscal 2006 and Rs. 45.11 million in 2007. For details, see "*Effect of Restatement Adjustments*" below. Minority interests were nil in fiscal 2006 compared with Rs. 10.07 million in fiscal 2007. For reasons in changes to minority interests, see "*Liabilities and Provisions – Minority Interests*" in this section on page 277.

Effect of Restatement Adjustments

Our financial statement for fiscal 2009, 2008 and 2007 have been prepared in compliance with Indian GAAP and standards issued by the Institute of Chartered Accountants of India and restated in accordance with the ICDR Regulations. In accordance with the ICDR Regulations, the restatement adjusts the income and expense items which are not accounted for in our financial statements under the respective periods they relate to (due to, among other things, subsequent changes in our accounting policies or payments relating to prior periods), so that they are accounted for under the applicable periods. The effect of the restatement is presented below the profit after tax line item in the respective financial statements with no adjustment to the individual income and operating expense line items, and therefore, the discussion of the line items in this section does not reflect the effect of adjustments due to the restatement.

The impact of adjustments to our financial statements, including on account of changes in accounting policies and estimates are described below:

		(1	Rs. in million
Summary of Adjustments	For Fiscal	year ended Mai	rch 31,
	2009	2008	2007
Income tax items charged in the year	0.18	1.08	0.50
Net profit before restatement adjustments	391.72	677.22	308.65
Adjustment for change in accounting policy for revenue recognition	-		(68.70)
Adjustment for such prior period items in the respective years to which	0.18	0.90	0.50
they relate			
Total	0.18	0.90	(68.20)
Current/ Deferred tax impact of adjustment		-	23.09
Restated Net profit	391.89	678.12	263.54

Adjustment for Change in Accounting Policy for Revenue Recognition

During fiscal 2008, we revised our policy for recognising revenue on constructed properties from as of the date of the registration of the sale deed or transfer of ownership of the property to the Percentage of Completion method in line with Accounting Standard 7. This change impacted our results for fiscal 2007 in one of the subsidiary companies, namely ADIPL. Further the accumulated profit and loss balance as on the date of acquisition of the respective subsidiary have been appropriately adjusted to reflect the impact of change pertaining to the year ended on or before the date they become subsidiary.

Adjustment for Prior Period Expenses

Adjustments were made in fiscal 2009, 2008 and 2007 to restate these items to take into account certain prior period taxes. We recorded tax provisions in earlier years which crystallized on completion of assessments made by the income tax authorities. Any difference was recorded as credit or charge in our financial statements. Accordingly, the effect of these tax provisions has been adjusted to the period to which the tax related in the restated financial statements.

Liquidity and Capital Resources

Historically, our principal liquidity and capital resources requirements have been to finance our working capital needs and capital expenditures relating to our acquisition of land and development rights and the costs of

construction and development. We have historically financed these requirements through funds generated from our operations, term loans and working capital loans. Our business requires a significant amount of working capital. For instance, in connection with are growth strategy we are embarking on an ambitious project development plan, which we expect will continue to account for a substantial portion of our cash outflow.

Out of the net proceeds of the Issue, we intend to prepay loans of Rs. 4,750.00 million, to make statutory payments of Rs. 1,562.79 million to the Director, Town & Country Planning, Haryana and to meet the construction and development cost of our Caitriona condominium complex and corporate office tower both at Ambience Island, Gurgaon and the development cost of Ambience City Panipat. Of the remainder of the net proceeds of the Issue, we intend to use Rs. [•] million for general corporate purposes.

We believe that our cash flow from operations, the net proceeds of this Issue and our borrowings will be sufficient to provide us with the funds for our capital expenditures and working capital requirements for our on-going and our planned projects for at least the next 12 months. In the future we would meet our funds requirements from internal accruals. However, as we expand our business, our capital needs will increase and we may need to raise additional capital through further debt finance and additional issues of equity shares.

Cash Flows

The following table summarizes, for the periods indicated, our restated cash flows.

				(In Rs. million)
	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006
Net cash from / (used) in operating activities	(5,205.17)	(6,419,51)	(2,149.04)	(1,708.55)
Net cash from / (used) in investing activities	(717.21)	(558.44)	25.71	0.30
Net cash from / (used) in financing activities	5,811.32	7,162.61	2,153.66	1,690.97
Net increase / (decrease) in cash and cash equivalents	(111.13)	184.37	59.62	(16.75)

Cash Flows from /(used in) Operating Activities

Our net cash used in operating activities in fiscal 2009 was Rs. 5,205.17 million, while our operating profit before working capital changes for that fiscal year was Rs. 1,563.33 million. The difference was primarily attributable to an increase in inventories of Rs. 4,607.74 million, an increase in loans and advances of Rs. 1,704.24 million and an increase in trade and other receivables of Rs. 105.35 million.

Our net cash used in operating activities in fiscal 2008 was Rs. 6,419.51 million, although our operating profit before working capital changes for that fiscal year was Rs. 1,530.52 million. The difference was primarily attributable to an increase in inventories of Rs. 7,414.60 million and an increase in loans and advances of Rs. 752.48 million, which were partially offset by an increase in sundry creditors and other liabilities of Rs 423.20 million.

Our net cash used in operating activities in fiscal 2007 was Rs. 2,149.04 million, although our operating profit before working capital changes for that fiscal year was Rs. 488.26 million. The difference was mainly attributable to an increase in inventories of Rs. 2,235.17 million and a decrease in sundry creditors and other liabilities of Rs. 2,103.03 million, which were partially offset by a decrease in loans and advances of Rs. 2,238.46 million.

Our net cash used in operating activities in fiscal 2006 was Rs. 1,708.55 million, although our operating profit before working capital changes for that fiscal year was Rs. 292.98 million. The difference was mainly attributable to a Rs. 2,629.71 million increase in inventories, partially offset by a Rs. 348.87 million decrease in loans and advances and a Rs. 250.01 million increase in sundry creditors and other liabilities.

Cash Flows from /(used in) Investing Activities

Net cash used in investing activities reflects investments consisting of the purchase of fixed assets comprising plant and equipment used in our construction and manufacturing business, which are offset in each fiscal year by minor disposals of such fixed assets, sales of investments and interest received.

Our net cash used in investing activities in fiscal 2009 was Rs. 717.21 million. The majority of this was used to purchase machinery including tower cranes and scaffolding and to contribute to the establishment of our batching plant, Rs. 26.29 million was used to purchase vehicles and Rs. 1.06 million was used to purchase furniture and fixtures. In addition, we used Rs. 655.54 million to purchase investments, including furniture and furnishings for Ambience Mall, Gurgaon and to invest in equity securities.

Our net cash used in investing activities in fiscal 2008 was Rs. 558.44 million. We used Rs. 468.62 million to purchase investments, including using funds to complete Ambience Mall, Gurgaon and to purchase of shares and gold coins. Rs. 116.73 million was used to acquire other fixed assets, primarily five tower cranes

Our net cash generated from investing activities in fiscal 2007 was Rs. 25.71 million. We received Rs. 98.03 million from the sale of shares. We used Rs. 71.39 million to purchase shares. We used Rs. 4.71 million to acquire other fixed assets, primarily plant and machinery.

Our net cash used in investing activities in fiscal 2006 was Rs. 0.30 million, which reflected Rs. 11.65 million used for the purchase of fixed assets, Rs. 12.05 million received from the sale of shares and other investments.

Cash Flows from / (Used in) Financing Activities

Our net cash from financing activities in fiscal 2009 was Rs. 5,811.32 million. This cash flow reflects Rs. 15,638.22 million in proceeds received from borrowings. We also received Rs. 1,080.00 million in net proceeds from the issuance of 1.08 million equity shares at Rs. 1,000 per share. We paid Rs. 984.54 million in interest charges and Rs. 9,922.76 million of borrowings were repaid in fiscal 2009.

Our net cash from financing activities in fiscal 2008 was Rs. 7,162.61 million. This cash flow reflects Rs. 10,286.42 million in proceeds received from new borrowings and Rs. 400.00 million in net proceeds from the issuance of 0.4 million equity shares at Rs. 1,000 per share. We repaid Rs. 3,018.82 million of borrowings and paid of Rs. 504.99 million in interest charges in fiscal 2008.

Our net cash from financing activities in fiscal 2007 was Rs. 2,153.66 million. This cash flow reflects Rs. 866.59 million in net proceeds received from the issuance of shares in the Company and Subsidiaries and Rs. 1,669.99 million in proceeds received from new borrowings. We paid Rs. 76.36 million in interest charges and Rs. 87.61 million in borrowings were repaid in fiscal 2007. Further, a dividend payment of Rs. 218.96 million was made during fiscal 2007.

Our net cash from financing activities in fiscal 2006 was Rs. 1,690.97 million. This cash flow reflects Rs. 1,326.54 million in proceeds received from new borrowings and receipt of Rs. 450 million from the issuance of 1.8 million equity shares at Rs. 250 per share. We repaid borrowings of Rs. 12.61 million, and paid Rs. 72.97 million in interest, commitment and finance charges in fiscal 2006.

Assets

Fixed assets

Our fixed assets include plant and machinery, such as construction machinery, shuttering and scaffolding, office equipment and computers, furniture and fixtures and motor vehicles. Our net fixed assets were Rs. 328.33 million, Rs. 234.79 million, Rs. 129.67 million and Rs. 51.64 million as at March 31, 2009, 2008, 2007 and 2006, respectively. We are adding to our fixed assets as required in response to the increase in our development activities and the mechanisation of the construction process, which has led to the establishment of our batching plant and the

utilisation of mechanical pumps.

Investments

Our investments comprise investments in quoted shares, unquoted shares and our completed residential and commercial projects which we lease out or intend to lease out. Our total investments were Rs. 17,059.27 million, Rs. 5,891.74 million, Rs. 2.13 million and Rs. 0.30 million as at March 31, 2009, 2008, 2007 and 2006, respectively. Our investments increased as at March 31, 2008 principally due to the addition of Rs. 5,877.46 million of project costs for Ambience Mall, Gurgaon and the part of the corporate office tower in Gurgaon that we leased out. Our investments increased as at March 31, 2009 due to the addition of Rs. 10,765.76 million of project costs for Ambience Mall, Vasant Kunj, the addition of a further Rs. 301.81 million of project costs for Ambience Mall, Gurgaon on which we plan to develop the corporate office tower at Ambience Island, Gurgaon. Prior to fiscal 2009, the project costs for Ambience Mall, Vasant Kunj were shown in our balance sheet as inventories but as we decided to lease out the entire shopping mall rather than sell the development, as at March 31, 2009 it is shown as an investment.

Inventories

Inventories represent:

- Land, including plans and development costs and statutory payments;
- Land, construction and development work in progress, which includes unsold residential and commercial units which are not intended to be leased out and work in progress;
- Earnest money and deposits under development agreements;
- Construction material at site; and
- Stock of food and beverage at the Lagoon club.

The table below sets forth our inventories by project as at March 31, 2009, 2008, 2007 and 2006:

				(Rs. in millions
		Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006
<i>A</i> .	Ongoing Projects				
	"Caitriona" condominium development	1,959.33	1,171.56	2.09	-
	Office Tower Rohini, New Delhi	2,007.15	1,310.61	313.55	-
	Commercial Tower Shalimar Bagh, New Delhi	1,440.64	1,164.78	259.28	-
	South Delhi Residential Apartments	86.28	156.88	195.45	70.75
	Jasola Residential Apartments ⁽¹⁾	-	1,134.00	704.91	-
	Office Complex, Ambience Island	55.35	-	-	
В.	Township				
	"Ambience Island" Township	1,535.91	1,580.27	1,631.95	-
	Panipat Township	3,500.58	3,161.43	2,775.28	609.50
	Sonepat Township	276.62	215.94	184.78	-
	Vishakhapatnam Township	611.84	611.84	-	-
С.	Planned Projects				
	Residential Complex Sector 50, Noida	281.02	261.95	124.53	

	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006
Residential Complex Sector 115, Noida	1,069.12	267.58	267.18	
Commercial Complex, Greater Noida	778.86	251.26	80.20	-
SEZ, Kharkhoda, Sonepat	105.49	48.84	-	-
D. Shopping Malls				
Ambience Mall Gurgaon ⁽²⁾	-	-	3,953.44	-
Ambience Mall VK New Delhi ⁽²⁾	-	8,743.19	7,523.17	-
E. Other Assets including advances and Security Deposits	1,245.27	1,314.69	1,872.15	1,971.10
Total	14,953.46	21,394.82	19,887.96	2,651.35

(1)

The entity that held this project ceased to be subsidiary on November 30, 2008 and was reacquired as a 100% subsidiary on March 31, 2009.

(2) Transferred to "Investments" upon completion.

Our inventories decreased by Rs. 6,441.36 million from Rs. 21,394.82 million as at March 31, 2008 to Rs. 14,953.46 million as at March 31, 2009. This decrease was principally due to the change of status of Ambience Mall, Vasant Kunj from being considered part of our inventory to being an investment after a decision was made to lease the mall as commercial premises, which decreased inventories by Rs. 10,765.75 million. This decrease was partially offset by the addition of Rs. 787.77 million in stock in our Caitriona condominium complex, additions of Rs. 696.54 million of stock in our Office Tower Rohini, New Delhi and the addition of Rs. 820.62 million in stock in our residential complexes for Noida. Our inventories increased to Rs. 21,394.82 million as at March 31, 2008 from Rs. 19,887.96 million as at March 31, 2007. This increase in our investment therein, in particular in respect of our Caitriona condominium development, office tower Rohini, Commercial Tower Shalimar Bagh, Jasola Residential Apartment and Vishakhapatnam Township. Our inventories increase from Rs. 2,651.35 million as at March 31, 2006 to Rs. 19,887.96 million as at March 31, 2007. This increase was principally due to an increase in the number of our projects and in increase increased from Rs. 2,651.35 million as at March 31, 2006 to Rs. 19,887.96 million as at March 31, 2007. This increase was principally due to an increase in the number of our projects as a consequence of consolidating subsidiaries that held interests in projects under development.

Receivables

Our total amount receivable from sundry debtors was Rs. 342.03 million, Rs. 236.68 million, Rs. 375.69 million and nil as at March 31, 2009, 2008, 2007 and 2006, respectively. Our sundry debtors are receivables from customers for installments due on properties sold, contract bills raised for work executed for Group Entity hotel companies, rental due from lessees and maintenance fees and other receivables due on account of facilities management.

Loans and Advances

Our loans and advances consist primarily of advances made by us for acquisition of land, advances for acquisition of development rights, advances to suppliers and contractors, advance tax and tax deducted at source, security deposits for licenses and other deposits and advance payments made to purchase construction materials including the importation of material. Our total loans and advances were Rs. 3,020.73 million, Rs. 1,567.49 million, Rs. 435.24 million and Rs. 440.30 million as at March 31, 2009, 2008, 2006 and 2006, respectively.

Liabilities and Provisions

Secured Loans

Our total secured loans were Rs. 26,613.11 million, Rs. 20,711.63 million, Rs. 13,171.55 million and Rs. 1,829.92 million as at March 31, 2009, 2008, 2007 and 2006, respectively. The increase in secured loans as at March 31, 2009 compared with March 31, 2008 was primarily due to increases in loans of Rs. 5,127.27 million due to increases in the number of our projects and corresponding increases in amounts paid towards construction and development activities. The increase in secured loans as at March 31, 2008 compared with March 31, 2007 was primarily due to a Rs. 5,310.65 million increase in term loans entered into due to an increase in investment in projects. The increase in

secured loans as at March 31, 2007 compared with March 31, 2006 was primarily due to an Rs. 10,874.62 million increase in term loans due to the consolidation of subsidiary term loans with those of the Company.

Unsecured Loans

Our total unsecured loans were Rs. 730.71 million, Rs. 1,573.00 million, Rs. 1,845.47 million and nil as at March 31, 2009, 2008, 2007 and 2006, respectively. The increase in unsecured loans as at March 31, 2007 compared with March 31, 2006 was due to loans of Rs. 1,661.06 million from directors, shareholders and their relatives.

Total Indebtedness

The following table sets forth our repayment obligations under the terms of our indebtedness as at March 31, 2009.

				(In Rs. millio
	Payme	nts due during the y	ear ending March	31,
Indebtedness	2010	2011	2012	After 2012
Secured (bank)	4,930.00	4,378.40	4,790.00	12,512.80
Other secured (hire purchase/hypothecation loans)	1.8	-	-	-
Unsecured	-	-	730.00	-

For further details on our indebtedness, see "Financial Indebtedness" on page 281.

Current Liabilities

Our sundry liabilities were Rs. 2,440.70 million, Rs 2,979.50 million, Rs. 2,556.29 million and Rs. 541.93 million as at March 31, 2009, 2008, 2007 and 2006, respectively. Our sundry liabilities include advances from customers, share application money, sundry creditors, expenses payable, provident fund payments due, security deposits received and other liabilities. Our liabilities increased to Rs. 2,556.30 million as at March 31, 2007 from Rs. 541.93 million as at March 31, 2006. This increase was primarily due to the consolidation of liabilities of two of our material subsidiaries, namely ADIPL and Ambience Commercial Developers Private Limited. Our liabilities arising from advances from customers increased to Rs. 2,979.50 million as at March 31, 2007. This increase was primarily due to increases in advance received. Our liabilities have decreased to Rs. 2,979.50 million as at March 31, 2009 due to decreases in advances received and sales recognised during the year.

Provisions

Our total provisions were Rs. 769.34 million, Rs. 574.03 million, Rs. 247.71 million and Rs. 91.07 million as at March 31, 2009, 2008, 2007 and 2006, respectively. These provisions comprise of provisions for income tax and provisions for fringe benefit tax.

Minority Interest

Total minority interests in our Company were Rs. 0.00 million, Rs. 0.00 million, Rs. 914.70 million and Rs. 0.00 million as at March 31, 2009, 2008, 2007 and 2006, respectively.

The increase in minority interest as at March 31, 2007 compared with March 31, 2006 was due in part to the fact that on February 28, 2007, we sold a 40% interest in the following previously wholly-owned subsidiaries to the Promoters for a total sale price of Rs. 0.44 million:

- Ambi Estates Private Limited;
- Armaan Buildcon Private Limited;
- Fineview Realtors Private Limited;
- Grandvalley Developers Private Limited;

- Grandvalley Realtors Private Limited;
- Greenvalley Realtors Private Limited;
- Lagoon Realtors Private Limited;
- Littlevalley Promoters Private Limited;
- Moonvalley Realtors Private Limited;
- Skyvalley Buildcon Private Limited; and
- Starvalley Realtors Private Limited.

Further, on February 28, 2007 we acquired the majority interest (as indicated below), directly or indirectly, in the following entities from the Promoters for a purchase price of Rs. 80.50 million:

- Ambience Facilities Services Private Limited (60%);
- Ambience Apartments Developers Private Limited (60%);
- Ambience Farms Private Limited (60%);
- Ambience Overseas Private Limited (60%);
- Four Square Promoters Private Limited (60%);
- Lagoon Club Private Limited (60%);
- NGR Consultants Private Limited (60%);
- Rajsheela Housing Private Limited (60%);
- Ambience Towers Private Limited (60%);
- Ambience Homes Private Limited (62%);
- Ambience Commercial Developers Private Limited (59.48%); and
- ADIPL (54.24%).

On August 3, 2007, we purchased the remaining interests, directly and indirectly, in the above 12 subsidiaries from the Promoters for a purchase price of Rs. 855.44 million and they become 100% owned subsidiaries.

In addition, on August 3, 2007 we acquired an 100% interest in the following entities from one of our then subsidiaries, ADIPL, for a purchase price of Rs. 1,108.96 million:

- Alankar Apartments Private Limited;
- Greenline Developers Private Limited;
- Prime Commercial Private Limited;
- RSG Housing & Finance Private Limited;
- Sara Estates Private Limited; and
- Senator Developers Private Ltd

Off-Balance Sheet Arrangements (Contingent Liabilities)

As at March 31, 2009, an aggregate amount of Rs. 1,709.51 million of contingent liabilities was outstanding. This comprised:

- Rs. 1,705.74 million of guarantees issued by us in favour of the Director of Town & Country Planning, Haryana, Chandigarh ("DTCP") in connection with the licences issued by the DTCP in respect of Ambience Island, Gurgaon and the integrated township at Panipat; and
- Rs. 3.77 million of claims not acknowledged as debts.

Transactions with Associate Companies and Related Parties

We have substantial transactions with affiliated companies controlled by members of our Promoter Group. For details please see "*Financial Statements—Related Party Transactions*" on page 242.

Market Risks

Interest Rate Risk

As at March 31, 2009, we had floating rate debt that exposed us to market risk as a result of changes in interest rates. Rs. 26,613.11 million, or 100% of our total debt, consists of variable rate debt obligations. Upward fluctuations in interest rates increase the cost of debt and interest cost of outstanding variable rate borrowings. We do not currently use any derivative instruments to modify the nature of our debt so as to manage our interest rate risk.

Commodity Price Risk

We are exposed to commodity price risk with respect to the prices of commodities used in our projects. These commodities include steel, cement and timber. In addition the costs of these materials are subject to market fluctuations based on commodity prices. We do not currently use any derivative instruments to modify the nature of our commodity price risk so as to manage our interest rate risk.

Equity Price Risk

Equity price risk arises when we are exposed to changes in the fair value of any traded equity instruments that we may hold due to changes in the equity markets. As at March 31, 2009, the book value of our traded equity investments was Rs. 10.32 million, as such our exposure to changes in equity prices is not material to our financial condition or results of operations.

Unusual or Infrequent Events or Transactions

As noted in the table in Part C "Composition of the Ambience Group" in the Auditor's Report, our ownership interest in our subsidiaries has changed during the last three fiscal years as we have disposed of and reacquired interests in material subsidiaries at various times during that period. Except for these transactions, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Significant Economic Changes that Materially Affected or are Likely to affect income from Continuing Operations

Except as described in the section titled *"Industry*' on page 84, to our knowledge, there are no significant economic changes that materially affected or are likely to affect our income from continuing operations.

Known Trends or Uncertainties

Except as described in sections titled "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 10 and 254, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

Future Relationship between Cost and Income

Except as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", on page 10, page 92 and page 200, respectively, to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

The Extent to which Material Increases in Net Sales or Revenue are due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices

Changes in income from operations during the last three years are as explained in this section entitled *"Management's Discussion and Analysis of Financial Condition & Results of Operations"* on page 254.

New Products or Business Segments

Except as described in "*Our Business*" on page 92, we have not announced and do not expect to announce in the near future any new products or business segments.

Seasonality of Business

There are no material seasonal trends in our business.

Significant Dependence on a Single or Small Group of Suppliers or Customers

We are not dependent on a single customer or a small group of suppliers or customers for our revenues.

Competitive Conditions

Please see "*Our Business – Competition*", "*Industry*" and "*Risk Factors*" on page 92, page 84 and page 10, respectively, for discussions regarding competition.

Significant Developments after March 31, 2009

In May 2009, we purchased 100% of the equity shares in Ambience Homes Private Limited for Rs. 9.90 million. Ambience Homes Private Limited is developing a multi-unit apartment building in Jasola, New Delhi. For further details on the development, see "*Our Business – Standalone Residential Projects – Ongoing Projects*" on page 105. For details on Ambience Homes Private Limited, see "*History and Corporate Matters – Our Subsidiaries*" on page 124.

Except as stated in this Draft Red Herring Prospectus, to our knowledge no circumstances have arisen since March 31, 2009, which is the date of the most recent financial statements included in this Draft Red Herring Prospectus, which materially and adversely affect or are likely to affect our profitability, our financial condition or our ability to pay our material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

Our Company has been sanctioned cash credit facilities of Rs. 1,600.00 million and term loans of Rs. 26,613.11 million as on March 31, 2009. Set forth below is a brief summary of our current significant financing arrangements as on the date of this Draft Red Herring Prospectus.

A) Loans of the Company:

Detailed below are the material secured facilities availed by the Company.

S. No.	Name of Lender	Facility	Repayment Terms
1.	Punjab and Sind Bank	Overdraft facility agreement dated March 13, 2008 as amended vide sanction letter dated August 5, 2008 for ODP limit of Rs. 1,000 million, bank guarantee of Rs. 150 million and third party cheque purchase facility of Rs. 100 million.	The ODP Limit of Rs. 1,000 million shall be repaid on demand.
			The bank guarantee of Rs. 150 million shall be paid on the expiry of the bank guarantee (for maximum tenure of three years).
			Third party cheques purchase of Rs. 100 million on realization of cheques.
2.	Oriental Bank of Commerce	Agreement dated January 19, 2006 as amended pursuant to letter of modification dated October 17, 2008 for bank guarantee of Rs. 100 million.	On expiry of the bank guarantee.
3.	Indian Bank	Medium term loan dated January 20, 2006 for Rs. 350 million and bank guarantee of Rs. 100 million.	The term loan shall be repaid in 10 equal quarterly installments of Rs. 35 million each, repayable from March 31, 2009.
4.	Allahabad Bank	Loan agreement dated November 10, 2005 for bank guarantee of Rs. 100 million.	On expiry of the bank guarantee.
5.	UCO Bank	Agreement relating to term loan dated October 18, 2007 for Rs. 600 million.	Repayable in four quarterly installments of Rs. 150 million repayable from December, 2009.
6.	UCO Bank	Agreement dated November 25, 2008 relating to cash credit limit for Rs. 600 million with cheque purchase facility of Rs. 100 million as sub limit.	Repayable on demand.
7.	Syndicate Bank	Agreement dated November 6, 2007 as amended on March 31, 2009 for a term loan of Rs. 600 million.	Repayable in eight equal quarterly installments of Rs. 75 million, the first of which shall be on June 30, 2012 and the entire loan is to be liquidated by March 31, 2014.
8.	Housing Development Finance Corporation Limited ("HDFC")	Master facility agreement dated March 30, 2009 for a financial facility of Rs. 1,900 million.	Principal amount to be repaid to ensure that the maximum principal outstanding on the dates specified below does not exceed the limit indicated below:
			 at the end of June 30, 2011 : Rs. 1,583.30 million at the end of September 30, 2011 : Rs. 1,266.60 million at the end of December 31, 2011 : Rs. 949.90 million at the end of March 31, 2012 : Rs. 633.20 million at the end of June 30, 2012 : Rs. 316.50 million at the end of September 30, 2012: nil
			Our Company has undertaken to repay the loan by adjusting 32% of all sales receipts towards the principal repayment.

S. No.	Name of Lender	Facility	Repayment Terms
9.	HDFC	Master facility agreement dated March 30, 2009 for a term loan of Rs. 750 million.	Principal amount to be repaid to ensure that the maximum principal outstanding on the dates specified below does not exceed the limit indicated below:
			 at the end of June 30, 2010 : Rs. 656.25 million at the end of September 30, 2010 : Rs. 562.50 million at the end of December 31, 2010 : Rs. 468.75 million at the end of March 31, 2011 : Rs. 375 million at the end of June 30, 2011 : Rs. 281.25 million at the end of September 30, 2011 : Rs. 187.50 million at the end of December 31, 2011 : Rs. 93.75 million at the end of March 31, 2012 : Nil
			Our Company has undertaken to repay the loan by adjusting 20% of all sales receipts towards the principal repayment.
10.	ICICI Home Finance Company Limited	Facility agreement dated June 17, 2008 for Rs. 400 million (divided into term loan – I for an amount of Rs. 175 million and term loan – II for an amount of Rs. 225 million).	The term $Loan - I$ of Rs. 175 million and term $Loan - II$ Rs. 225 million shall be repayable in 19 ballooning monthly installments and the first of such installment shall be on April 15, 2010.
11.	Bank of Baroda	Demand loan agreement dated June 19, 2009 for a demand loan of Rs. 950 million.	The loan shall be repaid in four monthly installments starting June 30, 2010 of which first three installments would be of Rs. 250 million each and the last installment of Rs. 200 million on September 30, 2010.
12.	Indian Overseas Bank	Bank guarantee dated September 14, 2006 for Rs. 50 million as extended by letter dated September 14, 2009	Until September 13, 2010

Our Company has created various charges over properties including a first *pari passu* charge and an exclusive charge over a portion of our land at Ambience Island, NH-8, Gurgaon, owned by some of our subsidiaries, an exclusive charge on land measuring approximately 3.51 acres being plot no. F-003, Sector 50, Noida and six residential plots at Jasola Pocket – II, New Delhi owned by our Promoter Mrs. Sheela Gehlot and Directors, Mr. Dayanand Singh and Mr. Mohan Singh for which our Company (through our subsidiary) has entered into a sole development agreement. In addition, our Company has also secured certain personal properties of our Promoters, Mr. Raj Singh Gehlot, Mrs. Sheela Gehlot and their relative Mrs.Sunita Chaudhary.

In addition to the abovementioned properties, our Company has undertaken to secure by way of hypothecation on first *pari passu* basis of all the present and future machinery / plant / vehicle / capital goods / assets / crafts and all those assets / movable properties including material at site, work in progress, super structure etc. and the receivables from the prospective buyers of the plots / shop / space / tenements all related to our project at Panipat along with equitable mortgage on *pari passu* basis of approximately 300 acres of land in Sector 36,37 and 38 of draft development plan, 2021 for Panipat to be created on vacation of charge on interim security on 13.65 acres of land owned by Greenine Developers Private Limited and in the revenue estate of village Kabri and village Taraf Insar, Tehsil and District Panipat, Haryana and hypothecation charge on our present and future book debts, bill money receivables, WIP, advances to suppliers, all stocks of building material including iron rods, cement, grit, bricks, movable machinery, tools and all other goods and products and movable property of any kind belonging to our Company that shall be brought in or be in at the premises or godown or at construction sites of our Company's projects being undertaken for construction or to be undertaken for construction or wherever else the same may be.

Further, Mr. Raj Singh Gehlot, Mrs. Sheela Gehlot, Mrs Nutan Gehlot, Mrs. Sunita Chaudhary, Mr. Dayanand Singh, Mr. Mohan Singh, our Promoters, their relatives and Directors respectively have provided a personal guarantee to various lenders. Our subsidiaries, Sara Estates Private Limited, Aman Hospitality Private Limited, Ambience Towers Private Limited Apex Homes Private Limited Greenline Developers Private Limited, Ambi Estates Private Limited, NGR Consultants Private Limited, Lagoon Club Private Limited, Ambience Apartment Developers Private Limited, Ambience Facilities Services Private Limited, Ambience Overseas Private Limited, Bigway Colonizers Private Limited, Fineview Realtors Private Limited, Four Square Promoters Private Limited, Grandvalley Developers Private Limited, Grandvalley Realtors Private Limited, Lagoon Realtors Private Limited, Little Valley Promoters Private Limited, Moonvalley Realtors Private Limited, Raj Sheela Housing Private Limited, Starvaelley Realtors Private Limited and Alankar Apartments Private Limited have also provided corporate guarantees in relation to certain loans.

Our Company has also undertaken to maintain margin amounts as specified by the lenders.

Additionally, under the terms of certain agreements our Company has undertaken not to do any of the following without the prior consent of the lenders including:

- change our capital structure;
- implement any scheme of expansion, merger, amalgamation, compromise or reconstruction or sell, lease, transfer (or grant any option to do the same) all or substantial portion of our fixed assets;
- change the ownership or control or constitution or make any change in the shareholding or the management or majority of Directors and not make any change to the general nature of the business;
- make material amendments to our Memorandum of Association and Articles of Association of the Company;
- declare dividend for any year except out of profits relating to that year after meeting all the financial commitments to the lender and making all due and necessary provisions;
- create any subsidiary or permit any company to become its subsidiary;
- invest by way of share capital or advance funds to or place deposits with any other company, firm, concern, including group companies/associates/persons;
- revalue our assets at any time;
- permit any transfer of the controlling interest of Promoters/ Directors;
- undertake guarantee obligation on behalf of any third party or any other company;
- enter into contractual obligations of long term nature or affecting the Company's financial position to any significant extent;
- create any charge or lien, sell, mortgage, lease, surrender, alienate the property held as security by the bank; and
- assign or transfer rights or obligations under the loan agreements.

Further, some of our loan agreements contain cross default provision as per which default under any loan agreement by us will constitute default under such loan agreements.

For loans taken from our Promoters, Promoter Group and other related parties, see "Financial Statements" on page 152.

B) Loans of our Subsidiaries:

Detailed below are the material secured facilities availed by our subsidiaries.

1. Ambience Developers and Infrastructure Private Limited

S. No.	Name of Lender	Facility	Repayment Terms/ Validity
1.	Consortium of Bank of India, Dena Bank, Union Bank of India and HDFC ("Consortium").	Term loan facility agreement dated September 29, 2008 for Rs. 6,000 million.	The term loan shall be repayable in 108 ballooning monthly installments beginning in October 2008.
2.	Punjab National Bank	Bank guarantee dated December 19, 2003 as amended from time to time for Rs. 0.13 million.	Until December 18, 2009
3.	Punjab National Bank	Bank guarantee dated December 19, 2003 as amended from time to time for Rs. 0.97 million.	Until December 18, 2009.
4.	Punjab National Bank	Bank guarantee dated January 29, 2004 as amended from time to time for Rs. 80.68 million.	Until January 28, 2010.
5.	Punjab National Bank	Bank guarantee dated April 21, 2004 as amended from time to time for Rs. 3.96 million.	Until April 20, 2010.
6.	Punjab National Bank	Bank guarantee dated April 21, 2004 as amended from time to time for Rs. 1.30 million.	Until April 20, 2010.
7.	Punjab National Bank	Bank guarantee dated December 19, 2005 as amended from time to time for Rs. 13.76 million.	Until December 18, 2009.

S. No.	Name of Lender	Facility	Repayment Terms
1.	Punjab National Bank.	Term loan cum hypothecation Agreement dated February 13, 2009 for Rs. 3,250 million.	The entire term loan would be repaid in 99 ballooning monthly installments after a moratorium of nine months.
2.	Oriental Bank of Commerce	Term loan agreement dated February 13, 2009 for Rs. 2,000 million.	The entire loan shall be repaid in 99 ballooning monthly installments commencing from October 31, 2009.
3.	Indian Overseas Bank	Sanction letter dated March 23, 2009 for a term loan of Rs. 1,000 million.	The loan will be repaid in 99 ballooning monthly installments commencing from October 31, 2009.
4.	Allahabad Bank	Loan agreement dated March 28, 2009 for a term loan of Rs. 2,000 million.	The loan shall be repaid in 99 ballooning monthly installments commencing from October 31, 2009.
5.	Jammu and Kashmir Bank Limited	Sanction letter dated March 26, 2009 for a term loan of Rs. 838.70 million.	The loan shall be repaid in 99 ballooning monthly installments commencing from October 31, 2009.
6.	HDFC Limited	Agreement dated September 27, 2007 as amended for a term loan of Rs. 600 million	The outstanding loan of Rs. 540 million shall be repaid in 16 installments commencing from September 30, 2009 and ending on March 31, 2013.
7.	Vijaya Bank	Loan agreement dated March 18, 2004 for Rs. 500 million and term loan agreement dated August 22, 2005 for Rs. 250 million. The total loan amount is Rs. 750 million as amended on September 27, 2006.	The loan shall be repaid in 20 equal quarterly installments starting July, 2008.
8.	Syndicate Bank	Term loan agreement dated August 10, 2007 as amended on March 31, 2009 for Rs. 600 million.	Loan to be repaid in 18 ballooning quarterly installments beginning June 30, 2010.
9.	Canara Bank	Term loan agreement dated June 18, 2004 as amended on April 13, 2009 for Rs. 350 million.	The outstanding amount of Rs. 315 million was rescheduled to be repaid in 18 quarterly ballooning installments beginning June 30, 2010.
10.	Punjab and Sind Bank	Term loan agreement dated February 9, 2007 as amended on June 20, 2009 for Rs. 350 million.	The outstanding amount of Rs. 323.10 million was rescheduled to be repaid in 18 quarterly installments of Rs. 18 million each commencing from August 30, 2010.
11.	Bank of India	Memorandum of entry dated March 20, 2008 as amended on January 17, 2009 for a short term loan for Rs. 500 million.	The loan will be repaid in four equal monthly installments of Rs. 125 million commencing from April 30, 2010.
12.	UCO Bank	Sanction letter dated July 24, 2009 as amended on September 11, 2009 for a term loan of Rs. 2,250 million.	The loan shall be repaid in 99 ballooning installments with a moratorium period of six months commencing October, 2009.

2. Ambience Commercial Developers Private Limited

3. Ambience Homes Private Limited

Ambience Homes Private Limited became our subsidiary on May 1, 2009. Details of the facility availed by it are as follows:

S. No.	Name of Lender	Facility	Repayment Terms
	Tume of Lender	Tuemty	Repuyment rerms

S. No.	Name of Lender	Facility	Repaym	ent Terms
1.	HDFC Limited	Master facility agreement dated	Principal amount to be	repaid to ensure that the
		March 30, 2009 for a term loan of	maximum principal outsta	nding on the dates specified
		Rs. 2,000 million.	below does not exceed as	per the limit indicated:
			Months Loan ame	ount (in million)
			September 30, 2010	Rs. 1,750
			December 31, 2010	Rs. 1,500
			March 31, 2011	Rs. 1,250
			June 30, 2011	Rs. 1,000
			September 30, 2011	Rs. 750
			December 31, 2011	Rs. 500
			March 31, 2012	Rs. 250
			June 30, 2012	Nil

4. Ambience Towers Private Limited

S. No.	Name of Lender	Facility	Repayment Terms
1.	Bank of India	Hypothecation cum loan agreement dated February 15, 2008 as amended on February 10, 2009 for a term loan of Rs. 1,000 million.	The loan is repayable in eight equal quarterly installments of Rs. 125 million each, commencing from October 1, 2011.
2.	SIDBI	Loan agreement dated October 29, 2008 as amended on March 31, 2009 for a term loan of Rs. 400 million.	The loan is repayable in eight equal quarterly installments of Rs. 50 million each, commencing from January 1, 2012.
3.	Central Bank of India	Term loan agreement dated August 5, 2008 as amended on April 15, 2009 for Rs. 500 million.	The loan is repayable in eight quarterly installments of Rs. 62.50 million each, commencing December 2011.
4.	UCO Bank	Term loan agreement dated June 17, 2008 as amended on May 25, 2009 for Rs. 600 million.	The loan is repayable in eight equal quarterly installments of Rs. 75 million each, commencing from December 31, 2011.
5.	SIDBI	Loan agreement dated March 7, 2008 as amended on March 31, 2009 for Rs. 400 million.	The loan is repayable in eight equal quarterly installments of Rs. 50 million each, commencing from October 1, 2011

Our subsidiaries have created various charges over properties including creation of charge over a portion of land of Ambience Island, NH-8, Gurgaon, 8.25 acres of land at Ambience Mall, Vasant Kunj, equitable mortgage on land and building of the office tower at Ambience Island thereupon (except 4th to 7th floors), mortgage over Ambience Mall, Gurgaon, equitable mortgage of 20 residential plots at Jasola Pocket -1 and 2, New Delhi, principal security of 30 residential plots at Jasola with construction thereon both present and future to be created later on vacation of charge on interim security, a first *pari passu* charge on project land at plot no. 10, community center, Block B, Shalimar Bagh, New Delhi, project land at plot no. 2B2, Twin District Center, Sector 10 Rohini, New Delhi and first *pari passu* charge basis, the future book debts in the form of lease rentals/rents/lease money, maintenance charges due from lessees/tenants occupying the premises on an area 8.78,073 sq.ft. out of the total area at Ambience Mall, Shopping Complex, Vasant Kunj, Phase II, New Delhi. In addition, our subsidiaries have also secured our registered office and the personal properties of our Promoters, Mr. Raj Singh Gehlot and Mrs. Sheela Gehlot and the abovementioned land owned by our subsidiaries Senetor Developers Private Limited, RSG Housing and Finance Private Limited and Raj Sheela Housing Private Limited.

In addition to the abovementioned properties our Subsidiaries have secured charges by way of hypothecation of superstructure, material at site, work-in-progress, existing and future and receivables, existing and future from the prospective buyer of shops and commercial space at Ambience Mall, Vasant Kunj and Ambience Mall, Gurgaon, development at Plot No.10, Community Centre, Block-B, Shalimar Bagh, New Delhi and Plot No.2B2, Twin Distt. Centre, Sector-10, Rohini, New Delhi and plots at Jasola, Pocket-I & II, New Delhi on *pari passu* with the lending financial institutions, plant and machinery, furniture, fixture, fittings, office equipments and other assets of the said complex.

Further, our Promoter Mr. Raj Singh Gehlot, our Directors Mr. Dayanand Singh and Mr. Mohan Singh and the relative of our Promoter Mr. Shekhar Singh, have provided irrevocable and unconditional personal guarantee with respect to the abovementioned Subsidiary loans.

Further, under some loans availed by our subsidiaries there are cross default provision as per which default under any loan agreement by our subsidiary will constitute default under such loan agreements.

SECTION VI: LEGAL AND OTHER INFORMATION OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENT

Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against the Company and its Subsidiaries, Directors, Promoters and Group Entities, and there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by the Company, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than an unclaimed liability of the Company or Subsidiaries and no disciplinary action has been taken by SEBI or any stock exchanges against the Company, subsidiaries, Promoters or Directors and Group Entities.

I. Income tax proceedings

Each of our (i) Company, (ii) our subsidiaries namely Ambience Towers Private Limited, Ambience Homes Private Limited, Ambience Commercial Developers Private Limited, Ambience Developers and Infrastructure Private Limited, Prime Commercial Private Limited, Sara Estates Private Limited, N.G.R. Consultants Private Limited, Ambience Apartment Developers Private Limited, Ambience Facilities Private Limited, Ambience Farms Private Limited, Ambience Overseas Private Limited, Ambience Infracon Private Limited, Ambience Buildcon Private Limited, Ambience SEZ Developers Private Limited and Ambience Power Projects Limited, (iii) our Promoters namely, Mr. Raj Singh Gehlot, Mrs. Sheela Gehlot, Mr. Aman Singh Gehlot (including some of their relatives), (iv) certain Group Entities namely Aman Growth Fund Private Limited, Ambience Hotels and Resorts Private Limited and Aman Holdings Private Limited, and (v) Directors, Dayanand Singh and Mohan Singh (collectively referred to as "**Persons**") are involved in the following proceedings with the Income Tax Authorities.

- 1) A search operation under section 132 of the IT Act was conducted by Deputy Director of Income Tax ("DDIT") on October 10, 2007 at the registered/corporate office of the Company (also the registered/ corporate office of the specified subsidiaries and group entities) and the residential premises of our Promoters and Directors wherein documents, cash and jewellery owned by the Persons were seized. After completion of the investigation each of the Persons had received six notices dated February 2, 2009 from the Deputy Commissioner of Income Tax ("DCIT") under section 153A of the IT Act wherein they have been requested to prepare the true and correct return of the total income with respect to them including the undisclosed income for the assessment years 2002-03, 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08 in a prescribed form and manner as per the provisions of the IT Act. The DCIT had ordered to file the returns before him within 15 days of service of the notice. Each of the Persons filed a reply dated March 12, 2009 which was received by the DCIT on March 25, 2009 stating that the documents pertaining to the abovementioned returns were under preparation and shall be furnished shortly. Each of the Persons received another letter from the Assistant Commissioner of Income Tax ("ACIT") dated July 7, 2009 stating that no extension was granted in regard to the abovementioned reply dated March 25, 2009 and that the returns were still not filed and the ACIT issued six notices under section 142(1) of the IT Act to each of the Persons to furnish the returns for the assessment years mentioned above on or before July 20, 2009. Each of the Persons filed a reply dated July 22, 2009 furnishing the income tax returns for the abovementioned assessment years. The assessment proceedings are in process.
- 2) Each of the Persons have also received a notice dated February 2, 2009 from the DCIT, under section 142(1) of the IT Act in connection with the assessment year 2008-09. The Persons have been asked to prepare true and correct return of the income in respect of which they are to be assessed under the IT Act during the previous year relevant to the assessment year mentioned above. The DCIT had ordered the Persons to file the return on or before February 20, 2009. The Persons filed a reply dated March 12, 2009 which was received by the DCIT on March 25, 2009 stating that they had already filed their income tax

return for the assessment year 2008-09 on September 29, 2008 enclosing the copy of acknowledgement. The Assistant Commissioner Income Tax ("ACIT") vide his letter dated July 13, 2009 requested the Persons to file a hard copy of the return filed by July 22, 2009. The Persons filed a reply dated July 22, 2009 furnishing the income tax return for the assessment year 2008-09. The assessment proceedings are in process.

Prior to the search operations, some of the aforementioned Persons had received notices from the Assessing Officer requesting for *inter alia*, preparation of true and correct return of income, profit and loss account and the balance sheet, tax audit report and computation of income in relation to some of the assessment years from time to time. Pursuant to the orders dated July 11, 2008 and November 20, 2008 (effective from November 25, 2008) under section 127 of the IT Act the Commissioner of Income Tax, New Delhi ("**Orders**") transferred the cases to the ACIT Central Circle, New Delhi for administrative convenience and coordinated investigation. Accordingly, the jurisdiction in relation to all notices received by such Persons in relation to the aforementioned assessment years (assessment years 2002-03, 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08) are now pending before the ACIT, Central Circle, New Delhi.

However, some of the aforementioned Persons have also received notices from ACIT and DCIT subsequent to the Orders requesting for *inter alia*, preparation of true and correct return of income, profit and loss account and the balance sheet, tax audit report and computation of income in relation to some of the assessment years from time to time. The relevant Persons have responded to the ACIT and DCIT clarifying that the matters have been centralized with he ACIT Central Circle.

For details of other litigation and notices (including income tax notices and service tax notices) involving the aforementioned Persons, see details provided below.

II. Litigation involving the Company:

A) *Contingent Liabilities*

Details of contingent liabilities not provided for by our Company as on March 31, 2009 are provided below:

	(Rs. in millions)
Description	Amount
Bank Guarantee towards internal and external development charges in favour of Director, Town	1,705.74
& Country Planning, Chandigarh	
Claim against the company not acknowledge debts	3.77
Total	1,709.51

Litigation

B) *Litigation against the Company:*

Income Tax Litigations:

Apart from the notices mentioned in para I, above our Company has received one notice from the IT Department. The details of these notices are mentioned below:

1) The Company received a notice from the ACIT, Circle 49(1) dated May 25, 2009 in connection with the proceedings under section 201(1) and 201(1A) of the IT Act for the financial years 2005-06, 2006-07, 2007-08 and 2008-09 till date of the survey. A Survey was conducted on the Company under section 133A on August 19, 2008. The Company was required to submit *inter alia*, quarterly TDS filed by the Company for financial years 2005-06 to 2008-09, month wise details of salary paid and to explain the nature of transaction and if the TDS was deducted. As per the balance sheet of the Company dated March 31, 2007 and March 31, 2008 the Company showed Rs. 6.25 million and Rs. 7.90 million as advance given. It was also noticed in the survey that the advance given to contractors and suppliers was shown as Rs. 28.30 million and Rs. 47. 80 million for the financial year 2006-07 and 2007-08. The Company was asked to

furnish the Tax Deductible at Source for the same. The Company was asked to furnish the abovementioned details by June 4, 2009. Further, a notice was received by the Company from the ACIT dated July 8, 2009 stating that the information requisitioned in the notice dated May 25, 2009 had not been submitted by June 4, 2009. The ACIT held that such information be furnished on or before July 16, 2009. Subsequently, the Company received another notice from the ACIT dated September 1, 2009 alleging that the abovementioned information was still not submitted by the Company and asked the Company to furnish the same by September 8, 2009. The Company filed a reply dated September 22, 2009 requesting for adjournment of the hearing to a future date.

Service Tax Litigation:

Pursuant to an investigation initiated against the Company vide summon dated July 10, 2007, the Company received a show cause notice (C. No. DL/ST/AE/Inquiry/Gr-IV(2)/161/07/6530) dated March 23, 2009 from the Commissioner of Service Tax, Delhi to show the cause as to (i) why the benefits under the Works Contracts (Composition Scheme for payment of Service Tax) Rules, 2007 should not be denied to the Company as they have availed the benefits on the ongoing composite contracts; (ii) non payment of service tax amounting to Rs. 195.32 million towards the service tax liability on construction services should not be demanded and recovered; (iii) non payment of Rs. 3.90 million towards the Company's education cess on construction services should not be demanded and recovered; (iv) non payment of secondary and higher education cess amounting to Rs. 0.46 million should not be demanded and recovered; (v) interest on the amount of service tax and education cess should not be demanded and recovered; (v) interest on the amount of service tax and education cess should not be demanded and recovered; (vi) penalty should not be imposed for not filing ST-3 returns within the time limit specified; and (vii) a penalty for deliberately suppressing the relevant facts/details and premeditated intent to evade payment of proper service tax should not be imposed. The total amount of service tax claimed by the Commissioner of Service Tax amounts to approximately Rs. 199.70 million for the period September 10, 2004 to March 31, 2008. The Company filed a reply dated April 15, 2009 furnishing the relevant documents and stating reasons for the allegations mentioned above. The assessment proceedings are currently pending.

Notices received from the RoC:

- 1) The Company, our Directors namely Mr. Raj Singh Gehlot, Mr. Aman Singh Gehlot, Mr. Dayanand Singh and Mr. Mohan Singh and our Company Secretary Mr. Biswa Ranjan Mishra had received a show cause notice (No. 159/220/U51503DL1986PLC023886/2827) from the RoC dated March 31, 2008 under various sections of the Companies Act alleging (i) the Company ought to have held its annual general meeting in respect of the financial year ending March 31, 2006 and March 31, 2007 on or before September 30, 2006 and September 30, 2007 respectively, (ii) the annual returns up to September 30, 2006 and September 30, 2007 were not filed with the RoC and (iii) the Company had not presented the balance sheet and the profit and loss account for the financial year ending March 31, 2006 and March 31, 2007 in the annual general meeting and failed to file the same with the RoC within 60 days. Further, the RoC ordered the Company, Mr. Raj Singh Gehlot, Mr. Aman Singh Gehlot, Mr. Dayanand Singh, Mr. Mohan Singh and Mr. Biswa Ranjan Mishra to file a reply within 15 days. The Company filed a reply dated April 22, 2008 stating that the Company had duly convened its annual general meeting for the financial year ending March 31, 2006 and March 31, 2007 on September 30, 2006 and August 31, 2007 respectively and had presented the balance sheet and profit and loss account accordingly. The Company also held that the balance sheets for the financial year ending March 31, 2006 and March 31, 2007 were filed with the RoC vide SRN No. P04583696 dated December 28, 2006 and SRN No. P18153817 dated March 29, 2008 and the annual return made up to September 30, 2006 and August 31, 2007 was filed with the RoC vide SRN No. P08135972 dated April 24, 2007 and SRN No. P18509976 dated April 18, 2008 respectively.
- 2) The Company and our Directors namely Mr. Raj Singh Gehlot, Mr. Aman Singh Gehlot, Mr. Dayanand Singh and Mr. Mohan Singh had received a show cause notice dated March 6, 2009 from the RoC alleging that (i) the Company ought to have held its annual general meeting in respect of the financial year ending March 31, 2008 on or before September 30, 2008, (ii) the annual returns up to September 30, 2008 were not filed with the RoC and (iii) the Company had not presented the balance sheet and the profit and loss account for the financial year ending March 31, 2008 in the annual general meeting and failed to file the same with the RoC within 60 days. Further, the RoC ordered the Company, Mr. Raj Singh Gehlot, Mr. Aman Singh Gehlot, Mr. Dayanand Singh and Mr. Mohan Singh to file a reply within 15 days. The

Company filed a reply dated May 13, 2009 stating that the Company had duly convened its annual general meeting for the financial year ending March 31, 2008 on September 27, 2008 and had presented the balance sheet and profit and loss account accordingly. The Company also held that the balance sheets for the financial year ending March 31, 2008 was filed with the RoC vide SRN No. P30490510 dated February 12, 2009.

Winding up proceeding:

- 1) A.B. Pal Electricals Private Limited ("**ABPE**") has filed a petition (No.92/2004) dated April 8, 2004 against the Company before the High Court, New Delhi praying for an order of winding up of the Company and appointment of an official liquidator with respect to the outstanding payment to ABPE amounting to Rs. 0.76 million along with an interest of 24% on a monthly basis from seven days subsequent to each delivery up to the date of each payment and a further interest of 24% from the date of filing till the realization of the amount. The Company filed a reply dated August 21, 2004 to the above petition denying the above charges and praying for the dismissal of the petition. The matter is currently pending and the next date of hearing is January 30, 2010.
- 2) Ericsson India Private Limited has sent a legal notice dated May 18, 2009 to the Company demanding the payment of the outstanding amount of Rs. 5.40 million along with 24% interest per annum. Ericsson India Private Limited have alleged that they were awarded a contract dated September 29, 2007 amounting to Rs. 9 million for supply, installation, commissioning and maintenance of passive common in Ambience Mall, Hotel Complex and Corporate Tower, Ambience Island, Gurgaon and on due completion of the work they were entitled to an amount of Rs. 8.10 million whereas, they only received an amount of Rs. 2.70 million. The Company filed a reply dated June 30, 2009 denying the claim of Ericsson India Private Limited and have raised a counter claim of (i) Rs. 5 million for the use of sub-standard equipment; (ii) Rs. 5 million for delay in completion of work (iii) Rs. 3 million for the loss of reputation. The total counter claim amounts to Rs. 20 million. The matter is currently pending.

Civil Cases:

- 1) The Deputy Commissioner of Police ("**DCP**"), New Delhi has filed a petition (No. 140/2006) dated February 6, 2006 against the Company, Mr. Praveen (a former employee of our Company) and Oriental Insurance Company before the Motor Accident Claims Tribunal ("**MACT**"), New Delhi for a decree of compensation of Rs. 0.08 million along with an interest of 24% per annum till the time of realization of the amount. It has been alleged that the vehicle of the DCP was damaged due to rash, negligent and high speed driving of the car driven by Mr. Praveen. The DCP has also prayed for compensation on the account of non-use of vehicle for government duties for the period the vehicle remained out of service due to damage. The Company filed a reply dated August 19, 2006 to the abovementioned petition denying the charges and praying for the dismissal of the petition. The matter is now listed for filing of evidence by the Company on December 18, 2009.
- 2) ABPE has filed a suit (No.22/06/05) dated January 3, 2005 against the Company before the Court of District Judge, New Delhi for the recovery of an outstanding payment of Rs. 1.46 million which was due on January 2, 2005, with regard to the supply of electrical goods along with an interest of 24% per annum until the date of realization of the money. The Company filed a reply dated February 17, 2005 to the above petition denying the above charges and praying for the dismissal of the petition. The matter is currently pending and the next date of hearing has been fixed on September 25, 2009.
- 3) Mrs. Kaushalya Devi, Ashu and Sunny had instituted a suit (No. 375/2006) against the Company for the death of Mr. Jagdish Kumar caused by negligent driving of Mr. Yogesh Kumar (an employee of the Company) who was driving the vehicle with consent from the Company. The MACT vide order dated January 17, 2007 granted compensation of Rs. 1.40 million against the claimed compensation of Rs. 5 million which was to be paid by the Oriental Insurance Corporation. Aggrieved by the said order Kaushalya Devi, Ashu and Sunny have filed the present appeal (No. 376/2007) for the enhancement of compensation

payable to them to Rs. 5 million along with 18% interest from the date of filing of the petition till realization. The case is now listed for regular hearing and is currently pending.

Labour Law Litigation:

Mr. Suraj Pal sent a demand notice dated February 19, 2009 against the Company alleging that he was dispensed from service without notice which is in violation of the Industrial Disputes Act, 1947 and has prayed that he be reinstated and also claimed salary from the date of dismissal, medical expenses and all other legal dues. The Company filed a reply denying the claims made by Mr. Suraj Pal in the abovementioned notice. The matter was listed before the Labour Conciliation Officer, Mini Secretariat, Gurgaon on March 26, 2009. The Company filed a written submission dated May 21, 2009 clarifying that there was no requirement to serve a notice as Mr. Suraj Pal was on probation. The labour reconciliation officer vide his letter dated August 11, 2009 submitted his report and the matter has now been committed for consideration of Labour Commissioner, Government of Haryana, Chandigarh.

Notice relating to property:

Our Company has received a show cause notice (No. Noida/G.H.P/2009/3086) dated August 7, 2009 from the NOIDA alleging *inter alia*, the violation of terms and conditions of the brochure relating to non payment of penalty for late payment of basic allotment money, for not payment of initial and successive installments and interest thereupon amounting up to Rs. 712.87 million by July 29, 2009 and for non execution of the lease deed. The Company was asked to show the cause as to why the allotment of the group housing project shall not be cancelled within a period of 15 days. Our Company vide letter dated August 17, 2009 replied to the NOIDA stating that they had made the payment of 40% of the allotment money on August 2, 2008. Also, even after making repeated requests to the NOIDA, the leased deed was not executed and the possession was not handed over. Further the Company disclosed, pursuant to the discussion with NOIDA it came to their notice that certain portion of the abovementioned land was encroached and the authorities were involved in various litigations and that the said owners had obtained stay orders from the Court. The Company also stated that they were not in violation of any terms and conditions of the allotment.

Other notices received by the Company:

Mr. Mohammad Asadulla has sent a legal notice dated May 13, 2009 to our Company for payment of outstanding bill of approximately Rs. 0.09 million towards supply of labour at the project site at Ambience Island, Gurgaon. Our Company filed a reply dated July 4, 2009 denying the non-payment of outstanding bill of approximately Rs. 0.09 million or execution of any agreement between the parties. Further, our Company has also claimed an amount of Rs. 11,000 as legal charges.

There are no small scale undertakings or other creditors to whom the Company owes a sum exceeding Rs. 0.10 million which is outstanding for more than 30 days.

III. Litigation involving the Subsidiaries:

Ambience Commercial Developers Private Limited ("Ambience Commercial Developers")

Litigation against Ambience Commercial Developers

Litigation/Notices relating to property:

1) Pardiam Exports Private Limited ("PEPL") has filed a civil suit (No. 38/2008) against Ambience Commercial Developers before the High Court, New Delhi, praying for (i) a decree of declaration stating that the action of Ambience Commercial Developers in revising the payment plan for Shop No. G-48 and G-49 at the Ambience Mall, Vasant Kunj is null and void; (ii) a permanent perpetual injunction restraining Ambience Commercial Developers from allotting the abovementioned shops to any person other than PEPL and further restraining Ambience Commercial Developers from handing over possession of any other commercial shop/space in the mall to any other allottee till the possession of the said shops are handed over

to PEPL; and (iii) a mandatory injunction against Ambience Commercial Developers for the execution and delivery of a space buyers agreement, grant of specific performance in favor of PEPL for the execution of ownership and transfer documents for the said shops, and handing possession of the said shops to PEPL. The High Court passed an ex parte order of injunction dated January 9, 2008 wherein Ambience Commercial Developers had been directed not to create any third party interest, encumbrance, parting with the possession of the said shops or changing their layout plans. The High Court vide its order dated May 8, 2009 framed issues for trial and made absolute the ex parte order dated January 9, 2008. The High Court vide order dated May 28, 2009 appointed the local commissioner to visit the mall and make an assessment of the status of the mall and the two shops allotted to PEPL. Subsequently, PEPL also filed a civil contempt petition (No. 95/2009) dated July 25, 2009 against Mr. Raj Singh Gehlot, Mr. Ranvir Singh, Mr. Rajan Kohli, Ms Deepti Goel and Ambience Commercial Developers alleging that Mr. Raj Singh Gehlot, Mr. Ranvir Singh, Mr. Rajan Kohli, Ms. Deepti Goel and Ambience Commercial Developers had violated the order dated May 28, 2009 by carrying out construction work on the abovementioned property. The High Court vide its order dated July 27, 2009 issued notices in civil contempt petition and further appointed a local commissioner to visit the mall and make an assessment of the status of the mall and the two shops allotted to PEPL. The matter is currently pending and the next date of hearing is November 30, 2009.

- 2) Ms. Sandhya Jain has filed a civil suit (No. 2511/2007) against Ambience Commercial Developers before the High Court, New Delhi, praying for (i) decree of declaration that the action of Ambience Commercial Developers in revising the payment plan of Shop No. G-38 at Ground Floor at Ambience Mall, Plot No. 2, Vasant Kunj, New Delhi is null and void; (ii) a permanent perpetual injunction restraining Ambience Commercial Developers from allotting the abovementioned property to any other person than Ms. Sandhya Jain and further restraining Ambience Commercial Developers from handing over possession of any other commercial space/shop in the mall to any other person till possession of the property is handed over to her (iii) a mandatory injunction against Ambience Commercial Developers for the execution and delivery of space buyers agreement: (iv) a decree of specific performance against Ambience Commercial Developers of the allotment letter dated August 25, 2004 and the execution of the ownership and transfer documents and (v) award costs including exemplary costs for the present proceedings. The High Court passed an exparte order of injunction dated December 19, 2007, directing Ambience Commercial Developers not to allot the abovementioned property in favor of any third person or to create any third party interests therein. The High Court vide its order dated August 11, 2009 ordered the parties to maintain status quo. The matter is currently pending and next date of hearing is October 14, 2009.
- 3) Mr. Amit Malhotra has filed a petition (No. O.M.P. 531/209) against Ambience Commercial Developers before the High Court, New Delhi praying (i) to grant an interim stay order against Ambience Commercial Developers from creating any third party rights in the part and portion of Shop No. G-98 measuring approximately 920.90 sq.ft. on the Ground Floor, Ambience Mall, Vasant Kunj and (ii) direct Ambience Commercial Developers not to rent, lease, license, transfer, dispose, or alienate the abovementioned property. The High Court vide order dated September 11, 2009 issued a notice to Ambience Commercial Developers. The High Court has further directed Ambience Commercial Developers not to let out the area booked by Mr. Amit Malhotra or to cancel the allotment till further order. The matter is currently pending and the next date of hearing is October 30, 2009.
- 4) Mr. Raj Kumar Chopra has filed a petition (No. OMP 542/2009) against Ambience Commercial Developers before the High Court, New Delhi praying (i) to grant an interim stay order against Ambience Commercial Developers from creating any third party rights in the part and portion of Shop No. G-99 measuring approximately 880.05 sq.ft. on the Ground Floor, Ambience Mall, Vasant Kunj and (ii) direct Ambience Commercial Developers not to rent, lease, license, transfer, dispose, or alienate the abovementioned property. The High Court vide order dated September 16, 2009 passed an ex parte injunction and restrained Ambience Commercial Developers from cancellation of allotment or letting out the space to any third party or handing over the possession of the space to any third party till disposal of the petition. The matter is currently pending.
- 5) DLF Housing and Construction Limited ("DLF Housing") and DLF Limited ("DLF") have filed a suit (No.261/2006) against Ambience Commercial Developers. For details, see section 'Ambience Developers-Litigation/Arbitration/ Notices relating to property' on page 296 below.

- 6) Impuls has sent a legal notice dated June 8, 2009 to Ambience Commercial Developers and Mr. Raj Singh Gehlot seeking (i) to take immediate corrective measures and execute a lease deed in favor of Impuls for Shop No. G-33 Ambience Mall, Vasant Kunj, New Delhi; (ii) to handover the possession of the said shop to Impuls; (iii) to pay 9% interest on the amount of Rs. 0.79 million from February 2, 2007 till execution of lease deed and handing over of the possession. Ambience Commercial Developers have filed a reply dated August 7, 2009 denying all the claims of Impuls and stating that Ambience Commercial Developers had already requested Impuls to collect the abovementioned amount.
- 7) Mr. Mukesh Julka has filed a civil suit (No. 1156/2009) dated July 1, 2009 before the High Court, New Delhi against Ambience Commercial Developers and Mr. Raj Singh Gehlot praying for specific performance directing Ambience Commercial Developers and Mr. Raj Singh Gehlot to complete the construction of Shop No. 6 on the ground floor of Ambience Mall, Vasant Kunj and handover the possession to Mr. Mukesh Julka and pass a decree for mandatory injunction directing Ambience Commercial Developers and Mr. Raj Singh Gehlot to take all steps including completion of structural work and obtain occupancy certificate from the competent authority for the above mentioned property and also pass a decree for permanent injunction restraining Ambience Commercial Developers and Mr. Raj Singh Gehlot from negotiating and to let out or give on license or to part with possession of the above mentioned property. The Court vide its order dated July 6, 2009 ordered Ambience Commercial Developers to maintain status-quo. Further, the Court vide order dated August 3, 2009 directed Ambience Commercial Developers to file a written statement within four weeks. The matter is currently pending and the next date of hearing is October 20, 2009 before the Joint Registrar for admission/denial of the documents and before the Court on November 16, 2009 for framing of issues.

Litigation filed by Ambience Commercial Developers:

Civil Case:

Ambience Commercial Developers has filed an eviction petition (No. E-94/2000) against Ashok Rozario, Nibro Limited and I-Zumo before Additional Rent Controller, Delhi praying for an order for eviction of Mr. Ashok Rozario from first floor of E-26 Hauz Khas, New Delhi. The matter is currently pending and the next date of hearing is November 5, 2009.

Ambience Developers and Infrastructure Private Limited ("Ambience Developers")

Litigation against Ambience Developers

Income Tax Litigations:

Apart from the notices mentioned in para I, above Ambience Developers have received one notice from the IT Department. The details of these notices are mentioned below:

1) Ambience Developers received a notice from the ITO dated May 13, 2009 under section 201 and 201(1A) of the IT Act. The ITO held that consequent to the survey under section 133A of the IT Act carried out at the business premises on August 19, 2008 Ambience Developers were requested to furnish the TDS reconciliation statements, tax audit report, balance sheet, profit an loss account, details of TCS on sale of scrap and basis of working of amount of interest on delayed payment of TDS for the assessment years from 2005-06 to 2008-09. Ambience Developers filed a reply dated May 22, 2009 furnishing the abovementioned documents. Further, Ambience Developers received a letter dated May 26, 2009 from the ITO under section 201/201(1A) of the IT Act for the assessment years 2005-06 to 2008-09 referring to the letter dated May 13, 2009 for fixing the case for May 22, 2009. The ITO held that the relevant documents were pending submission nor any application for adjournment was submitted. Ambience Developers were requested to submit the information by June 2, 2009.Ambience filed another reply dated June 8, 2009 furnishing the same documents. Subsequently, Ambience Developers received a notice dated July 15/16, 2009 from the ITO under section 201/201(1A) of the IT Act on the premises of Ambience Developers on May 18, 2008

they were required to furnish *inter alia*, the tax audit report, TDS certificates, TCS on sale of scrap and working of amount of interest on delayed payment of TDS for the financial years 2005-06 to 2008-09. The Company filed a reply dated September 22, 2009 seeking a future date to furnish the abovementioned documents.

Service Tax Litigations:

- 1) Ambience Developers has received a notice (C.No. DL/ST/AE/Inquiry/Gr-IV/07/14649) dated August 31, 2007 from the Superintendent of the Service Tax, New Delhi under section 14 of the Central Excise Tax Act, 1944 alleging a detailed investigation and submission of documents such as tax audit report, IT returns, details of construction and development expenses, details of amount received project wise and bank statements of all accounts for the year 2004-05, 2005-06 and 2006-07. The Superintendent had directed the director of the company to attend a personal hearing with him on September 13, 2007. No further correspondence has taken place.
- 2) Ambience Developers has received a notice (C.No. DL/ST/AE/Inquiry/Gr-IV/0714650) dated August 31, 2007 from the Superintendent of the Service Tax, New Delhi under section 14 of the Central Excise Tax Act, 1944 alleging a detailed investigation and submission of documents such as tax audit report, IT returns, details of construction and development expenses, details of amount received project wise and bank statements of all accounts for the years 2004-05, 2005-06 and 2006-07. The Superintendent had directed the director of the company to attend a personal hearing with him on September 19, 2007. No further correspondence has taken place.

Litigation/Arbitration/ Notices relating to property:

- 1) Mr. Om Prakash has filed a civil suit (No.559/2006) against Ambience Developers, Ambience Farms Mr. Raj Singh Gehlot, Mr. Dayanand Singh and others before the Civil Judge, Senior Division, Gurgaon for a permanent injunction restraining Ambience Developers or any of its agents, officials and workers from encroaching upon the property situated at Khewat No. 263, Khatoni No. 392, Khasra No.18 situated within the revenue estate of village Nathupur, District Gurgaon (forming a part of Ambience Island). Mr. Om Prakash has also prayed for the removal of existing encroachment from the property and claimed compensation, as the Court may deem fit to decide. Ambience Developers has filed a reply dated November 2, 2006 to the injunction application filed by Mr. Om Prakash praying for the dismissal of the application. The Court vide its order dated April 11, 2007 appointed a local commissioner and had ordered the parties to maintain status quo in the interim. The local commissioner filed his report on May 4, 2007. The matter is currently pending and the next date of hearing is November 9, 2009.
- 2) Various suits have been filed against Ambience Developers, Mr. Raj Singh Gehlot and Ambience Facilities before the Court of Civil Judge (Senior Division), Gurgaon for grant of possession of properties through specific performance of the sale agreements entered into by the plaintiffs with Ambience Developers and a direction for registration of the sale deeds in favor of the plaintiffs. The plaintiffs in each suit have also, as an alternative, prayed for a decree for damages. Additionally, the plaintiffs have sought a permanent injunction, restraining Ambience Developers from alienating the properties in question or creating any third party charge or lien or making any transfer of the suit property by way of rent, mortgage, sale deed, lease, gift deed etc; in favor of any third party except the respective plaintiffs. The Civil Judge vide his order dated November 19, 2007 restrained Ambience Developers, Mr. Raj Singh Gehlot and Ambience Facilities from alienating the property mentioned below to anyone else. The matters are currently pending and the next date of hearing is November 7, 2009. Details of the suits are as follows:
 - (i) Suit (no. 500/2007) filed by Mr. Ranjit Khanna and Mrs. Anuradha Khanna with respect to the commercial space, bearing Shop No. F-143, First Floor, Ambience Mall, Ambience Island, Gurgaon having a super area measuring 1,498.53 sq.ft. The plaintiffs have as an alternative have prayed for a decree of a sum of Rs. 5.24 million along with an interest of 24% per annum from the date of suit till the realization of the amount.

- (ii) Suit (No. 501/2007) filed by Sandhar Estate Private Limited with respect to the commercial space, bearing Shop No.G-72, Ground Floor, Ambience Mall, Ambience Island, Gurgaon having a super area measuring 2,480.03 sq.ft. The plaintiff has as an alternative prayed for a decree of Rs. 11.61 million along with an interest of 24% per annum from the date of suit till the realization of the amount.
- (iii) Suit (No. 502/2007) filed by Sandhar Estate Private Limited with respect to the commercial space, bearing Shop No. F-152, First Floor, Ambience Mall, Ambience Island, Gurgaon having a super area measuring 2,625 sq.ft. The plaintiff has as an alternative prayed for a decree of Rs. 9.84 million along with an interest of 24% per annum from the date of suit till the realization of the amount.
- (iv) Suit (No. 503/2007) filed by Kapsons Associates Private Limited before the Civil Judge, Senior Division, Gurgaon with respect to the commercial space, bearing Shop No.F-151, First Floor, Ambience Mall, Ambience Island, Gurgaon having a super area measuring 2,625 sq. ft. The plaintiff has as an alternative prayed for a decree of Rs. 9.84 million along with an interest of 24% per annum be passed in the favor of the plaintiff from the date of suit till the realization of the amount.
- (v) Suit (No. 504/2007) filed by Kapsons Associates Private Limited with respect to the commercial space, bearing Shop No.G-71, Ground Floor, Ambience Mall, Ambience Island, Gurgaon having a super area measuring 2,560.97 sq.ft. The plaintiff has, as an alternative, prayed for a decree for a sum of Rs. 11.97 million along with an interest of 24% per annum passed from the date of suit till the realization of the amount.
- (vi) Suit (No. 505/2007) filed by Chetna In-Lease Private Limited with respect to the commercial space, bearing Shop No.G-70, Ground Floor, Ambience Mall, Ambience Island, Gurgaon having a super area measuring 2,542.03 sq.ft.. The plaintiff has, as an alternative, prayed for a decree of Rs. 11.89 million along with an interest of 24% per annum from the date of suit till the realization of the amount.
- (vii) Suit (No. 506/2007) filed by Chetna In-Lease Private Limited with respect to the commercial space, bearing Shop No.F-150, First Floor, Ambience Mall, Ambience Island, Gurgaon having a super area measuring 2,542.03 square feet. The plaintiff has, as an alternative, prayed for a decree of Rs. 9.53 million along with an interest of 24% per annum from the date of suit till the realization of the amount.
- 3) Dr. (Col.) S.C.Talwar and others have filed a petition (No.28/2005) against Ambience Developers and Mr. Raj Singh Gehlot before the National Consumer Disputes Redressal Commission ("NCDRC"), New Delhi praying for an order directing Ambience Developers and Mr. Raj Singh Gehlot to execute and register the sale deeds with respect to their respective apartment(s) at Ambience Lagoon, Ambience Island, Gurgaon in favor of each of the complainants and pay an interest of 21% on the registration amount from the date of the deposit till the realization of the payment. Dr. (Col.) S.C.Talwar and others have also prayed for a direction for the refund of the balance amount on registration on account of the reduction of the stamp duty from 13% to 6.5% along with compensation for the mental agony caused and towards the costs of the petition. Ambience Developers has filed a reply dated July 14, 2005 denying the claims of the petitioners and praying for the dismissal of the petition. The court vide order dated July 10, 2009 admitted the matter for regular hearing. The matter is currently pending.
- 4) Mr. Surendra Pal has filed civil suit (No.204/2006) against Ambience Developers and Mr. Raj Singh Gehlot before the Court of Civil Judge (Senior Division), Gurgaon, wherein it has been prayed that an order be passed granting (i) possession of Apartment No.B-1/201, Second Floor, Lagoon Apartment Complex Ambience Island, Gurgaon; (ii) damages amounting to Rs. 0.20 million per month on account of unauthorized use and occupation of the property from January 21, 2006 to July 20, 2006; and (iii) an *exparte ad-interim* injunction restraining Ambience Developers from alienating or creating any third party rights over the aforesaid property. The Court vide order dated April 9, 2007 passed an *ad-interim* injunction

was granted in favor of Mr. Surender Pal restraining Ambience Developers from alienating or creating any third party rights over the aforesaid property. Against the order dated April 9, 2009 Ambience Developers filed a Civil Miscellaneous Appeal (No. 29/2007) before the Additional District Judge, Gurgaon, who vide order dated August 22, 2007 set aside the impugned order dated April 9, 2009. The matter is currently pending and the next date of hearing is November 26, 2009.

- 5) DLF Housing and DLF have filed a suit (No.261/2006) against Ambience Developers, Ambience Commercial Developers, Alankar Apartments and our group company Ambience Hotels and Resorts before the Court of Civil Judge (Sr. Division), Gurgaon for a decree for possession of land measuring approximately four acres in the District of Gurgaon. DLF Housing and DLF have also sought an order for demolishing the boundary wall constructed by Ambience Developers, Ambience Commercial Developers, Alankar Apartments and Ambience Hotels and Resorts along with the removal of the building material, delivery of peaceful possession of land to along with a compensation of Rs. 0.40 million per month for the illegal use of the land occupied. DLF Housing and DLF had further prayed for a decree of permanent injunction against Ambience Developers, Ambience Commercial Developers, Alankar Apartments and Ambience Hotels and Resorts, restraining them from raising construction over the encroached area and a mandatory injunction for the removal and demolition of the construction raised. The Civil Judge vide his order dated March 12, 2007 partly allowed the injunction application filed by DLF Housing and DLF restraining Ambience Developers, Ambience Commercial Developers, Alankar Apartments and Ambience Hotels and Resorts from changing the nature of the abovementioned encroached land or from raising any construction thereon or alienating the same pending disposal of the suit. The matter is currently pending and the next date of hearing is May 5, 2010.
- 6) SRF Foundation has filed a suit (No.240/2006) against Ambience Developers, R.S.G Housing, Prime Commercial, Mr. Raj Singh Gehlot and others before the Court of Civil Judge (Senior Division), Gurgaon praying a decree of permanent injunction refraining Ambience Developers, R.S.G Housing, Prime Commercial, Mr. Raj Singh Gehlot and others from encroaching, posing threat or danger and constructing a boundary wall at the plot bearing Facility No. 3104, Phase III, DLF Qutab Enclave Complex, Gurgaon. The court vide its order dated July 12, 2006 granted an ex-parte interim injunction to maintain status-quo on the suit property. Ambience Developers has filed a reply dated November 8, 2006 to the aforesaid suit denying the claim made by the plaintiff and praying for the dismissal of the suit. The suit was dismissed for non prosecution vide the order dated March 25, 2009 of the Civil Judge, Gurgaon and was subsequently restored by the Civil Judge, Gurgaon vide order dated June 3, 2009. The matter is currently pending and the next date of hearing is September 29, 2009. Separately, SRF Foundation had also filed an application (No. 240/2006) dated July 15, 2006 against Ambience Developers, Mr. Raj Singh Gehlot, Prime Commercial, RSG Housing and Ambience Island Private Limited before the Court of Civil Judge, Gurgaon praying for initiation of contempt proceedings under Order 39 Rule 2-A read with section 94 and 151 CPC and a direction by the Superintendent of Police, Gurgaon to provide necessary assistance against further encroachment on the suit property in Civil suit (No. 240/2006). Subsequently, Ambience Developers, Mr. Raj Singh Gehlot, Prime Commercial, RSG Housing and Ambience Island Private Limited had filed a reply dated February 14, 2007 praying for the dismissal of the application. The matter is currently pending and the next date of hearing is January 7, 2010.
- 7) Indus Clothing Limited had sent a legal notice dated January 16, 2008 to Ambience Developers, Ambience Facilities and RSG Housing demanding to withdraw its notice dated December 27, 2007 cancelling the MoU dated November 18, 2005 and refunding an amount of Rs. 0.50 million paid at the time of signing of the MoU on the grounds that Indus Clothing Limited had failed to take the possession of the premises and allot and give possession to them of the retail space No.G-33, Ambience Mall, Gurgaon measuring an area of 3,117.25 sq. ft., failing which Indus Clothing Limited would be compelled to take appropriate legal action according to terms and conditions specified in the MoU between the parties to lease dated November 18, 2005. Ambience Developers sent a reply dated February 16, 2008 denying all the claims of Indus Clothing Limited. Further, Indus Clothing Limited filed a civil suit (No. 633/2008) dated December 23, 2008 against Ambience Developers, Mr. Raj Singh Gehlot and Ambience Facilities praying for a decree for mandatory injunction directing the Ambience Developers, Mr. Raj Singh Gehlot and Ambience Facilities to handover the possession of the abovementioned property for fit outs as per terms and conditions of the MoU. Indus Clothing Limited has further prayed for decree of permanent injunction restraining Ambience

Developers, Mr. Raj Singh Gehlot and Ambience Facilities from creating any third party interest in the property in suit. The matter is pending and the next date of hearing is October 5, 2009.

- 8) Mr. Dilip Sukhadia has filed a civil suit (No.235/09) dated April 30, 2009 against Mr. Atul Lalwani, Mrs. Kamayani Lalwani, Ambience Developers and HDFC Limited before Civil Judge (Junior Division), Gurgaon praying for a decree of declaration to the effect that Mr. Dilip Sukhadia is co-owner of the property No. B-501, Lagoon Residential Apartment Complex, Ambience Island, Gurgaon and that the sale deed (vasika no. 321) dated April 6, 2005 executed in respect of the said property in favor of Mr. Atul Lalwani is illegal, null and void abinitio.Mr. Dilip Sukhadia has further prayed that Ambience Developers be directed to facilitate and execute the sale deed in favour of Mr. Dilip Sukhadia and that he be put in possession of the abovementioned property. Mr. Dilip Sukhadia has alleged that he entered into an agreement for the purchase of the mentioned property with Ambience Developers vide agreement dated July 30, 2001 and had paid the entire amount of the sale consideration. Mr. Dilip Sukhadia has further alleged that Ambience Developers has without any prior notice wrongfully delivered the physical possession of the property to Mr. Atul Lalwani vide the abovementioned sale deed. Ambience Developers had filed written statement dated August 25, 2009 denying the allegation/relieves and have prayed for the civil suit to be dismissed. The matter is currently pending and next date is hearing is October 22, 2009.
- 9) Ms. Rekha Gautam has filed a complaint (No. 139/2008) dated October 21, 2008 against Ambience Developers before the NCDRC, New Delhi and has prayed for a direction to Ambience Developers to deliver the vacant and peaceful possession of Shop No. G-45, Ambience Mall, Ambience Island, Gurgaon and to execute and register the sale deed in her favor. Ms. Rekha Gautam has further prayed for compensation for an amount of Rs. 6.70 million for financial loss along with interest from the date of filing of the complain and enhanced compensation along with 24% interest till the date of the actual possession along with the legal costs. Ambience Developers had filed a reply dated February 9, 2009 denying the claims of Ms. Rekha Gautam and have prayed for the complaint to be dismissed. The matter is currently pending and next date of hearing is November 6, 2009.
- 10) Mr. Manmohan Singh Khurana has filed a complaint (No. 58/2009) dated April 15, 2009 against Ambience Developers, Mr. Raj Singh Gehlot and Mr. Ramesh Shah before the NCDRC, New Delhi alleging unfair trade practices and praying to direct Ambience Developers to handover the physical possession of Shop No. S-244 at Ambience Mall, Ambience Island, Gurgaon to Mr. Manmohan Singh Khurana. He has claimed a compensation of Rs. 3.10 million as the monthly rent due from January 2007 till March 2009, Rs. 0.34 million as the security paid for three months, Rs. 7.30 million as consideration paid to Ambience Developers, Rs. 22,000 as legal expenses and a compensation of Rs. 1 million for harassment. Mr. Manmohan Singh Khurana has further prayed that in the alternative Ambience Developers be directed to pay of sum of Rs. 11.76 million along with 18% interest per annum till the date of payment. The matter is currently pending and the next date of hearing is November 20, 2009.
- 11) Mr. Man Mohan Kapoor and Mrs. Neena Kapoor have filed a complaint dated March 31, 2008 against Ambience Developers, before the Assistant Director General, Investigation and Registration, Ministry of Corporate Affairs, GoI and praying for an enquiry of unfair trade practices by Ambience Developers and to direct them to pay the agreed amount under the MoU dated December 6, 2008. Mr. Man Mohan Kapoor and Mrs. Neena Kapoor have alleged that Ambience Developers had unilaterally altered the agreed terms and conditions of the contract executed between the parties, demanded amounts in excess of the entitlement, changed the area and location of the shop allotted, cancelled the allotment of Shop No. 67 on the ground floor and office space on the fourth floor of the corporate office tower at Ambience Island, illegally transferred the office space even after the payment of Rs. 49.46 million, failed to execute the flat buyers agreement despite the payment of the sale consideration of Rs. 10.16 million and never delivered the possession of the abovementioned properties. The Assistant Director General, Ministry of Corporate Affairs vide letter dated June 3, 2009 ordered Ambience Developers to furnish their response along with evidence within 10 days from the receipt of the letter failing which the matter is liable to be processed under the penal provisions of the Monopolies and Restrictive Trade Practices Act, 1969. Ambience Developers had filed a reply dated August 18, 2009 and denying the allegations/claims of Mr. Man Mohan Kapoor and Mrs. Neena Kapoor and have prayed that no action whatsoever should be taken on the said complaint. The matter is currently pending.

- 12) Impuls had sent a legal notice dated June 8, 2009 to Ambience Developers and Mr. Raj Singh Gehlot denying any communication between Impuls and Ambience Developers in regard to change in layout and zoning of Ambience Mall, change in construction and the relocation of the Shop No. G-29 or any request for taking possession of alternative space vide letter dated January 23, 2009 and seeking to (a) take immediate corrective measures and execute a lease deed in favor of Impuls for Shop No. G-29, Ambience Mall, Gurgaon and to handover the possession of the abovementioned property to Impuls. Impuls has also prayed for an amount of Rs. 0.41 million paid as a part of consideration at the time of signing of the agreement dated August 3, 2004 along with interest starting February 2, 2007 till the execution of lease deed and handing over of the possession of the shop. Ambience Developers filed a reply vide letter dated August 4, 2009 stating that the claims made by Impuls are false and that Ambience Developers had already refunded an amount of Rs. 0.41 million vide letter dated September 8, 2008.
- 13) Cantabil International Private Limited ("Cantabil") has filed a claim petition on July 16, 2007 against Ambience Developers. Cantibil and Ambience Developers had entered into MoU to lease dated August 24, 2005 for grant of lease in favor of Cantabil with respect to the retail space No. F-117, First Floor, Ambience Mall, Gurgaon with an area measuring 1,629.78 sq.ft. Thereafter due to the change of the layout plan of Ambience Mall, the premises in question got merged into larger premises. Subsequently Ambience Developers offered an alternative location to Cantabil which was unacceptable to them. Cantibil thus initiated arbitral proceedings against Ambience Developers by the appointment of Mr. Just. (Ret.) Jaspal Singh, as the sole Arbitrator praying for an award of specific performance with respect to the MoU dated August 24, 2005 thereby directing the company to grant the lease of the retail Shop No. F-117, Ambience Mall, Ambience Island, Gurgaon. The claimant has also prayed for the award of damages at the rate of Rs. 0.20 million per month from July 23, 2006 till the date the actual physical possession of the shop is handed over. The sole Arbitrator vide his order dated April 10, 2007 directed Ambience Developers not to enter into a formal lease agreement with Primyd Retail Limited in respect of the suit premises and also to maintain status quo with respect to an area measuring 1,629.78 sq.ft. as delineated in plan Annexure D of the report dated December 21, 2006 filed by the local commissioner before the High Court, New Delhi in (No. 535/2006). The matter is currently pending and the next date of hearing is November 3, 2009.
- 14) Mr. Man Mohan Kapoor and Mrs. Neena Kapoor have sent a legal notice dated August 22, 2009 to Ambience Developers seeking a payment of Rs. 210 million under MoU for settlement of all disputes connected with FIRs No. 75/2008 and 76/2008 relating to allotment of office space and shop at Ambience Mall, Gurgaon dated December 6, 2008 along with 18% interest from April 1, 2009 till the date of payment. Mr. Man Mohan Kapoor and Mrs. Neena Kapoor have also claimed an amount of Rs.15,000 as legal costs of the notice. Ambience Developers filed a reply dated September 10, 2009 stating that the abovementioned MoU stood resigned on the expiry of the notice period given in the final notice dated March 4, 2009 issued by Ambience Developers and the allotment of Mr. Man Mohan Kapoor and Mrs. Neena Kapoor to execute the commercial buyers' agreement and take possession in respect of the office space and shop thereof.

Other civil cases:

1) Ambience Island Apartment Owners ("Complainants"), Lagoon Apartments have filed a complaint (No.93/2004) dated November 11, 2004 against Ambience Developers and Mr. Raj Singh Gehlot before the NCDRC, New Delhi praying for a direction for the installation of two additional express elevators of recognized and reputable brand each in the blocks C, E, F and H at Ambience Lagoon, Ambience Island, Gurgaon and for ensuring their efficient working. The Complainants have further prayed for interest of 21% to be paid by the company on Rs. 8.80 million from April 1, 2001 till the date of filing of this complaint and a further compensation for the agony, suffering, torture and damages caused due to deficient elevators and towards the cost of the complaint. Ambience Developers filed a reply dated May 16, 2005 to the above complaint denying the claim of the Complainant and praying for the dismissal of the same. The matter is admitted for regular hearing.

2) Mr. Sanjay Rustagi has filed a case (No. 2219/2007) against Ambience Developers, Mr. Raj Singh Gehlot and Mr. Dayanand Singh, before the High Court, New Delhi, for the recovery of Rs. 3.10 million along with an interest of 18% per annum from the date of the suit till actual realization of the money. Mr. Sanjay Rustagi has further prayed for an order directing the defendants to return all the machinery and equipment of Mr. Sanjay Rustagi or in the alternative to pass a further decree of recovery against the defendants jointly and severally and in favor of the plaintiff for a sum of Rs. 0.60 million being the costs of the articles mentioned and to award the cost of suit in favor of the Mr. Sanjay Rustagi. The matter is now listed for evidence by the plaintiff and the next date of hearing is November 10, 2009.

Litigation filed by Ambience Developers:

Ambience Developers has filed an appeal dated January 21, 2009 before the Appellate Committee Haryana State Pollution Control Board, New Delhi against the assessment order dated December 24, 2008 for approximately Rs. 2.41 million (water cess bill) passed by the Assessing Authority, Haryana State Pollution Control Board for water consumption of 600 kilo liters a day at Ambience Island, NH-8, Gurgaon. Ambience Developers has filed the appeal on the ground that there has been false and incorrect calculation of water consumption by the Assessing Authority and prayed for reducing the water cess bill to Rs. 15,964 after allowing the rebate of 25% on Rs. 20,925 on account of the sewage treatment plant (**"STP"**) installed at the colony. The matter is currently pending.

Arbitrations involving property:

- 1) Ambience Developers has invoked arbitration to settle the disputes which have arisen between Ambience Developers and Lifestyle Asia Private Limited in respect of claims regarding the property no. F-131, (now bearing retail space no. 137) first floor, Ambience Mall, Ambience Island, Gurgaon pursuant to the agreement for taking possession for fit outs dated June 11, 2007. Justice R. C. Chopra has been appointed as the sole Arbitrator in this matter. The Arbitrator vide order dated August 29, 2009 directed Ambience Developers to file the statement of claim within two weeks. The matter is currently pending and the next date of hearing October 29, 2009.
- 2) Ambience Developers has invoked arbitration to settle the disputes which have arisen between Ambience Developers and Welspun Retail Limited in respect of claims regarding the property no. S-255, second floor, Ambience Mall, Ambience Island, Gurgaon pursuant to the agreement for taking possession for fit outs dated July 16, 2007. Justice O. P. Dwivedi has been appointed as the sole Arbitrator in this matter. The matter is currently pending.
- 3) Ambience Developers has invoked arbitration to settle the disputes which have arisen between Ambience Developers and Lilliput Kids Wear Limited in respect of claims regarding the property no. S-234, second floor, Ambience Mall, Ambience Island, Gurgaon pursuant to the agreement for taking possession for fit outs dated July 16, 2007. Justice J. D. Kapoor has been appointed as the sole Arbitrator in this matter. The Arbitrator vide his order dated September 5, 2009 fixed the matter for further hearings on October 3, 2009.
- 4) Ambience Developers has invoked arbitration to settle the disputes which have arisen between Ambience Developers and Vivaan Fashions Private Limited in respect of claims regarding the property no. F-152, first floor, Ambience Mall, Ambience Island, Gurgaon pursuant to the agreement for taking possession for fit outs dated August 16, 2007. Justice J. D. Kapoor has been appointed as the sole Arbitrator in this matter. Ambience Developers filed a statement of claim amounting to Rs. 70 million claiming *inter alia*, a direction to Vivan Fashion Private Limited to handover vacant possession of the abovementioned retail space. The matter is currently pending and the next date of hearing is October 3, 2009.
- 5) Ambience Developers has invoked arbitration to settle the disputes which have arisen between Ambience Developers and Essence Retail Ventures Private Limited in respect of claims regarding the property no. R-6, third floor, Ambience Mall, Ambience Island, Gurgaon pursuant to the agreement for taking possession for fit outs dated July 10, 2007. Justice J. D. Kapoor has been appointed as the sole Arbitrator in this matter. The Arbitrator vide his order dated August 1, 2009 had directed that a notice be served to Essence Retail Ventures Private Limited by publication in the newspaper. The Arbitrator vide his order dated September 5, 2009 held that another notice be sent to Essence Retail Ventures Private Limited and the

previous order of serving the notice by way of publication shall remain in abeyance. Ambience Developers filed a statement of claim amounting to Rs. 66 million claiming *inter alia*, a direction to Essence Retail Ventures Private Limited to hand over the vacant possession of the abovementioned property. The matter is currently pending and the next date of hearing is October 3, 2009.

6) Ambience Developers has invoked arbitration to settle the disputes which have arisen between Ambience Developers and Primetex Clothing Private Limited in respect of claims regarding the property no. S-233, Second Floor, Ambience Mall, Ambience Island, NH-8, Gurgaon pursuant to the agreement for taking possession for fit outs dated June 11, 2007. Justice R. C. Chopra has been appointed as the sole Arbitrator in this matter. It was informed to Ambience Developers vide notice dated August 31, 2009 by the sole Arbitrator that a preliminary hearing for settling the procedure for arbitration, venue of arbitration and fee will be held on October 31, 2009.

Alankar Apartments Private Limited ("Alankar Apartments")

Litigation against Alankar Apartments

Civil Case:

DLF Housing DLF have filed a suit (No.261/2006) against Alankar Apartments. For details see section 'Ambience Developers- Litigation/Arbitration/ Notices relating to property' above.

Litigation filed by Alankar Apartments

- 1) Alankar Apartments has filed a petition (No. 16/2007) against the Competent Authority, Delhi, Haryana and Uttar Pradesh, Mumbai-Manglya Pipeline Extension Project before the Additional District Judge, Gurgaon praying for the award of compensation of Rs. 354 million in respect of acquisition of right of user by the competent authority with respect to our land in the village of Nathupur, Gurgaon (forming a part of Ambience Island). Pursuant to an application dated April 10, 2007 filed by Bharat Petroleum Corporation Limited ("BPCL"), BPCL has been impleded as a party as on January 15, 2008. The Additional District Judge, Gurgaon vide order dated January 6, 2009 directed that the proceeding of the petition be stayed till the time the petition (No. 1648/2006) filed by the Alankar Apartments before the High Court of Punjab and Haryana, Chandigarh is decided.
- 2) Alankar Apartments has filed a civil writ petition (No.1648/2006) before the High Court of Punjab and Haryana, Chandigarh against the Union of India and others praying for the quashing of notifications dated July 4, 2005 and November 2, 2005 of the Competent Authority, Delhi, Haryana and Uttar Pradesh, Mumbai-Manglya Pipeline Extension Project with respect to acquisition of right of user by the competent authority with respect to our land in village Nathupur, Gurgaon (forming a part of Ambience Island). Further, the petitioner has prayed for the grant of an interim direction for staying the aforesaid notifications. The High Court vide its order dated January 31, 2008 allowed admission of the petition of Alankar Apartments and is listed for regular hearing.

Prime Commercial Private Limited ("Prime Commercial")

Litigation filed against Prime Commercial

Income Tax Litigation:

Apart from the notices mentioned in para I, above Prime Commercial has received three notice from the IT Department. The details of the notice is mentioned below:

Prime Commercial had received three notices dated October 11, 2007 from the Assessing Officer ("AO") under section 142(1), 143(2) and 115WE (2) of the IT Act. In the Notice pertaining to section 142(1), the AO had requested Prime Commercial to prepare true and correct returns of the income for the assessment year 2006-07 and

requested for a personal hearing on October 24, 2007 along with the Auditor's report containing details of the profit and loss account and the balance sheet, tax audit report and computation of income both normal and under section 115JB. In the notice pertaining to section 143(2) the AO had requested for a personal hearing on October 24, 2007 in connection with the return of income filed by Prime Commercial on November 24, 2006 for the assessment year 2006-07. Further, the notice under section 115WE pertains to clarification of certain point by the AO in connection with the return of fringe benefits for the assessment year 2006-07 and requested for a personal hearing on October 24, 2007. Prime Commercial filed a reply dated January 11, 2008 in connection with the clarification required under section 143(2) and 115WE (2) requesting to adjourn the hearing. Subsequently, Prime Commercial received two notices from the DCIT dated May 28, 2008 for information to be furnished under section 142(1) and 115WE in connection with the proceedings for the assessment year 2006-07 and under section 143(2). Prime Commercial were asked to submit inter alia, audited balance sheet and the profit and loss account signed by the director for the year ending March 31, 2006, auditor's report incase of international transactions, mandatory audit reports claiming deduction or exemption under the IT Act, briefs of various businesses carried by Prime Commercial, details of sale and purchase of any investment in mutual funds with the source of investment, reconciliation of income as per TDS certificate with gross receipts in the profit and loss account etc. The DCIT has requested Prime Commercial to file the reply on or before June 26, 2008. The Company filed a reply dated June 23, 2008 informing the DCIT that the matter has been transferred to the Central Circle.

Civil Case:

SRF Foundation filed an application (No.240/2006) against Prime Commercial. For details see section *titled* 'Civil Cases against Ambience Developers' above.

Litigations filed by Prime Commercial:

Prime Commercial has filed a civil suit (No. 603/2009) dated March 26, 2009 in the High Court, New Delhi against Mr. Awatar Thusu, Mrs. Cecilia Thusu, Mr. Kanwal Thareja, Dr. Vandana Thareja and Mr. S.N. Mattu praying for a decree of declaration that Prime Commercial is the owner of one room and one servant room on the rear terrace of the second floor of 2/21, Sarvapriya Vihar, New Delhi together with use of common services and amenities and also pass a decree of permanent injunction restraining the defendants from dispossessing Prime Commercial or its employees from the said premises. Prime Commercial has also filed an application dated March 26, 2009 for grant of ex-parte ad-interim injunction restraining Mr. Awatar Thusu, Mrs. Cecilia Thusu, Mr. Kanwal Thareja, Dr. Vandana Thareja and Mr. S.N. Mattu from disposing the property during the pendency of the suit. The Court vide its order dated March 30, 2009 directed the parties to maintain status quo. Mr. Awatar Thusu, Mrs. Cecilia Thusu, Mr. Kanwal Thareja, Dr. Vandana Thareja and Mr. S.N. Mattu filed an application dated July 8, 2009 praying for a transfer of the abovementioned civil suit to any other bench of the High Court alleging loss of faith in the current bench. The High Court vide its order dated July 13, 2009 dismissed the application. Further, Mr.Awatar Thusu along with Municipal Corporation of Delhi ("MCD") partially demolished the abovementioned premises. Prime Commercial filed various application dated August 12, 2009 seeking an injunction against Awtar Thusu from carrying out any construction on the premises, impeding MCD as a party, seeking judgement on admission made by Awtar Thusu in his written statement, seeking attachment of the property and imprisionment of Awtar Thusu and officers of MCD and a direction to restore the premises. The High Court issued notices to Awtar Thusu and officers of MCD on August 13, 2009. The matter is pending before the High Court and the next date of hearing is November 25, 2009.

R.S.G. Housing and Finance Private Limited ("R.S.G.")

Litigation against R.S.G.

Litigation relating to property:

 Mr. Dharam Singh, Mr. Babu Ram and Mr. Birham Singh had filed a suit (No. 473/2005) dated November 3, 2005 against R.S.G. before the Court of Civil Judge (Sr. Division), Gurgaon seeking permanent injunction restraining R.S.G. from lifting or removing the earth from their property bearing Khasra No. 557, 556, 554 and 560, Village Nathupur, Gurgaon. Mr. Dharam Singh, Mr. Babu Ram and Mr. Birham Singh have further sought a decree of mandatory injunction directing R.S.G. to fill up the removed earth from their land and restore it to its original state. While the said suit was dismissed on February 9, 2006 on account of non-appearance of Mr. Dharam Singh, Mr. Babu Ram and Mr. Birham Singh, they had filed an application on March 9, 2006 with Court of Civil Judge (Sr. Division), for the restoration of the suit. On March 6, 2007, R.S.G. filed a reply to the aforesaid application denying the claim of the plaintiff and praying for the dismissal of the application. The matter is currently pending and the next date of hearing is July 21, 2010.

- 2) SRF Foundation filed an application (No.240/2006) against R.S.G Housing. For details of the case see section '*Civil Cases filed against Ambience Developers*' above.
- 3) Museta Builders and Developers Private Limited had filed an application dated August 17, 2008 against R.S.G. Housing and others before the Assistant Collector, Gurgaon. For details see section *'Civil Cases against Ambience Farms* below.

Litigation filed by R.S.G.

- 1) R.S.G. had filed a petition (No. 15/Teshildar/2004) against Mr. Dharam Singh and others before the Assistant Collector, Gurgaon praying for the partition of agricultural land situated at Village Nathupur, Gurgaon which was granted vide order dated June 13, 2005 and subsequently 'Sanad Taksim' (certificate of partition) was prepared on August 29, 2005. Aggrieved by the order dated June 13, 2005 and 'Sanad Taksim' dated August 29, 2005. Mr. Dharam Singh and others filed an appeal and a revision petition (No. 02/SDO(G)) dated September 25, 2005 before the Sub Divisional Officer (Civil) and Collector, Gurgaon who vide order dated October 5, 2006 dismissed their appeal. Aggrieved by the orders dated June 13, 2005, August 29, 2005 and October 5, 2006 Mr. Dharam Singh and others have filed a civil writ petition (No. 7127/2007) against R.S.G. before the Punjab and Haryana High Court, Chandigarh praying for issuance of a writ in the nature of Certiorari for quashing the order dated June 13, 2005, August 29, 2005 and October 5, 2006. The High Court vide order dated August 20, 2008 has admitted the writ petition for regular hearing. Mr. Dharam Singh has filed an application dated September 2, 2009 seeking a direction that R.S.G. be restrained from raising any construction on the abovementioned property. The High Court vide its order dated September 9, 2009 had issued notice to R.S.G. The matter is currently pending and the next date of hearing is November 19, 2009.
- 2) R.S.G. has filed a petition (No. 54/2007) against the Competent Authority, Delhi, Haryana and Uttar Pradesh, Mumbai-Manglya Pipeline Extension Project before the Additional District Judge, Gurgaon praying for the award of compensation of Rs. 208.40 million in respect of acquisition of right of user by the competent authority with respect to its land in village Nathupur, Gurgaon (forming a part of Ambience Island) on the grounds that the compensation granted for the aforesaid acquisition by the Competent Authority ignored the market value of the said land. Pursuant to an application dated April 10, 2007, filed by Bharat Petroleum Cooperation Limited ("**BPCL**"), BPCL has been impleded as a party on January 15, 2008. The Additional District Judge, Gurgaon vide order dated January 6, 2009 directed that the proceeding of the petition be stayed till the time the petition (No. 1716/2006) filed by the R.S.G. before the High Court of Punjab and Haryana, Chandigarh is decided. The matter is currently pending.
- 3) R.S.G. had filed a civil writ petition (No. 1716/2006) before the High Court of Punjab and Haryana, Chandigrah against the Union of India and others praying for the quashing of notifications dated July 4, 2005 and November 2, 2005 of the Competent Authority, Delhi, Haryana and Uttar Pradesh, Mumbai-Manglya Pipeline Extension Project with respect to acquisition of right of user by the competent authority with respect to R.S.G's land in village Nathupur, Gurgaon (forming a part of Ambience Island). Further, R.S.G. has prayed for the grant of an interim direction for staying the aforesaid notifications. The Union of India had filed the reply to the aforesaid petition on April 24, 2006 praying for the dismissal of the petition. The Court vide order dated January 31, 2008 admitted the matter for regular hearing.

Sara Estates Private Limited ("Sara Estates")

Litigation filed by Sara Estates

- Sara Estates has filed a petition (No. 18/2007) against the Competent Authority, Delhi, Haryana and Uttar Pradesh, Mumbai-Manglya Pipeline Extension Project before the Additional District Judge, Gurgaon as a consequence of the alleged inadequate grant of compensation for the acquisition of land situated in village Nathupur, Gurgaon (forming a part of Ambience Island), by the Ministry of Petroleum and Natural Gas, Government of India for the Mumbai-Manglya Pipeline Extension Project. Further Sara Estates has prayed for the award of compensation of Rs. 152 million in respect of the acquisition of right of user by the competent authority with respect to our land. Pursuant to an application dated April 10, 2007 filed by BPCL, BPCL has been impleaded as a party on January 15, 2008. The Additional District Judge, Gurgaon vide order dated January 6, 2009 directed that the proceeding of the petition be stayed till the time the petition (No. 544/2006) filed by the Sara Estates before the High Court of Punjab and Haryana, Chandigarh is decided.
- 2) Sara Estates has filed a civil writ petition (No. 544/2006) before the High Court of Punjab and Haryana, Chandigarh against the Union of India and others praying for the quashing of notifications dated July 4, 2005 and November 2, 2005 of the Competent Authority, Delhi, Haryana and Uttar Pradesh, Mumbai-Manglya pipeline extension project with respect to acquisition of right of user by the competent authority with respect of our land in village Nathupur, Gurgaon (forming a part of Ambience Island). The Union of India filed the reply to the aforesaid petition on February 20, 2006, praying for the dismissal of the petition. The High Court vide order dated January 31, 2008 admitted the case for regular hearing.

Greenline Developers Private Limited ("Greenline Developers")

Income Tax Litigation:

Apart from the notices mentioned in para I, above Greenline Developers have received two notice from the IT Department. The details of these notices are mentioned below:

- 1) Greenline Developers has received a notice dated January 2, 2008 from the AO, New Delhi under section 143(2) of the IT Act alleging certain discrepancies in connection with return of income for the assessment year 2006-07. The ITO had directed the principal officer of the company to attend a personal hearing dated November 30, 2007 with him along with the documents and accounts to make disclosures in support of various claims made in the return filed. The hearing on the above date was not attended by Greenline Developers. However, vide their letter dated January 11, 2008, Greenline Developers had requested for the rescheduling of the hearing. Further, on completion of the assessment Greenline Developers received another notice dated November 25, 2008 from the AO under section 156 of the IT Act for the payment of tax of Rs. 0.21 million for the assessment year 2006-07. Greenline Developers deposited a sum of Rs. 0.11 million and filed an appeal dated January 25, 2009 before the CIT (Appeals) alleging that the AO had wrongly calculated the abovementioned tax. Greenline Developers are in the process of filing an appeal against the penalty order dated August 31, 2009. Greenline Developers filed a reply dated September 22, 2009, requesting for an adjournment of the hearing to a future date.
- 2) Greenline Developers has received a notice dated November 23, 2007 from the AO, New Delhi under section 115 WE (2) of the IT Act wherein it has been alleged that there were certain discrepancies in connection with return of fringe benefits for the assessment year 2006-07. The ITO had directed the principal officer of the company to attend a personal hearing dated November 30, 2007 with him provide as on date the documents and accounts to make disclosures in support of various claims made in the return filed. No further correspondence has taken place.
- 3) Greenline Developers received a notice dated September 14, 2009 under section 143(2) of the IT Act from the ITO alleging certain discrepancies in connection with return of income for the assessment year 2008-09. The ITO had directed the principal officer of the company to attend a personal hearing dated September 22, 2009 with him along with the documents and accounts to make disclosures in support of various claims made in the return filed. Greenline Developers filed a reply dated September 22, 2009, requesting for an adjournment of the hearing to a future date.

Ambience Farms Private Limited ("Ambience Farms")

Litigation against Ambience Farms

Litigations relating to property:

- 1) Mr. Dharam Singh, Mr. Babu Ram and Mr. Birham Singh have filed a suit (No.232/2006) against Ambience Farms and others before the Court of Civil Judge (Sr. Division), Gurgaon seeking an ad-interim injunction restraining Ambience Farms from raising any construction over the plaintiffs land admeasuring 1 Bigha 13 Biswa situated in khewat no. 66, 57, khatoni no. 96, khasra no. 560 in village Nathupur, Gurgaon and to restore possession of the land. Ambience Farms filed a reply to the aforesaid suit on November 6, 2007 denying the claim of the plaintiff and praying for the dismissal of the suit. The matter is currently pending and the next date of hearing is December 2, 2009.
- 2) Museta Builders and Developers Private Limited had filed an application dated August 17, 2008 against Ambience Farms, R.S.G. Housing and others before the Assistant Collector, Gurgaon for partition of land measuring Kewat No.81, Khatoni No.98, Khasra No. 196 (0-4), 200 (0-5),206 (0-3), 840 (0-17) Khatoni No.99 Khasra no.559 (0-12), khatoni No.100, khasra No. 841 (0-17), Khatoni No.101 Khasra No. 866 (1-9), Khatoni No. 102 Khasra No. 560 (1-13), Khatoni No.103 Khasra No.839 (0-7) Village Nathupur, Gurgaon. Ambience Farms has filed a reply dated September 29, 2008 and have prayed for dismissal of the said application. The matter is currently pending and the next date of hearing is September 25, 2009.
- 3) Mr. Om Prakash has filed a civil suit (No.559/2006) against Ambience Farms. For details see section 'Civil Cases against Ambience Developers' above.

Lagoon Club Private Limited ("Lagoon Club")

Litigation against Lagoon Club

Income Tax Litigation

Lagoon Club has received one notice from the IT Department. Details of the notice are mentioned below.

Lagoon Club had received a notice dated July 17, 2008 from the AO under section 143(2) of the IT Act to furnish certain information in connection with the return of income submitted by Lagoon Club for the assessment year 2007-08. Further, the AO had requested Lagoon Club for a personal hearing on August 3, 2009 along with any documents, accounts and any other evidence in support of the return of income filed. Lagoon Club filed a reply dated September 22, 2009 seeking an adjournment of the personal hearing to a future date.

Civil Cases:

Mr. Hemant Batra has filed a case (No.662/2005) against Lagoon Club and others before the District Consumer Disputes Redressal Forum, Gurgaon for a refund of the membership charges amounting to Rs. 0.04 million along with a 24% interest per annum till the date of its realization, compensation of Rs. 0.04 million towards the mental agony caused and a sum of Rs. 0.01 million towards the cost of litigation on grounds of misrepresentation, breach of contract on account of their failure to provide the facilities as mentioned in the membership application form, and unsatisfactory and sub-standard quality of facilities provided by Lagoon Club and others to Mr. Batra. Lagoon Club filed a reply dated May 17, 2006 to the aforesaid complaint denying the claim of Mr. Batra and praying for the dismissal of the complaint. The matter is currently pending and the next date of hearing is January 13, 2010.

Other notices received by Lagoon Club:

Mr. Ashish K Taneja has sent a legal notice dated September 13, 2009 received in July 2009 to Lagoon Club seeking a refund of Rs. 35,000 along with 18% interest from April 30, 2007 till the date of payment alleging commission of offence of unfair trade practice and deficiency in service. He has alleged that certain facilities in the

club were offered at the time of taking the membership were not provided. Apart from the refund sought he has also claimed an amount of Rs. 5,000 as notice fee. Our Company filed a reply dated August 20, 2009 denying the claims.

Ambience Facilities Services Private Limited ("Ambience Facilities")

Litigation against Ambience Facilities

Service tax litigation:

Ambience Facilities has received a notice dated August 31, 2007 from the Superintendent of the Service Tax, New Delhi under section 14 of the Central Excise Tax Act, 1944 ordering a detailed investigation and submission of documents such as tax audit report, IT returns, details of construction and development expenses, details of amount received project wise and bank statements of all accounts for the year 2004-05, 2005-06 and 2006-07. The Superintendent had directed the director of Ambience Facilities to attend a personal hearing with him on September 13, 2007. No further correspondence has taken place.

Civil case:

- 1) K.T. Holidays Private Limited has filed a suit dated March 4, 2009 against Col. R.S. Dhanda and Ambience Facilities before the Civil Judge Sr. Division, Gurgaon for permanent and mandatory injunction. It has been alleged that Col. R.S. Dhanda along with Ambience Facilities have been trying to dispossess the plaintiffs from the rented flat C-801, Ambience Lagoon Apartment, Ambience Island, Gurgaon by disconnecting the electricity and water supply. It has been prayed that a decree of mandatory injunction granting the defendants to restore electricity and water to the plaintiff and also direct them not take any legal step for harassing the plaintiff in any manner. The matter is in the stage for consideration and the next date of hearing is May 7, 2010.
- Various suits have been filed against Ambience Developers, Mr. Raj Singh Gehlot and Ambience Facilities before the Court of Civil Judge (Senior Division), Gurgaon for grant of possession of properties through specific performance of the sale agreements entered into by the plaintiffs with Ambience Developers and a direction for registration of the sale deeds in favor of the plaintiffs. For details see section "Ambience Developers - Litigation/Arbitration/Notices relating to property" above.
- 2) Indus Clothing Limited had sent a legal notice dated January 16, 2008 to Ambience Developers, Ambience Facilities and RSG Housing demanding to withdraw its notice dated December 27, 2007 cancelling the MoU dated November 18, 2005 and refunding an amount of Rs. 0.50 million paid at the time of signing of the MoU on the grounds that Indus Clothing Limited had failed to take the possession of the premises and allot and give possession to them of the retail space No.G-33, Ambience Mall, Gurgaon measuring an area of 3,117.25 sq. ft., failing which Indus Clothing Limited would be compelled to take appropriate legal action according to terms and conditions specified in the MoU between the parties to lease dated November 18, 2005. For details see "Ambience Developers Litigation/Arbitration/Notices relating to property" above..

Labour case:

Mr. Juran Ali and Aasia, parents of the deceased Mr. Avid Ali, filed a petition dated March 5, 2009 against Ambience Facilities for compensation under the Workmen's Compensation Act, 1923 on account of the death of Mr. Avid Ali was during the course of employment. Mr. Ali has prayed for an award of Rs. 1 million as compensation along with costs and interest at the rate of 18% per annum from the date of the death of deceased till the full and final realization of the amount be passed in favor of the claimants. Further Mr. Juran Ali has also prayed for 50% of the compensation as penalty for delay in payment of the compensation amount. Ambience Facilities filed a reply dated July 18, 2009 denying all claims of compensation. The matter is currently pending and the next date of hearing is September 30, 2009.

Ambience Overseas Private Limited ("Ambience Overseas")

Litigation against Ambience Overseas

Litigation relating to property:

Landlord Developers Private Limited had filed an application (No. 148/NT) dated March 20, 2008 against Ambience Overseas before the Assistant Collector, Sonepat for partition of land measuring 8 Kanal 13 Marla in Khewat No. 14/15, Khata No. 14, Village Akbarpur, Sonepat. Ambience Overseas has filed a reply dated November 5, 2008 praying for the dismissal of the said application. The matter is currently pending and the next date of hearing is October 21, 2009.

Armaan Buildcon Private Limited ("Armaan Buildcon")

Litigation against Armaan Buildcon

Litigation relating to property:

Mr. Prabhu, Mr. Moji, Mr. Shiv Lal, Mr. Ishwar, Mr. Ran Singh, Mr. Dhan Singh, Mr. Sarbati, Mr. Jaidei, Mrs. Kalawati and Mr. Satto (**"Plaintiffs"**) have filed a civil suit (No. 891/07/09) dated October 15, 2007 before the Civil Judge, Sr. Division, Sonepat, against Mr. Ramesh and Armaan Buildcon praying for a decree of declaration that sale deed no. 5982 dated November 24, 1995, sale deed no. 4994 dated November 24, 1994, mutations bearing no. 1793 and 1794 are wrong, fictitious, false, invalid, inoperative; and consequently sale deed no. 17313 and mutation bearing no. 2267 transferring land admeasuring 21 Kanal 2 Marla in Village Jatheri, Sonepat in favour of Armaan Buildcon are illegal and void ab-initio. Further, the Plaintiffs have also prayed for a decree of permanent injunction restraining the defendants from dispossessing the Plaintiffs from the said land and from further alienating, selling, mortgaging or leasing the same. Armaan Buildcon filed a reply dated May 26, 2009 denying the claim of the Plaintiffs. The matter is currently pending and the next date of hearing is October 29, 2009.

Grandvalley Developers Private Limited ("Grandvalley Developers")

Litigation against Grandvalley Developers

Litigation relating to property:

Mr. Bijender Singh filed an appeal dated May 18, 2009 against Grandvalley Developers and Mr. Dalbir Singh before the Court of the Collector, Panipat to set aside orders dated February 13, 2008, February 22, 2008 among others. It has been alleged that Grandvalley Developers and Mr. Dalbir Singh threatened to dispossess Mr. Bijender Singh and his family from the suit land and have got illegally *ex parte* orders passed on February 13, 2008 against Mr. Bijender Singh and his family in respect to the land measuring 17 bigha and 17 biswa at village Taraf Insar, Panipat in dispute. It has been prayed that the Court accept the appeal and set aside the orders dated February 13, 2008, February 22, 2008 and all subsequent orders such as, orders dated December 16, 2008, January 1, 2009, February 10, 2009 and the final order dated March 10, 2009. In addition it is sought that the partition application filed by Grandvalley Developers be dismissed. The matter is currently pending.

Ambience Infrastructure Developers Private Limited ("Ambience Infrastructure Developers")

Litigation against Ambience Infrastructure Developers

Litigation relating to property:

Sahastrajit Builder and Developers Private Limited had filed an application for partition (No. 133/2008) dated May 28, 2008 against Mr. Rajender Singh, Ambience Infrastructure Developers and other before the Assistant Collector, Gurgaon praying for a separate Khewat for their share of land falling in Kewat No.305, Khata No. 352 M. N. 127(0-10) Khata No. 353 M. No. Kila No. 22/1 (5-0) Khata No. 354 M No. 13 Killa No. 18 Min. (4-0), 23/2 Min.

(2-14), 19/1 min. (1-0) Khata No. 355 M No. 10 Killa No. 9/2 (5-6), M. No. 13 Killa No. 18 Min (4-0), 19/1 Min.) (1-0) 23/2 Min.(2-14) M No. 30 Killa No. 12/1/1(0-12), Khata No. 356 M. No. 10 Killa No. 9/1(0-9)K total 27 Kanal 5 Marla Village Nakhdola, Gurgaon (forming a part of Sector 81 and 82A, Gurgaon). The Assistant Collector vide his order dated October 17, 2008 allowed the abovementioned application. Aggrieved by the order Mr. Rajender Singh has filed an appeal (No. 43/SDO) dated February 11, 2009 against Ambience Infrastructure Developers before the Collector, Gurgaon praying to set aside the order dated October 17, 2008 and initiate fresh partition proceedings. The matter is currently pending and the next date of hearing is November 23, 2009.

IV. Litigation involving the Directors

In addition to the litigation described under "*Litigation involving the Promoters*" below and other cases detailed in this section above, detailing litigation involving Mr. Raj Singh Gehlot and Mr. Aman Gehlot, following are the details of the litigation involving our Directors.

Mr. Dayanand Singh

Criminal cases:

State of Delhi has filed an FIR (No. 99/1997) against Mr. Dayanand Singh. For details see section 'Criminal Cases against Mr. Raj Singh Gehlot' below.

Notices from RoC

Mr. Dayanand Singh has received two notices from the RoC dated March 31, 2008 and March 6, 2009. For details see *"Litigation against the Company- Notices received from the RoC"* above.

Civil Cases:

- 1) DLF Housing and DLF have filed an application (No. 22/2006) against Mr. Dayanand Singh. For details see section '*Civil Cases against Mr. Raj Singh Gehlot*' below.
- 2) Mr. Om Prakash has filed a civil suit (No.559/2006) Mr. Dayanand Singh. For details see section '*Civil Cases against Ambience Developers*' above.
- 3) Mr. Sanjay Rustagi has filed a case (No. 2219/2007) against Mr. Dayanand Singh. For details see section *'Civil Cases against Ambience Developers'* above.

Mr. Mohan Singh

Litigation filed against Mr. Mohan Singh:

Criminal Litigation

- 1) State of Delhi has registered an FIR (No.279/2009) against Mr. Mohan Singh on the complaint of Mr. Amit Garg alleging the commission of offences under the Indian Penal Code, 1890 in relation to a dispute that arose with his neighbor Mr. Amit Garg on account of parking of vehicles. The complainant and Mr. Mohan Singh have since entered into a compromise/settlement and a petition for quashing the FIR is proposed to be filed.
- 2) State of Delhi has filed an FIR (No.643/2007) against Mr. Mohan Singh alleging the commission of offences under the Indian Penal Code, 1890 in relation to an accident involving a labourer at the Ambience Mall, Vasant Kunj, New Delhi. The investigation has been completed and the police has filed a charge sheet stating that no evidence has been found against Mr. Mohan Singh to charge him for any offence. No summons has been issued and the proceeding is pending before the Metropolitan Magistrate for consideration and the next date of hearing is November 5, 2009.

Notices from RoC

Mr. Mohan Singh has received two notices from the RoC dated March 31, 2008 and March 6, 2009. For details see *"Litigation against the Company- Notices received from the RoC"* above.

Civil case:

DLF Housing and Constructions Limited and DLF have filed an application (No. 22/2006) against Mr. Mohan Singh. For details see section '*Civil Cases against Mr. Raj Singh Gehlot*' below.

Litigation filed by Mr. Mohan Singh:

Mr. Mohan Singh has a filed a consumer complaint (No. C-2009/51) dated March 7, 2009 against Kouni Travels (India) Private Limited before the State Consumer Disputes Redressal Commission, New Delhi praying for (i) Kouni Travels (India) Private Limited be summoned and tried for deficiency in service; (ii) a relief of Rs. 0.77 million for refund of the entire amount paid by Mr. Mohan Singh for the tour; (iii) a sum of Rs. 0.12 million for air tickets be refunded; (iv) a compensation of Rs. 0.50 million for humiliation, harassment and mental agony; (v) Rs. 0.50 million as compensation for insult and physical discomfort; (vi) Rs. 0.50 million for Kouni Travels (India) Private Limited egregiously insidious conduct; (vii) Rs.0.20 million as litigation expenses; (viii) Rs. 0.30 million as exemplary cost; and (xi) interest of 24% per annum on the principal amount of the tour amounting to Rs. 0.77 million from April 26, 2008 till the date of refund. Kouni Travels (India) Private Limited has filed their written statement dated July 29, 2009 denying the claim of Mr. Mohan Singh. The matter is currently pending and the next date of hearing is October 20, 2009.

V. Litigation involving the Promoters:

Mr. Raj Singh Gehlot

Detailed below are cases involving Mr. Raj Singh Gehlot, in addition to the litigation otherwise described in para I above. '*Litigation against the Company*', "*Litigation involving Ambience Commercial Developers*" and *Litigation involving Ambience Developers*' above.

Litigation filed against Mr. Raj Singh Gehlot

Criminal Litigation:

- 1) State of Delhi has filed an FIR (No. 99/1997) against Mr. Raj Singh Gehlot, Mr. Dayanand Singh and others alleging the commission of offences under the Indian Penal Code, 1890 in relation to an agreement to sell dated July 16, 1994 relating to property no. C-7, Haus Khas Enclave, New Delhi. The said agreement to sell was executed in favour of Mr. Dayanand Singh by an individual, named Mr. Sain Kumar representing himself to be Mr. Madan Lal Dua, the owner of the said property. It is alleged that, before a sale deed could be executed pursuant to the said ATS, it was discovered that an individual named Sain (who was allegedly an employee of Mr. Raj Singh Gehlot) had falsely represented himself as, Mr. Madan Lal Dua, the owner of the aforesaid property, and had fabricated documents and evidence in connivance with Mr. Raj Singh Gehlot and Mr. Dayanand Singh Gehlot to convey the aforesaid property in favour of Mr. Dayanand Singh Gehlot. An FIR was registered and after investigation the state filed a charge sheet before Mr. Rajesh Kumar Singh, Metropolitan Magistrate, Patiala House Court, New Delhi. The Magistrate vide his order dated July 5, 2007 had framed charges against the accused. The matter is currently pending and the next date of hearing is December 8, 2009. Mr. Raj Singh Gehlot and Mr. Dayanand Singh have filed a criminal revision petition (No.104/2007) and (No. 105/2007) against the State of Delhi before the Additional Sessions Judge, Patiala House Court, New Delhi praying for setting aside the order dated July 5, 2007 passed by the Metropolitan Magistrate framing charges in FIR (No.99/97). The matter is now listed for final arguments and the next date of hearing is October 5, 2009.
- 2) State of Delhi (SEM, South District) has issued summons u/s 107/111 Cr.P.C., dated March 30, 2009 on a complaint filed by Mr. Awtar Thusu in the police station, Malviya Nagar alleging threat to peace and

tranquility in relation to a dispute regarding the ownership of a room at 2/21, Sarvapriya Vihar, New Delhi. On the report filed by the Police the Special Executive Magistrate, South District issued the abovementioned summons. The matter has since been adjourned sine die, till the disposal of revision petition (No. 208/09) dated May 25, 2009 filed by Mr. Raj Singh Gehlot against the State (P.S. Malviya Nagar) before the Court of District & Session Judge Patiala House, New Delhi. Further, Mr. Raj Singh Gehlot filed the revision petition (No. 208/09) dated May 25, 2009 against the State (P.S. Malviya Nagar) before the Court of District & Session Judge Patiala House, New Delhi for challenging the summoning order passed by the SEM, New Delhi. It is prayed by Raj Gehlot to dismiss the proceeding u/s 107 of Code of criminal procedure before SEM., stay the proceeding before the SEM till the disposal of the present revision petition and pass an order on revision of the material and documents placed on record before SEM. The matter is currently pending.

- 3) State of Delhi has registered an FIR (No. 75/2008) against Mr. Raj Singh Gehlot on the complaint made by Mr. Man Mohan Kapur alleging the commission of offences under the Indian Penal Code, 1890 relating to the cancellation of allotment of office space on 4th Floor, Corporate Office Tower, Ambience Mall, NH-8, Gurgaon in favour of Mr. Man Mohan Kapur. The matter is being investigated by the Economic Offences Wing, Delhi Police.
- 4) State of Delhi has registered an FIR (No. 76/2008) against Mr. Raj Singh Gehlot on a complaint made by Mr. Man Mohan Kapur alleging the commission of offences under the Indian Penal Code, 1890 relating to cancellation of allotment of Shop No. G-67, Ambience Mall, NH-8, Gurgaon in favour of Mr. Man Mohan Kapur. The matter is being investigated by the Economic Offences Wing, Delhi Police.
- 5) State of Delhi has registered an FIR (No. 77/2008) against Mr. Raj Singh Gehlot on a complaint made by Mr. Ram Dutta Joshi alleging the commission of offences under the Indian Penal Code, 1890 in relation to allotment of Shop Nos. G-48 & G-49, Ambience Mall, Vasant Kunj New Delhi in favour of Pardiam Exports Private Limited. The matter is being investigated by the Economic Offences Wing, Delhi Police.

Income Tax Litigation:

Apart from the notices mentioned in para I, above Mr. Raj Singh Gehlot has received one notice and has also been subject to search and sezier operation from the IT Department. The details of the notice and the search and sezier operation are mentioned below.

 Raj Singh Gehlot received a notice from the ACIT dated August 12, 2009 under section 143(2) of the IT Act in connection with the return of income filed by him on July 31, 2008 for the assessment year 2008-09. Raj Singh Gehlot was requested for a personal hearing along with relevant documents on September 9, 2009. Raj Singh Gehlot filed a reply date August 27, 2009 stating that the case had already been transferred to the central circle 16 vide order under section 127 of the IT Act bearing (No. CIT-XVI/Centralization (21)/Vol.III/ 2008-09/1356) dated July 11, 2008.

Notices from RoC

Mr. Raj Singh Gehlot has received two notices from the RoC dated March 31, 2008 and March 6, 2009. For details see *"Litigation against the Company- Notices received from the RoC"* above.

Litigation relating to property

1) DLF Housing and DLF have filed application (No.22 / 2006) against Mr. Raj Singh Gehlot, Mr. Mohan Singh, Mr. Dayanand Singh and Mr. Shekher Singh before the Court of Civil Judge, Gurgaon praying for initiation of contempt proceedings under Order 39 Rule 2-A, read with Sections 94 and 151 Code of Civil Procedure, and to direct Mr. Raj Singh Gehlot, Mr. Mohan Singh, Mr. Dayanand Singh and Mr. Shekher Singh to restore the suit property to its original condition as it existed prior to the alleged illegal raising of construction by Ambience Developers during the pendency of suit and maintain status quo. Ambience Developers filed the reply dated September 19, 2007 against the contempt denying all the charges. The

matter is currently pending and the next date of hearing is June 7, 2010. For details see section " *Litigation/Arbitration/ Notices relating to property against Ambience Developers*" above.

- 2) AFL Limited and AFL IndTravels have filed a suit (No.251/99) against Mr. Raj Singh Gehlot and Mrs. Sheela Gehlot before the Court of Senior Civil Judge, Delhi for the recovery of Rs. 0.08 million paid for letting out the premises, E-22, Third Floor, Hauz Khas on lease for office purposes, to Mr. Raj Singh and Mrs. Sheela Gehlot. AFL Limited had further claimed an additional amount of Rs. 0.01 million as an interest at the rate of 18% per annum. The total amount claimed by AFL Limited amounts to Rs. 0.09 million along with an amount of Rs. 3,272 as the costs of the suit. The court vide order dated February 2, 2000 awarded Rs. 0.09 million along with an interest of 18% from the date of institution till the date of recovery. The case was recalled in the High Court, New Delhi on March 3, 2003 where the Court submitted to furnish Fixed Deposit Receipts of Rs. 77,700 on behalf of Mr. Raj Singh Gehlot and Mrs. Sheela Gehlot. Against the aforesaid order, Mr. Raj Singh Gehlot and Mrs. Sheela Gehlot filed a civil revision petition (No. 510/2002) before the High Court, New Delhi. The High Court vide its order dated March 3, 2003 set aside the decree passed by the Senior Civil Judge and directed the Court of Senior Civil Judge, Delhi to recall its order dated February 28, 2000 and that the matter be reconsidered in the said district court. On July 29, 2003, Mr. Raj Singh Gehlot and Ms. Sheela Gehlot filed a reply to the aforesaid suit denying the claim made by the plaintiffs and have prayed that the aforesaid suit be set aside. The matter is currently pending and the next date of hearing is October 21, 2009.
- 3) Mr. Awtar Thusu filed a suit (No. 619/2009) dated April 7, 2009 against B.S.E.S Rajdhani Power Ltd., Mr. Raj Singh Gehlot and Mr. Surinder before the Additional Senior Civil Judge for permanent and mandatory injunction. He alleged that B.S.E.S Rajdhani Power Ltd., Mr. Raj Singh Gehlot and Mr. Surinder have worked in collusion to install an electricity meter on the third floor of the plaintiffs house of which he is the sole owner. In addition it is also alleged that the room on the terrace has been forcibly occupied by Mr. Raj Singh Gehlot and Mr. Surinder and therefore they have no right to install the electricity meter without the written consent of the plaintiff. It is prayed by Mr. Awtar Thusu that a decree in his favor be passed thereby restraining the defendants, their agents, servants, etc from installing a new electricity meter in the premises bearing No. 2/21 Sarvapriya Vihar, New Delhi. The next date of hearing is October 30, 2009.
- 4) Mr. Awtar Thusu filed a suit (No. 618/2009) dated April 7, 2009 against MCD, Mr. Raj Singh Gehlot and Surinder before the Additional Senior Civil Judge for permanent and mandatory injunction. He alleged that Mr. Raj Singh Gehlot and Surinder have illegally constructed a room on the third floor of Awtar Thusus' residence 2/21, Sarvapriya Vihar, New Delhi and have kept a servant illegally in the same room which is a threat to the security of the owners of the house namely, Mr. Awatar Thusu, Mr. Kanwal Theraja and Mr. S.N. Mutoo. The said room has been constructed without any approved sanction plan from MCD. It is prayed by Mr. Awatar Thusu, that a decree of permanent injunction be passed in his favor restraining Mr. Raj Singh Gehlot and Mr. Surinder and their servants from any illegal and unauthorized construction of any nature and a decree of mandatory injunction be passed against MCD directing them to remove the alleged construction on the premises. The matter is to be taken on arguments on objection of defendants on October 30, 2009.

Arbitration:

Erricson India Limited (**"Erricson**") has filed a claim petition dated April 8, 2004 against Mr. Raj Singh Gehlot, Mrs. Sheela Gehlot and others before the sole Arbitrator Mr. (Justice) S.K.Mahajan (Retired.) (**"Arbitrator"**), praying that the security amount of Rs. 5.46 million deposited by Erricson in respect of property leased to it bearing number E-8A, Hauz Khas Market, New Delhi be refunded to it, along with 36% interest per annum. It is alleged by Erricson that the respondents, being the owners of the said property, have failed to refund the security deposit upon expiry of the lease term. In October 2005, Mr. Raj Singh Gehlot and Mrs. Sheela Gehlot filed a counter claim before the Arbitrator praying that an amount of Rs. 10.15 million be paid to them by Erricson as the rental arrears in respect of the property, along with 18% interest on the aforesaid amount from the date of accrual till the date of payment. The matter is currently pending and the next date of hearing is October 27, 2009.

Other notices received

Range Forest Officer, Gurgaon has instituted a complaint u/s 67 of Indian Forest Act, 1927 (**"Forest Act"**) against Mr. Raj Singh Gehlot before the Special Environment Court Faridabad alleging encroachment over forest land admeasuring 6,080 sq. mts. Situated in village Nathupur, Gurgaon and claiming payment of cess amounting to Rs. 0.68 million. Further summons have been issued to Mr. Raj Singh Gehlot stating a prima facia case of commission of offences punishable with imprisonment /fine under the Forest Act. The matter is currently pending and the next date of hearing is October 13, 2009.

Mrs. Sheela Gehlot

In addition to the cases mentioned above under "*Litigation involving the Promoters - Mr. Raj Singh Gehlot*", detailed below are litigations involving Mrs. Sheela Gehlot.

Litigation filed against Mrs. Sheela Gehlot

Income Tax:

Pursuant to the search operations mentioned in para I, above Mrs. Sheela Gehlot, on November 14, 2007, the income tax authorities operated locker number 83 in the name of Mrs. Sheela Gehlot in State Bank of Indore and locker number 435 and 436 jointly in the names of Mrs. Sheela Gehlot and Ms. Seema Gehlot in Oriental Bank of Commerce and some of the jewellery was seized.

Notice received by Mrs. Sheela Gehlot:

Tree Officer and Deputy Conservator of Forests has sent a notice (No. R-125/TO/SFD/05-06/5559) dated March 31, 2009 alleging that in lieu of the trees permitted to be felled, Mrs. Sheela Gehlot was required by the Tree Officer to plant 80 trees saplings within the ensuing or the next planting season. Mrs. Sheela Gehlot was requested to inform the Tree Officer and Deputy Conservator of Forest about the number of saplings planted by her in compensation of the felled trees along with the location of the plantation for inspection purposes. Mrs. Sheela Gehlot filed a reply dated September 11, 2009 stating that as required more than 80 tree saplings have been planted.

Litigations filed by Mrs. Sheela Gehlot

- 1) Mrs. Sheela Gehlot filed an appeal (No. 118/2006) before the Delhi Cooperative Tribunal, against Delhi Daval Bagh Cooperative Society Limited.("DDCSL"), Mr. Vikram Vibhakar and Ms. Veena Babbar praying that (i) the order of the sole Arbitrator Mr. M.V.B. Sastry dated October 28, 2006 be set aside, in terms of which it was directed that property situated at B-21, Soami Nagar, New Delhi be transferred to DDCSL, (ii) prosecution proceedings be initiated against DDCSL and the aforesaid sole Arbitrator for offences under Section 120 of the Delhi Co-operative Societies Act, 2003 for wilful breach and violation of the Delhi Cooperative Tribunal's ("DCT") order dated October 27, 2006 ("DCT Order"). In terms of the DCT Order, it was directed that the arbitral proceedings be stayed till the disposal of the appeal (No. 30/2006) filed by Ms. Sheela Gehlot under Section 112 (i) of the Delhi Cooperative Societies Act, 2003 ("DCSA 2003") before the DCT. It is prayed in the appeal that order dated July 4, 2006 ("RCS Order") passed by the Registrar, Co-operative Societies, Delhi ("RCS") be set aside, in terms of which the petition (No. 4059/2005-06) ("Petition") was referred to arbitration under Section 71 of the DCSA 2003 pursuant to which the aforesaid sole Arbitrator was appointed. The Petition was filed by DDCSL against Ms. Sheela Gehlot and others before the RCS, wherein it was prayed that (i) an award be made that Mrs. Sheela Gehlot and Mrs. Veena Babbar (by whom the property at B-21, Soami Nagar, New Delhi was sold to Mrs. Sheela Gehlot) had/have no right to sell either in full or any part of the aforesaid property and also that any part of the property in question allegedly acquired by Sheela Gehlot is illegal and is of no consequence, (ii) an award be made that any transaction that Mrs. Veena Babbar and Mrs. Sheela Gehlot may have already undertaken with regards the said property be declared illegal and quashed. The matter is now listed for final arguments on November 11, 2009.
- 2) Mrs. Sheela Gehlot has filed a civil suit (No.644/05) against Mr. Sonu Kochar before the High Court, New Delhi, praying that a decree for specific performance of the agreement to sell ("**ATS**") dated November 1,

2004 in respect of property bearing no. 60, Poorvi Marg, Vasant Vihar, New Delhi be passed in her favor, or in the alternative to pass a decree granting damages of a sum of Rs. 27 million in her favor. It has been claimed therein that the sale of the said property was concluded orally and partially in writing through the existence of the said ATS for a consideration of Rs. 93 million. The defendant has filed a reply dated June 30, 2005 to the aforesaid suit denying the claim of the plaintiff and praying for the dismissal of the suit. The next date of hearing is December 7, 2009.

3) Mrs. Sheela Gehlot has filed a SLP (No.14782/2009) against Mrs. Mohini Hardayal Singh, Punjab & Sind Bank and others before the Supreme Court of India praying for setting aside the order dated May 15, 2009 and to grant of an ad interim stay on the aforementioned order passed by the High Court, Jabalpur, Madhya Pradesh. Punjab & Sind Bank had filed an application before the Debt Recovery Tribunal, Jabalpur ("DRT") seeking permission to auction the residential property of Mrs. Mohini Hardayal situated at Panchsheel Park, New Delhi which was allowed. Pursuant to this, an open auction was held in which Mrs. Sheela Gehlot was determined as the highest bidder. Thereafter, the recovery officer issued the sale certificate, confirming the sale of the abovementioned property in favor of Mrs. Sheela Gehlot. In the meanwhile, an appeal was filed by Mrs. Mohini Hardayal before the Debt Recovery Appellate Tribunal, Allahabad ("DRAT") against the order of the DRT rejecting her objection petition filed against the notice issued for auction of her residential premises. The appeal was rejected by DRAT and aggrieved by the order Mrs. Mohini Hardayal filed a civil writ petition before the High Court, Jabalpur, Madhya Pradesh praying for setting aside the order of the DRAT, Allahabad. The High Court vide its order dated May 15, 2009 allowed the writ petition and set aside the order of the DRAT and remanded the matter to DRT, Jabalpur directing them to hold an inquiry determine if Mrs. Mohini Hardayal was entitled to claim an exemption in regards to the said property under section 60(1CCC) of the IT Act. Aggrieved by the order of the High Court dated May 15, 2009 Mrs. Sheela Gehlot file the abovementioned SLP.

Mr. Aman Singh Gehlot

Income tax notices

Apart from the notices mentioned in para I above, Mr. Aman Singh Gehlot has received one notice from the IT Department. The details of the notice are mentioned below.

1) Aman Singh Gehlot received a non statutory query letter from the AO dated June 29, 2009 seeking clarification with regards to a bank transaction dated August 21, 2007 with Oriental Bank of Commerce for an amount of Rs. 3.43 million and furnish the PAN along with the circle/ward where the return of income has been filed for the assessment year 2008-09. Further Aman Gehlot received a notice from the ITO dated August 25, 2009 under section 143(2) of the IT Act in connection with the return of income submitted by him on July 31, 2008 for the assessment year 2008-09 and the ITO requested Aman Gehlot for a personal hearing on September 16, 2009. Aman Gehlot filed a reply dated August 31, 2009 submitting that the case has been transferred to the Central Circle 16, New Delhi vide order under section 127 of the IT Act bearing (No. CIT-XVI/Centralization (21)/Vol.III/ 2008-09/1356) dated July 11, 2008. The assessment proceedings are currently pending.

Notices from RoC

Mr. Aman Singh Gehlot has received two notices from the RoC dated March 31, 2008 and March 6, 2009. For details see "Litigation against the Company- Notices received from the RoC" above.

Mr. Arjun Singh Gehlot

Litigation against Arjun Gehlot:

Income Tax:

Mr. Arjun Singh Gehlot has received one notice from the IT Department. The details of the notice are mentioned below.

1) Arjun Singh Gehlot received a notice from the ITO dated August 7, 2009 under section 143(2) of the IT Act in connection with the return of income filed by him for the assessment year 2008-09. Arjun Gehlot was requested to attend a personal hearing along with the relevant documents on August 24, 2009. Mr. Arjun Singh Gehlot filed a reply dated September 23, 2009 seeking adjournment of the hearing to a future date.

VI. Litigation involving the Group Entities

Ambience Hotels and Resorts Limited ("Ambience Hotels")

Income Tax Litigation:

Apart from the notices mentioned in para I above, Ambience Hotels has received two notice from the IT Department. The details of the notice are mentioned below.

1) The principal officer of Ambience Hotels, Leela Kempinski and received a summon from the ITO dated March 30, 2009 under section 131 of the IT Act requesting for a personal hearing along with inter alia, TDS certificates rent/ lease agreements in respect to the residential accommodation, all contracts for the work outsourced etc; on March 31, 2009 in connection with the proceedings against Ambience Hotels, Leela Kempinski. The ITO sent another notice dated July 15, 2009 stating that pursuant to the TDS inspection under section 133A held on March 30, 2009 and requesting for a personal hearing on August 3, 2009 and furnish the documents required as per the abovementioned summon. Ambience Hotels received another summon dated July 15, 2009 form the ITO under section 131 in connection with the proceedings of the case. Ambience Hotels filed a reply dated August 3, 2009 against the summon dated July 15, 2009 clarifying that Ambience Hotels had entered into a Management Agreement with Leela Kempinski to carry out hotel operations and that they had obtained a separate TAN from the ITO, TDS Ward for making compliance with the TDS provisions of the IT Act. Further, Ambience Hotels furnished that they had already submitted the TDS returns, balance sheet and profit and loss account for the financial years 2005-06, 2006-07, 2007-08 and 2008-09 with the ITO. Ambience Hotels filed another reply dated August 21, 2009 in continuation of the TDS survey under section 133A and furnished the purchase deed of the hotel property along with the balance sheet relevant to the assessment year 2008-09 and the statement of expenses for the period April 1, 2008 to March 31, 2009.

Service Tax Litigation:

Ambience Hotels has received a notice (C.No. DL/ST/AE/Inquiry/Gr-IV/07/14648) dated August 31, 2007 from the Superintendent of the Service Tax, New Delhi under section 14 of the Central Excise Tax Act, 1944 alleging detailed investigation and submission of documents such as tax audit report, IT returns, details of construction and development expenses, details of amount received project wise and bank statements of all accounts for the year 2004-05, 2005-06 and 2006-07. The Superintendent had directed the director of the company to attend a personal hearing with him on September 19, 2007. No further correspondence has taken place.

Civil Cases:

1) Landmark Infracon Private Limited has filed a civil suit (No.285/2007) against Ambience Hotels before the Civil Judge (Sr. Division) praying for a decree of possession by way of partition separating the share of the plaintiff in the suit land situated at Khasra nos. 1 and 2, Village Nathupur, total measuring the area of 7,104 sq. ft. The plaintiff has also prayed for the grant of a permanent injunction restraining Ambience Hotels from interfering in the possession of the plaintiff and from raising any constructions over the suit land. The court vide their order dated July, 9, 2007 has allowed an application for ad-interim injunction restraining Ambience Hotels from raising construction over the suit property. The matter had been listed for consideration on January 31, 2008. The matter is currently pending and the next date of hearing is October 1, 2009. Landmark has also filed an application dated July 17, 2007 for initiating the contempt proceedings against Ambience Hotels, Ambience Developers and Ambience Commercial Developers which is pending for further proceedings and the next date of hearing is October 1, 2009.

2) DLF Housing and DLF have filed a suit (No.261/2006) against Ambience Hotels. For details see section *"Litigation/Arbitration/ Notices relating to property against Ambience Developers"* above.

Litigation filed by Ambience Hotels:

Ambience Hotels, Ambience Developers and Ambience Commercial Developers had filed a case (Civil Miscellaneous Appeal No.72/2007) against Landmark Infracon Private Limited and others before the Court of District Judge Gurgaon, praying to call for records of the case and to set aside the order of the Civil Judge dated July 9, 2007. Ambience Hotels had prayed to dismiss application of Landmark Infracon Private Limited for injunction. The abovementioned appeal was dismissed by Additional District Judge, Gurgaon vide order dated September 24, 2008. Aggrieved by the order Ambience Hotels had filed a civil revision petition (No. 6739/2008) dated November 3, 2008 praying for the order dated September 24, 2008 to be set aside. The High Court vide its order dated September 10, 2009 referred the case for mediation. The next date of mediation is October 5, 2009.

Aman Hospitality Private Limited ("Aman Hospitality")

Income tax litigation:

Aman Hospitality has received three notices from the IT Department. The details of the notice are mentioned below.

- 1) Aman Hospitality had received two notices dated September 24, 2008 from the ITO under section 143(2) and 115 WE(2) of the IT Act in connection with return of income submitted by Aman Hospitality for the assessment year 2007-08 and return of fringe benefits under section 115WD for the assessment year 2007-08 respectively. The ITO had requested Aman Hospitality for a personal hearing along with documents pertaining to computation of income, copies of balance sheet, profit and loss account and audit reports in connection with both the notices mentioned above on September 30, 2008. Aman Hospitality filed a reply dated September 29, 2008 stating their unavailability and requesting the ITO to adjourn the hearing. Subsequently, the ITO served another notice dated January 27, 2009 in connection with section 142(1) of the IT Act for preparation of true and correct return of income assessable under the IT Act and produce the same before him on or before February 11, 2009. Aman Hospitality filed another reply dated September 22, 2009 to both, the notices dated September 24, 2008 and January 27, 2009 and furnished the copy of the return of income for the assessment year 2007-08, copy of the profit and loss account and balance sheet, computation of income for the assessment year 2007-08 and the Memorandum and Articles of Association. Aman Hospitality also held that section 44AB was not applicable to them as the turn over of Aman Hospitality was less than Rs. 4 million for the financial year 2006-07 relevant to the assessment year 2007-08 and held that the tax audit report was not prepared. They further clarified that the auditor's report in form 3CEB as per section 92E under rule 10E it was submitted that Aman Hospitality does not have any foreign associate enterprise and has not entered into any international transaction during the financial year 2006-07 relevant to assessment year 2007-08. Aman hospitality also clarified that with respect to the report under section 115JB of the IT Act in form 29B as per rule 40B of the Income Tax Rules, 1962, the report to be furnished as per section 115JB was not applicable to them for the financial year ending March 31, 2007. They also claimed that the deduction under chapter VIA and exemption under section 10 were not claimed by Aman Hospitality during 2006-07 for the assessment year 2007-08.
- 2) Aman Hospitality had received a notice and a questionnaire dated July 8, 2009 from the ITO under section 142(1) of the IT Act in connection with the assessment of the case for the assessment year 2007-08. The ITO had requested Aman Hospitality to prepare true and correct return of income for the abovementioned assessment year and a personal hearing along with relevant documents on July 15, 2009. Aman Hospitality filed a reply dated September 23, 2009 seeking for adjournment of the hearing to a future date.
- 3) Aman Hospitality received a show cause notice from the ITO dated September 1, 2009 under section 143(3) of the IT Act in connection with the assessment for the assessment year 2007-08. It was held by the ITO that Aman Hospitality had failed to appear for the personal hearing. Aman Hospitality were requested to attend a personal hearing on September 15, 2009. Aman Hospitality filed a reply dated September 23, 2009 seeking for adjournment of the hearing to a future date.

Litigation filed by Aman Hospitality:

Aman Hospitality has filed a civil writ petition (No. W.P. (C) 11355/2009)) dated August 31, 2009 against DDA and Collector of stamps before the High Court, New Delhi seeking a direction to direct DDA to execute and register the conveyance deed in respect of Plot No. 1, CBD, Shadhara in favour of Aman Hospitality against the stamp duty already paid by them. As an alternative Aman Hospitality has further prayed to direct the Collector to utilize the amount of the abovementioned stamp duty towards the stamp duty payable on lease deed and refund the balance. In addition, Aman Hospitality has also prayed as an alternative to direct the Collector to refund the entire amount of Rs. 102 million without any penalty and in case any penalty is imposed the same may be directed to be paid by DDA. The Court vide its order dated September 2, 2009 has issued notice to DDA and the Collector of stamps. The matter is currently pending.

VII. Material Developments

Except as stated in the section titled "*Management's Discussion and Analysis of Financial Condition and results of Operations*" on page 254, in the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of its consolidated assets or our ability to pay material liability within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business and except as disclosed in this Draft Red Herring Prospectus no further approvals are required for carrying on our present business.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing activities.

I) Approvals for the Issue

- a) The Board of Directors has, pursuant to a resolution dated September 16, 2009 under Section 81(1A) of the Companies Act, authorised the Issue and the Green shoe Option.
- b) The Shareholders has, pursuant to a resolution dated September 21, 2009 under Section 81(1A) of the Companies Act, authorised the Issue and the Green shoe Option.
- c) In-principle approval from the NSE dated [•].
- d) In-principle approval from the BSE dated [•].

II) Approvals for our Projects

Company has undertaken and/or is in the process of developing various projects on its own and /or through its Subsidiaries. The projects may be divided into the following four categories:

- a) Integrated Townships;
- b) Commercial;
- c) Retail; and
- d) Residential.

Described below are the approvals obtained and applied for in respect of our Completed, Ongoing and Planned Projects.

a) Township

Completed Project

i) <u>Project 'Ambience Island, Gurgaon', located at Ambience Island, Delhi- Gurgaon Border, NH-8, Gurgaon, Haryana</u>

Our Company has acquired freehold interest (through our subsidiaries) in the land in connection with the project. Detailed below are approvals/licenses obtained in connection with the project:

Description	Reference Number	Date of Issue	Date of Expiry
Approval of zoning for developing integrated township "Ambience Island" measuring 132.065 acres in a special zone of Gurgaon was issued to ADIPL (formely known as 'Ambience Infrastructure Private Limited') and its associate companies by the Director, Town and Country Planning, Haryana, Chandigarh	Memo no. 15933	November 9, 2004	Not applicable
Approval from the Director, Town and Country Planning, Haryana, Chandigarh of the revised building plans of commercial complex measuring 16 acres (Ambience Mall, office complex and hotel) as a part of the integrated township "Ambience Island" on 132.065 acres in a special zone of Gurgaon, developed by ADIPL	Memo No. 2116	March 1, 2005	Not applicable

Description	Reference Number	Date of Issue	Date of Expiry
NoC for occupation from fire safety point of view for the commercial complex of Ambience Island issued to ADIPL by the Director, Urban Local Bodies, Chandigarh, Haryana	F.A./2008/52019	December 17, 2008	December 7, 2009
Approval for the water connection through (80 mm i/d pipe) for the office block at Ambience Mall Complex at Ambience Island, NH 8, Village Nathupur, Gurgaon issued to ADIPL, by the Executive Engineer, HUDA, Gurgaon	Memo No. 15834	July 5, 2007	Not applicable
Approval for the water connection (through 100 mm i/d pipe) for the Ambience Mall Complex at Ambience Island, NH 8, Village Nathupur, Gurgaon issued to the ADIPL by the Executive Engineer, HUDA, Gurgaon	Memo No. 11768	June 8, 2007	Not applicable
Approval for the water connection (through 80 mm i/d pipe) for the Ambience Mall Complex for multiplex and common area block at Ambience Island, NH 8, Village Nathupur, Gurgaon issued to the ADIPL by the Executive Engineer, HUDA, Gurgaon	Memo No. 16903	July 19, 2007	Not applicable
Part completion certificate certifying the completion of required development works on commercial colony namely "Ambience Island" at Gurgaon admeasuring 16 acres issued to ADIPL and its associates by the Director, Town and Country Planning under Rule 16 of the Haryana Development and Regulation of Urban Areas Act, 1976	Memo No. 5DP- 2007/28550	November 7, 2007	Not applicable
Occupation certificate for building blocks for commercial complex consisting of shopping mall, food court, multiplex, offices, five star hotel, and serviced apartments with three level basements on 16.00 acres has been issued to ADIPL and Ambience Hotels and Resorts and others by the Director, Town and Country Planning, Haryana	Memo No. 7362	March 14, 2007	Not applicable

Ongoing project at Ambience Island

Description	Reference Number	Date of Issue	Date of Expiry
Caitriona			
Environment clearance for residential project Caitriona, NH- 8, Village Nathupur, Gurgaon issued to ADIPL by the State Environment Impact Assessment Authority Department of Environment, Haryana	No. DEH/09/SEIAA/ 263	May 1, 2009	NA
Approval of the building plan of group housing scheme on plot nos. 26 and 27 measuring 9.0218 acres being part of the integrated township "Ambience Island", on 132.065 acres in special zone of Gurgaon issued to ADIPL, by the Director, Town and Country Planning, Haryana.	Memo No. 2110	March 1, 2005	Valid for 5 years

Detailed below are applications pending approval:

• Application dated January 7, 2009 filed by Sara Estates to the Director, Town and Country Planning, Haryana for the renewal of license No.13 of 2004 (issued on February 5, 2004) for setting up an

integrated colony comprising of group housing colony and commercial use on 10.46 acres of land in the revenue estate of Village Nathupur, Tehsil & District Gurgaon.

- Application dated January 7, 2009 filed by Alankar Apartments to the Director, Town and Country Planning, Haryana for the renewal of license No.14 of 2004 (issued on February 5, 2004) for setting up an integrated colony comprising of group housing colony and commercial use on 27.19 acres of land in the revenue estate of Village Nathupur, Tehsil & District Gurgaon.
- Application dated January 7, 2009 filed by Greenline Developers to the Director, Town and Country Planning, Haryana for the renewal of license No.15 of 2004 (issued on February 5, 2004) for setting up an integrated colony comprising of group housing colony and commercial use on 13.65 acres of land in the revenue estate of Village Nathupur, Tehsil & District Gurgaon.
- Application dated January 7, 2009 filed by Senator Developers to the Director, Town and Country Planning, Haryana for the renewal of license No.16 of 2004 (issued on February 5, 2004) for setting up an integrated colony comprising of group housing colony and commercial use on 10.94 acres of land in the revenue estate of Village Nathupur, Tehsil & District Gurgaon.
- Application dated January 7, 2009 filed by RSG Housing to the Director, Town and Country Planning, Haryana for the renewal of license No.17 of 2004 (issued on February 5, 2004) for setting up an integrated colony comprising of group housing colony and commercial use on 27.31 acres of land in the revenue estate of Village Nathupur, Tehsil & District Gurgaon.
- Application dated January 7, 2009 filed by Prime Commercial to the Director, Town and Country Planning, Haryana for the renewal of license No.18 of 2004 (issued on February 5, 2004) for setting up an integrated colony comprising of group housing colony and commercial use on 16.62 acres of land in the revenue estate of Village Nathupur, Tehsil & District Gurgaon.
- Application dated December 10, 2008 filed by Sara Estates to the Director, Town and Country Planning, Haryana for the renewal of license No.23 of 2004 (issued on February 11, 2004) for setting up Group Housing colony on 1.55 acres of land in the revenue estate of Village Nathupur, Tehsil & District Gurgaon.
- Application dated October 25, 2008 filed by Ambience Developers to the Director, Town and Country Planning, Haryana, for the sanction of revised building and layout plan on Plot Nos. 26 and 27 measuring 11 acres for setting up group housing complex, being part of integrated colony named "Ambience Island" in the Revenue Estate of Village Nathupur, Tehsil and District Gurgaon, Haryana.
- Application dated June 18, 2007 filed by Ambience Developers to the Director, Town and Country Planning, Haryana for the development of commercial colony in place of residential colony on 2.53906 acres of land at "Ambience Island" township and the revenue estate of Village Nathupur, Tehsil and District Gurgaon, Haryana.
- Application dated May 12, 2009 filed by Ambience Developers to the Director, Town and Country Planning, Haryana for the approval of the building plan on plot no. 3, for setting up a commercial complex being part of "Ambience Island" township and the revenue estate of Village Nathupur, Tehsil and District Gurgaon, Haryana.

Planned Projects

i) <u>*Project located at sector 36, 37 and 38, Panipat*</u>

Our Company has acquired freehold interest (through our subsidiaries) in the land and sole development rights from Ms. Nutan Gehlot in connection with the project. Detailed below are approvals/licenses obtained in connection with the project:

Description	Reference Number	Date of Issue	Date of Expiry*
Letter of intent issued to (Lagoon Club, Lagoon Realtors, Littlevalley, Moonvalley, N.G.R., Rajsheela, Starvaelley, Ambi Estates, Ambience Apartments Developers, Ambience Facilities, Ambience Farms, Ms. Nutan Gehlot, Ambience Overseas, Four Square, Grandvalley Developers, Sineview, Grandvalley Realtors, Bigway and Fineview) to develop a residential plotted/ group housing colony on the land measuring 314.81 acres falling in the revenue estate of Village Kabri and Taraf Insar, Tehsil and District, Panipat by the Director, Town and Country Planning, Haryana, Chandigarh under Section 3 of the Haryana Development and Regulation of Urban Areas Act, 1975	Memo No. LC- 796/1456- JE (B) – 2009/7767	July 30, 2009	Not applicable

Detailed below are applications pending approval:

- Application dated August 11, 2008, made to the Director, Town and Country Planning, Haryana, Chandigarh for issuance of license to set up IT & ITES on 5.75 acres of land in the revenue estate of Village Taraf Insar, Panipat Haryana.
- Application dated August 11, 2008, made to the Director, Town and Country Planning, Haryana, Chandigarh for issuance of license to set up a commercial colony on 6.86 acres of land in the revenue estate of Village Kabri and Faridpur, Tehsil and District, Panipat, Haryana being in the industrial sectors 36, 37 and 38.
- Application dated August 25, 2009, made to the Director, Town and Country Planning, Haryana, Chandigarh for extension of time period for 30 days for the execution of bank guarantee as per the terms of the letter of intent dated June 30, 2009.

ii) Project located at Madhurawada, Vishakhapatnam

Our Company has been provisionally allotted land by VUDA, through a letter dated August 31, 2007, pursuant to which our Company expects to acquire freehold interest in the land.

The final allotment of the land by VUDA is subject to payment of full consideration in accordance with the terms of allotment. As per the terms of the allotement our Company is required to, commence construction within 12 months from the date of execution of the sale deed and complete the construction within 48 months from the date of execution of the lease deed.

b) Commercial

Ongoing Projects

i) <u>Project 'Ambience City Centre', located at Plot No. 10, Community Center at Block 'B', Shalimar Bagh,</u> <u>New Delhi</u>

Our Company has acquired freehold interest (through our subsidiary, Ambience Towers) in the land in connection with the project. Detailed below are approvals/licenses obtained in connection with the project:

Description	Reference Number	Date of Issue	Date of Expiry
Conveyance deed entered with the President of	Regd. No. 6558	April 4, 2008	Not applicable
India			

Description	Reference Number	Date of Issue	Date of Expiry
Consent order to construct commercial complex by Delhi Pollution Control Committee	DPCC/CMC/2009/20762	June 29, 2009	June 28, 2010
Approval to construct three levels basements by DDA	F8(01)06/CL/Pt./205	January 20, 2009	Not applicable
Approval issued by the DDA, permitting the digging/ excravation and removing of excavated material from the site.	F8(01)06/CL/Pt./437	February 4, 2009	Not applicable

Detailed below are applications pending approval:

• Application dated August 29, 2008, filed by Ambience Towers to the Deputy Director (Bldg.) DDA for the approval of the building layout plan.

ii) <u>Project 'Ambience Tower', located at plot No. 2B2 Twin District Centre, Sector- 10, Rohini, New Delhi</u>

Our Company has acquired freehold interest (through our subsidiary, Ambience Towers) in the land in connection with the project. Detailed below are approvals/licenses obtained in connection with the project:

Description	Reference Number	Date of Issue	Date of Expiry
Conveyance deed executed with the President of India	Regd. No. 19995	September 23, 2008	Not applicable
Consent order to construct office complex located at plot No 2B2 Twin District Centre, Sec- 10, Rohini, by Delhi Pollution Control Committee	DPCC/CMC/2009/19784	March 16, 2009	March 15, 2010
Permission to start digging/ excavation work and removing of excavated material by DDA	F.92 (11)2006/CL/3974	October 21, 2008	Not applicable

Detailed below are applications pending approval:

• Application dated August 29, 2008, filed by Ambience Towers to the Deputy Director (Bldg.) DDA for the approval of the building layout plan.

Planned Projects

i) Project located at Sector 82 and 82A, Gurgaon, Haryana

Our Company has acquired freehold interest (through our subsidiaries) in the land in connection with the project. Detailed below are applications pending approval:

• Application dated March 1, 2008 applied by our Company to the Director Town and Country Planning, Haryana, for the issuance of license to set up a commercial colony on 7.65 acres of land at Sector 82, in the revenue estate of Village Lakhnaula, Gurgaon.

Our Company intends to make an application to the Director Town and Country Planning, Haryana, for the issuance of license to set up a commercial colony on 3.25 acres of land. Further, necessary applications would be required to be made for Environmental Clearance, approval of the building plans, no objection certificate from the fire authority at the appropriate stages of the project.

ii) <u>Project located at Plot Nos. SLC- 4/J and 4/I, Sector- Beta II and plot Nos. SLC 3/I and 3/H, Sector- Alpha</u> <u>II, Greater Noida</u>

Our Company has been allotted plots of land from the Greater Noida Industrial Development Authority for which we expect to acquire leasehold interest in the land in connection with the project. Detailed below are approvals/licenses obtained in connection with the project:

Description	Reference	Date of Issue	Date of Expiry
Reservation cum acceptance letter by Greater Noida Industrial Development Authority ("Authority") for commercial development of plot No. SLC- 4/J in Sector- Beta II	Comm./Plot/07/2618	November 23, 2007	Not applicable
Allotment letter issued by the Authority for commercial development of plot No. SLC- 4/J in Sector- Beta II*	Comm./Plot/08/73	March 4, 2008	Not applicable
Allotment letter issued by the Authority for additional land of plot No. 4/J Sector- Beta II*	Comm./Plot/08/762	December 2, 2008	Not applicable
Reservation cum acceptance letter issued by the Authority for commercial development of plot No. SLC- 4/I in Sector- Beta II*	Comm./Plot/07/2619	November 23, 2007	Not applicable
Allotment letter issued by the Authority for commercial development of plot No. SLC- 4/I in Sector- Beta II*	Comm./Plot/08/72	March 4, 2008	Not applicable
Allotment letter issued by the Authority for additional land of plot No. 4/I Sector- Beta II*	Comm./Plot/08/763	December 2, 2008	Not applicable
Reservation cum acceptance letter issued by the Authority for commercial development of plot No. SLC- 3/I in Sector Alpha-II*	Comm./Plot/07/2620	November 23, 2007	Not applicable
Allotment letter issued by the Authority for commercial development of plot No. SLC- 3/I in Sector Alpha-II*	Comm./Plot/08/74	March 4, 2008	Not applicable
Reservation cum acceptance letter issued by the Authority for commercial development of plot No. SLC- 3/H in Sector Alpha-II*	Comm./Plot/07/2617	November 23, 2007	Not applicable
Allotment letter issued by the Authority for commercial development of plot No. SLC- 3/H in Sector Alpha-II*	Comm./Plot/08/71	March 4, 2008	Not applicable

* The allotment letters specify that our Company is required to make timely delivery of installment payments, execute a lease deed within a period of one month of payment of 40% of the consideration, complete construction within four years from the date of allotment or within three and one-half year from the date of execution of the lease deed whichever is earlier.

Detailed below is the applications made by our Company pending approval:

• Application dated June 22, 2009 applied by our Company to the CEO, Greater Noida Industrial Development Authority, under the revised policy (ref. no. 01/77-4-09-142N/08 dated January 6, 2009) for the rescheduling of payment of installments and for extending the time period for execution of lease deed. For details of the policy, see "*Regulations and Policies*" on page 116.

Necessary applications would be required to be made for Environmental Clearance, approval of the building plans, no objection certificate from the fire authority at the appropriate stages of the project

c) Retail

Completed Project

i) <u>Project 'Ambience Mall', Vasant Kunj, located at Plot No. 2, Vasant Kunj Phase II, New Delhi</u>

Our Company has acquired leasehold interest (through our subsidiary, Ambience Commercial Developers Private Limited) in the land in connection with the project. Detailed below are approvals/licenses obtained in connection with the project:

Description	Reference Number	Date of Issue	Date of Expiry
Perpetual Lease deed executed with the President of India.	Regd. No. 10325	April 27, 2004	Valid for perpetuity
No objection certificate for the proposed shopping mall and multiplex to a height of 22.52 meters by the Airport Authority of India	AAI/NOC.2004/116/ 635-37	December 24, 2004	Three years from the date of issue
Approval of the building plans issued by the Delhi Urban Art Commission	No.22(81)/2004- DUAC	February 11, 2005	Not applicable
Approval for the occupancy of the building plan issued by the Chief Fire Officer, Delhi Fire Service	F.6 DFS/MS/BP/2004/30 70	December 20,2004	Not applicable
Fire Clearance for occupancy issued by the Chief Fire Officer, Delhi Fire Service	F.6/MS/DFS/2008/32 82	November 28, 2008	Not applicable
Sanction under Section 12 of the DDA, to erect/ re- erect/ add / to alter in the building carry out the development	F.13(126)04/Bldg	April 25, 2007	April 24, 2012
Environmental clearance for the construction of shopping mall by the Ministry of Environment and Forest, Government of India	F.No. 3-17/2006- IA.III	November 27, 2006	Not applicable
Permission for water connection by DDA	F. 1 (15)AE(P)SWD- 4/DDA/08-09/ 549	April 17, 2009	Not applicable
NOC by Delhi Urban and Art Commission to DDA for issuance of completion certificate	48(17)/009-DUAC	July 2, 2009	Not applicable
Occupancy certificate received from the DDA	13(125)2004/Bldg.	August 27, 2009	Not applicable

d) Residential

Ongoing Projects

i) <u>Project 'Multi Unit Residential Apartments'</u>, located at Pocket I and II, Jasola, New Delhi

Our Company has acquired sole development rights from Ms. Sheela Gehlot and other third parties connection with the project. Approvals has been received from the DDA to erect/ re- erect/add to/ carry out alterations on the building for the project. Detailed below are approvals/licenses obtained in connection with the project:

Plot Nos	Reference	Date of Issue	Date of Expiry
142, Pocket 1, Jasola	F343 (26) 08/Bldg	June 30, 2008	June 29, 2013
94, Pocket 2, Jasola	F343(45)08/ Bldg	September 19, 2008	September 18, 2013
95, Pocket 2, Jasola	F343(42)08/ Bldg	October 1, 2008	September 30, 2013
100, Pocket 2, Jasola	F343(55)08/ Bldg	October 30, 2008	October 29, 2013
122, Pocket 2, Jasola	F343(41)08/ Bldg	October 1, 2008	September 30, 2 013
124, Pocket 2, Jasola	F343(32)08/ Bldg	August 8, 2008	August 7, 2013
125, Pocket 2, Jasola	F343(27)08/ Bldg	June 30, 2008	June 29, 2013
126, Pocket 2, Jasola	F343(56)08/ Bldg	October 31, 08	Oct 30, 2013
142, Pocket 2, Jasola	F318(18)08/ Bldg	June 30, 08	June 29, 2013
143, Pocket 2, Jasola	F343(29)08/Bldg	June 30, 08	June 29, 2013
145, Pocket 2, Jasola	F343(57)08/ Bldg	October 31, 08	Oct 30, 2013
146, Pocket 2, Jasola	F343(21)08/ Bldg	June 30, 2008	June 29, 2013
147, Pocket 2, Jasola	F343(37)08/ Bldg	August 18, 2008	August 17, 2013
148, Pocket 2, Jasola	F343(28)08/ Bldg	June 30, 2008	June 29, 2013
149, Pocket 2, Jasola	F343(59)08/ Bldg	October 31, 2008	October 30, 2013
156, Pocket 2, Jasola	F343(24)08/ Bldg	June 30, 2008	June 29, 2013
157, Pocket 2, Jasola	F343(36)08/ Bldg	August 18, 2008	August 17, 2013
158, Pocket 2, Jasola	F343(38)08/ Bldg	August 18, 2008	August 17, 2013
161, Pocket 2, Jasola	F343(39)08/ Bldg	August 18, 2008	August 17, 2013
162, Pocket 2, Jasola	F343(33)08/ Bldg	August 8, 2008	August 7, 2013
163, Pocket 2, Jasola	F343(23)08/ Bldg	June 30, 2008	June 29, 2013
166, Pocket 2, Jasola	F343(25)08/ Bldg	June 30, 2008	June 29, 2013

Plot Nos	Reference	Date of Issue	Date of Expiry
167, Pocket 2, Jasola	F343(31)08/ Bldg	August 8, 2008	August 7, 2013
168, Pocket 2, Jasola	F343(22)08/ Bldg	June 30, 2008	June 29, 2013
141, Pocket 2, Jasola	F343(03)09/ Bldg	March 4, 2009	March 3, 2014
155, Pocket 2, Jasola	F343(04)09/ Bldg	March 5, 2009	March 4, 2014
159, Pocket 2, Jasola	F343(46)08/ Bldg	September 19, 2008	September 18, 2013
160, Pocket 2, Jasola	F343(58)08/ Bldg	October 30, 2008	October 29, 2013

Planned Projects

ii) <u>Project 'Multi Unit Residential Apartments'</u>, located at South Delhi

Our Company has acquired sole development rights from Mrs. Sheela Gehlot and Sunita Chaudhary in connection with the project. Detailed below are approvals/licenses obtained in connection with the project:

Description	Reference	Date of Issue	Date of Expiry
Approval of the building plan for plot No. 8 located at Paschimi Marg, Vasant Vihar, New Delhi by Municipal Corporation of Delhi	4195/B/HQ/2005/602/AEI	September 22, 2005	September 21, 2010
Approval of the building plan for plot No.33 located at Poorvi Marg, Vasant Vihar, New Delhi by Municipal Corporation of Delhi	898/B/HQ/2007/64/AEI	April 11, 2007	April 10, 2012
Approval of the building plan for plot no. 9, located at Block E-1, Vasant Vihar, New Delhi by Municipal Corporation of Delhi	158/B/HQ/2007D/44/AEV	February 9, 2007	February 8, 2012
Approval of the building plan for plot no. 7 located at Anand Lok, New Delhi by Municipal Corporation of Delhi	867/ B/HQ/2007D/44AEII	April 30, 2007	April 29, 2012
Approval of the building plan for plot no. A- 19 located at Geetanjali Enclave, New Delhi by Municipal Corporation of Delhi	891/B/HQ/2007/75/AEV	April 20, 2007	April 19, 2012
Approval of the building plan for H-35 Green Park Extension by Municipal Corporation of Delhi	161/B/HQ/2007/13/AEV	February 09, 2007	February 08, 2012

vii) Projects located at Plot No. GHP-0001, Sector- 115, Noida

Our Company has been allotted land for which the Company expect toacquire leasehold interest in the land in connection with the project. Detailed below are approvals/licenses obtained in connection with the project:

Description	Reference	Date of Issue	Date of Expiry
Allotment letter in respect of 152,240 sq. ft of	NOIDA/ Res.	April 18, 2007	Not applicable
land by NOIDA *	Plots/2007(1)/2007		

* As per the terms of the allotment letter our Company is required to make half- yearly payments of installments, file for building plan approval within a period of three months and commence construction within six months from the date of execution of the lease deed and complete the construction within a period of four years from the date of execution of the lease deed. Also, our Company is required to submit a no due certificate and completion certificate with NOIDA, prior to sub leasing the property.

Our Company will make necessary applications at the appropriate stages of the project.

viii) Project located at Plot No. F-33, Sector 50, Noida

Our Company has been allotted land for commercial development of plots for which the Company has acquired leasehold interest in the land in connection with the project. Detailed below are approvals/licenses obtained in

connection with the project:

Description	Reference	Date of Issue	Date of Expiry
Allotment letter issued by NOIDA for land admeasuring 12,750 sq. mts.	NOIDA/ Res. Plots/2006(6)/ 2007/2115	February 14, 2007	Not applicable
Allotment letter issued by NOIDA for additional land admeasuring 1437.80 sq. mts.	NOIDA/ Res. Plots/2007/4412	May 14, 2007	Not applicable
Lease deed executed between NOIDA and the Company for land measuring 14,187.80 sq. mts.*	Reg. No. 3953	December 19, 2007	Valid for 90 years

* Pursuant to the execution of the lease deed, our Company has to make half yearly installments payments, file for the building plan approval within a specified period of three months and commence construction within six months from the date of execution of the lease deed and complete the construction within a period of four years from the date of execution of the lease deed. Also, our Company needs to submit a no due certificate and completion certificate with NOIDA, prior to sub leasing the property.

Detailed below is the application made by the Company pending approval:

• Application dated June 22, 2009 applied by our Company to the CEO, NOIDA under the revised scheme (ref. no. 01/77-4-09-142 N/08) dated January 6, 2009, for rescheduling payments. For details of the policy, see *"Regulations and Policies"* on page 116.

Our Company will apply for necessary applications at the appropriate stages of the project.

III. Other approvals

Description	Reference	Date of Issue	Date of Expiry
PAN allotted by the Income Tax Department, Government of India	AAACA0541K	April 14, 1986	Not applicable
Registration under the Finance Act, 1994, for the payment of service tax for the premises in Gurgaon, issued by the Assistant Commissioner, Service Tax Division, Gurgaon	D-III/ST/ R-II/CCS/33/2004	December 10, 2004	Not applicable
Registration under the Finance Act, 1994, for the payment of service tax on construction services in respect of commercial or industrial buildings and civil structure for the premises in Gurgaon, issued by the Assistant Commissioner, Service Tax Division, Gurgaon	AAACA0541KST001	November 3, 2008	Not applicable
Registration as a dealer, to deal in all kinds of bulding materials, wooden materials, hardware fitting material, sanitary fitting materials, all kind of marbles, electricity fittings, trucks, transit materials, tools, construction equipment and other miscellaneous related items, in Haryana allotted under the Central Sales Tax Act, 1956	GRE-CST-1821383	October 9, 2000 w.e.f July 17, 2000	Valid until cancelled
TIN allotted under the Haryana Value Added Tax Act, 2003, issued by the Assessing Authority, Gurgaon	06511821383	April 29, 2003	Not applicable
Registration under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 issued by the Regional Provident Fund Commissioner, New Delhi.	DL/24786	September 20, 2001	Not applicable

Description	Reference	Date of Issue	Date of Expiry
TAN by the Income Tax Department, Government of India	DELA12873A	September 16, 2008	Not applicable

IV. Intellectual Property

Description	Trademark Number	Date of Issue	Date of Expiry
Certificate of registration for the "Ambience Island-An integrated township" mark under the Trade Marks Act, 1999 in class 19	927228	February 22, 2006 w.e.f. May 25, 2000	Valid for 10 years from the date of application and may then be renewed for a period of 10 years and also at the expiration of each period of 10 years
Certificate of registration for the "Ambience Lagoon- Luxury Apartments- So open yet so close" mark under the Trade Marks Act, 1999 in class 19	927229	May 26, 2005 w.e.f May 25, 2000	Valid for 10 years from the date of application and may then be renewed for a period of 10 years and also at the expiration of each period of 10 years

Our Company has filed the applications to the Registrar of Trade Marks, New Delhi, for the grant of certificates of registration of trade mark for goods or services (other than a collective mark or a certification of trade mark) of the Trade Mark Rules, 2002. All the following applications made are pending registration:

- a) Applications dated January 14, 2008 for the registration of Trade Mark "Ambience" in the name of the Company in classes1-42.
- b) Applications dated January 15, 2008 for the registration of Trade Mark "Ambience City" in the name of the Company in classes 35, 36, 37;
- c) Applications dated January 15, 2008 for the registration of Trade Mark "Ambience Mall" in the name of the Company in classes 35, 36, 37;
- d) Applications dated January 15, 2008 for the registration of Trade Mark "Ambience Tower" in the name of the Company in classes 35, 36, 37;
- e) Applications dated January 15, 2008 for the registration of Trade Mark "Ambience Residency" in the name of the Company in classes 35, 36, 37;
- f) Applications dated January 15, 2008 for the registration of Trade Mark "Ambience Corporate Tower" in the name of the Company in classes 35, 36, 37;
- g) Applications dated January 15, 2008 for the registration of Trade Mark "Ambience City Centre" in the name of the Company in classes 35, 36, 37;
- h) Applications dated January 15, 2008 for the registration of Trade Mark "Ambience Centre" in the name of the Company in classes 35, 36, 37;
- i) Applications dated January 15, 2008 for the registration of Trade Mark "Ambience Heights" in the name of the Company in classes 35, 36, 37;
- j) Applications dated January 15, 2008 for the registration of Trade Mark "Ambience Platinum Tower" in the name of the Company in classes 35, 36, 37;
- k) Application dated January 17, 2008, for the registration of Trade Mark "Ambience (with logo)" in the name of the Company in classes 6, 16, 19, 20, 35, 36, 37, 41, 42;
- 1) Application dated January 18, 2008, for the registration of Trade Mark "Ambience (desire engineers) (with logo)" in the name of the Company in classes 6, 16, 19, 20, 35, 36, 37, 41, 42;

- m) Application dated January 28, 2008, for the registration of Trade Mark "Caitriona" in the name of the Company in classes 35, 36, 37;
- n) Application dated March 12, 2008 for the registration of Trade Mark of "Space For A Million Smiles" in the name of the Company in classes 35, 36, 37;
- o) Application dated October 7, 2008 for the registration of Trade Mark of "Caitriona Seven Star Living (with logo)" in the name of the Company in classes 35, 36 and 37;
- p) Application dated September 2, 2009 for the registration of Trade Mark of "Ambience Mall (with logo)" in the name of the Company in classes 6, 9, 16, 19, 35, 36, 37, 38, 39, 40, 41 and 42;
- q) Application dated September 7, 2009 for the registration of Trade Mark of "Ambience The New Standard (with logo)" in the name of the Company in classes 6, 9, 16, 19, 20, 35, 36, 37, 41 and 42;

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors has, pursuant to a resolution passed at its meeting held on September 16, 2009 authorized the Issue and the Green Shoe Option, subject to the approval of the shareholders of our Company.

Our shareholders have, pursuant to a resolution dated September 21, 2009 under section 81(1A) of the Companies Act, authorized the Issue and the Green Shoe Option

Prohibition by SEBI, RBI or governmental authorities

Our Company, Promoters, Promoter Group, Directors, Group Entities have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authorities. None of our Promoters, Directors was or also is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI.

Our Directors are not in any manner associated with the securities market and there has been no action taken by the SEBI against the Directors or any entity our Directors are involved in as promoters or directors.

Neither our Company, our Promoters or their relatives (as defined in the Companies Act), Group Entities, nor our Directors, have been detained as willful defaulters by the RBI or any other government authorities. There are no violations of securities laws committed by any of them in the past or pending against them.

Eligibility for the Issue

The Company is eligible for the Issue in accordance with Regulation 26 (1) of the ICDR Regulations as described below:

- (a) The Company has net tangible assets of at least Rs. 30 million in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets:
- (b) The Company has a track record of distributable profits in terms of section 205 of the Companies Act for at least three of the immediately preceding five years;
- (c) The Company has a net worth of at least Rs.10 million in each of the three preceding full years (of 12 months each);
- (d) The aggregate of the proposed Issue and all previous issues made in the same financial year in terms of Issue size is not expected to exceed five times the pre-Issue net worth of the Company as per the audited balance sheet of the preceding financial year; and
- (e) The Company has not changed its name within the last one year.

The Company's Net tangible assets, monetary assets, distributable profits and net worth derived from the Auditor's Report on the Company's restated unconsolidated financial statements as at, and for the last five years ended March 31, 2009 are set forth below:

					(Rs. in millions)
Particulars	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Net tangible assets ⁽¹⁾	14,715.01	12,663.96	5,724.60	3,127.94	1,062.71
Monetary assets ⁽²⁾	80.75	177.03	29.58	5.20	23.01
Monetary assets as a percentage of the net tangible assets	0.55%	1.40%	0.52%	0.17%	2.17%
Distributable profits ⁽³⁾	349.90	638.37	250.08	143.53	32.33
Net Worth ⁽⁴⁾	3,453.14	2,020.38	985.65	674.96	81.38

Notes:

- 1) Net Tangible Assets means the sum of all net assets of the Company, excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.
- 2) Monetary assets comprise of cash and bank balances and public deposit accounts with the Government.
- 3) Distributable profits' have been defined in terms of Section 205 of the Companies Act. Extraordinary items have not be considered for calculating distributable profit.
- 4) Net Worth means the aggregate of the paid up share capital, share premium account and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account.

Hence, we are eligible for the Issue under Regulation 26 (1) of the ICDR Regulations. Further, in accordance with Regulation 26 (4) of the ICDR Regulations, we shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000. Further, the Issue is subject to the fulfillment of the following conditions as required by Rule 19(2)(b) SCRR:

- A minimum 2,000,000 Equity Shares (excluding reservations, firm allotments and promoters contribution) are offered to the public;
- The Issue size, which is the Issue Price multiplied by the number of Equity Shares offered to the public, is a minimum of Rs. 1,000 million; and
- The Issue is made through the Book Building Process with 60% of the Issue size being allocated to QIBs as specified by SEBI.

Disclaimer Clause

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING JM FINANCIAL CONSULTANTS PRIVATE LIMITED, ENAM SECURITIES PRIVATE LIMITED, J.P. MORGAN INDIA PRIVATE LIMITED, MACQUARIE CAPITAL ADVISERS (INDIA) PRIVATE LIMITED AND KOTAK MAHINDRA CAPITAL COMPANY LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AS IN FORCE FOR THE TIME BEING. AS THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, JM FINANCIAL CONSULTANTS PRIVATE LIMITED, ENAM SECURITIES PRIVATE LIMITED J.P. MORGAN INDIA PRIVATE LIMITED, MACQUARIE CAPITAL ADVISERS (INDIA) PRIVATE LIMITED AND KOTAK MAHINDRA CAPITAL COMPANY LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 25, 2009 WHICH READS AS FOLLOWS:

(1) "WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;

- (2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:
 - (a) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - (b) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - (c) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
- (3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.*
- (4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.- NOTED FOR COMPLIANCE
- (5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.
- (6) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.
- (7) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE.- NOT APPLICABLE
- (8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION 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 DRAFT RED HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION.- NOTED FOR COMPLIANCE
- (10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE
- (11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
- (12) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
 - (a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
 - (b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME.
- (13) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
- (14) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
- (15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY."

***PLEASE NOTE, HOWEVER,**

THAT THE SEBI REGISTRATION OF THE BRLM TO THE ISSUE, JM FINANCIAL CONSULTANTS PRIVATE LIMITED, WAS VALID UP TO AUGUST 15, 2009. THE APPLICATION FOR RENEWAL OF THE CERTIFICATE OF REGISTRATION IN THE PRESCRIBED MANNER HAS BEEN MADE BY JM FINANCIAL CONSULTANTS PRIVATE LIMITED ON MAY 11, 2009 TO SEBI, THREE MONTHS BEFORE THE EXPIRY OF THE PERIOD OF CERTIFICATE AS REQUIRED UNDER REGULATION 9(1) OF THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992. THE APPROVAL OF SEBI IN THIS REGARD IS PRESENTLY AWAITED. NO COMMUNICATION HAS BEEN RECEIVED FROM SEBI REJECTING THE SAID APPLICATION.

The filing of the Draft Red Herring Prospectus does not, however, absolve the Company from any liabilities under Section 63 or Section 68 of the Companies Act or from the requirement of obtaining such statutory and 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 the BRLMs and any irregularities or lapses in the Draft Red Herring Prospectus.

Caution- Disclaimer from our Company and the BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our web site www.ambiencegroup.in would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the agreement entered into among the BRLMs and our Company dated September 24, 2009 and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by us and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Our Company, the BRLMs and the Underwriters shall not be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and our group companies, affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company and our group companies, affiliates or associates for which they have received, and may in future receive, compensation.

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

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized 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 authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to FIIs and Eligible NRIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in New Delhi, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for observations. Accordingly, our Company's 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 our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares are being offered and sold (i) within the United States to "qualified institutional buyers" in reliance on Rule 144A under the U.S. Securities Act of 1933 (the "Securities Act") and (ii) outside of the United States to non-U.S. Persons in reliance on Regulation S under the Securities Act ("Regulations S"). 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 or to, or for the account or benefit of, U.S. Persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus will be submitted to the BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing with the RoC.

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 us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing with the RoC.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, SEBI Bhavan, Plot No. C4-A, G Block, 3rd Floor, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act will be delivered for registration with RoC at the Office of the Registrar of Companies, National Capital Territory of Delhi and Haryana at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi 110 019, India.

Listing

Applications will be made to the Stock Exchanges for permission for listing of our Equity Shares being offered and sold in the Issue. NSE will be the Designated Stock Exchange with which the basis of Allotment will be finalized for the Issue.

If the permission to deal in and for an official quotation of our Equity Shares is not granted by either of the Stock Exchanges mentioned above we will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within eight days after the Company becomes liable to repay it, i.e. from the date of refusal or within 15 days from the Bid Closing Date, whichever is earlier, then our Company shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within seven working days of finalization of the basis of Allotment for the Issue.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"Any person who:

- (a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or
- (b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Auditors, Bankers to the Company, Architects and Bankers to the Company; and (b) BRLMs and Syndicate Members, Escrow Collection Bankers, Registrar to the Issue and the legal advisors, to act in their respective capacities, have been obtained and would be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

The Auditors, BLY & Associates, Chartered Accounts, have given their written consent to the inclusion of their report in the form and context in which it appears in "*Financial Statements*" on page 152 and of their report relating to tax benefits accruing to our Company in the form and context in which it appears in "*Statement of Tax Benefits*" on page 77 and such consent and report have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

 $[\bullet]$, the agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, will give its written consent to the inclusion of its report in the form and context in which it will appear in the Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus with the RoC and Designated Stock Exchange.

Expert Opinion

Except the report of $[\bullet]$ in respect of the IPO grading of this Issue annexed herewith and the opinions from the Architects, with respect to the Developable Area, Saleable Area and development and construction costs disclosed in this Draft Red Herring Prospectus, the Company has not obtained any expert opinions.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately Rs. $[\bullet]$ million. The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. All expenses with respect to the Issue shall be borne by our Company.

S.No.	Activity Expense	Amount (Rs. millions)	Percentage of Total Issue Expenses	Percentage of Total Issue Size
1.	Lead management fees*			
2.	Underwriting and selling commission*(including commission to SCSBs for ASBA Applications *)	[•]	[•]	[•]
3.	Registrar's fees*	[•]	[•]	[•]

The estimated Issue expenses are as under:

S.No.	Activity Expense	Amount (Rs. millions)	Percentage of Total Issue Expenses	Percentage of Total Issue Size
4.	Advertisement and marketing expenses*	[•]	[•]	[•]
5.	Printing and distribution expenses*	[•]	[•]	[•]
6.	IPO drading expenses*	[•]	[•]	[•]
7.	Advisors*	[•]	[•]	[•]
8.	Bankers to the Issue*	[•]	[•]	[•]
9.	Others (SEBI filing fees, bidding software expenses,	[•]	[•]	[•]
	depository charges, listing fees, etc.) *			

*Will be incorporated at the time of filing of the Prospectus.

Fees Payable to the BRLMs and the Syndicate Members

The total fees payable to the BRLMs and the Syndicate Members (including underwriting commission and selling commission) will be as per their respective engagement letters with the BRLMs issued by our Company, a copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable by us to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order (or revised CANs if required), preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated $[\bullet]$ between us and the Registrar to the Issue, a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to make refunds (in any mode as described in this Draft Red Herring Prospectus) or send Allotment advice by registered post/speed post/under certificate of posting.

Particulars Regarding Public or Rights Issues during the Last Five Years

Our Company has not made any previous rights and public issues in India or abroad in the five years preceding the date of this Draft Red Herring Prospectus.

Commission or brokerage on previous issues

Since this is the initial public issue of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares since our incorporation.

Previous Issues of Shares Otherwise than for Cash

Our Company has not made any previous issues of Equity Shares for consideration otherwise than for cash.

Capital Issues in the last three years

Our Company, Subsidiaries and our Group Entities have made any public or rights issue during the last three years.

Promise v/s Performance

Our Company, Subsidiaries and Group Entities have not made any previous rights and public issues and are not listed on any stock exchange.

Outstanding Debentures or Bond Issues or Preference Shares

Our Company has no outstanding debentures or bonds or preference shares, as of the date of this Draft Red Herring

Prospectus.

Stock Market Data of our Equity Shares

This being an initial public offer of the Equity Shares of our Company, the Equity Shares of our Company are not listed on any stock exchange and hence no stock market data is available.

Mechanism for Redressal of Investor Grievances

The Agreement between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of three years from the last date of dispatch of the letters of Allotment, or refund orders, demat credit or where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have also appointed Mr. Biswa Ranjan Mishra, as the Compliance Officer for this Issue and he may be contacted in case of any pre-Issue or post Issue related problems, at the following address:

L-4, Green Park Extension New Delhi 110 016, India Tel: (91 11) 2619 5042 Fax: (91 11) 2616 4757 E mail:compliance@ambienceisland.com

As on date of this Draft Red Herring Prospectus, we do not have any pending investor complaints.

Change in Auditors

The following are the changes in our auditors in the last three years:

Name of Auditor	Date of Appointment	Date of Cessation	Reasons for change
Walker, Chandiok & Co.	June 30, 2007	October 17, 2007	Appointment and resignation as a joint auditor
Jhalani & Co.	October 17, 2007	December 31, 2008	Appointment and resignmation as a joint auditor

Capitalization of Reserves or Profits

We have not capitalized our reserves or profits in the last five years, except in relation to the bonus issuances as stated in "*Capital Structure*" on page 56.

Revaluation of Assets

There has been no revaluation of assets of our Company in the last five years.

SECTION VII: ISSUE RELATED INFORMATION TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum of Association and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, regulations, guidelines, rules, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, Government of India, Stock Exchanges, Registrar of Companies, RBI, FIPB and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of our Memorandum of Association and Articles of Association and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividends. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see *"Main Provisions of the Articles of Association"* on page 387.

Mode of Payment of Dividends

We shall pay dividends to our shareholders as per the provisions of the Companies Act.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each and the Issue Price is Rs. $[\bullet]$ per Equity Share. The Anchor Investor Issue Price is Rs. $[\bullet]$ per Equity Shares. At any given point of time there shall be only one denomination for the Equity Shares.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and other preferential claims being satisfied;
- Right to freely transfer their Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividends, forfeiture and lien and/or consolidation/splitting, see "*Main Provisions of Our Articles of Association*" on page 387.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialized form. As per existing ICDR Regulations, the trading of our Equity Shares shall only be in dematerialized form. Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of $[\bullet]$ Equity Shares, subject to a minimum Allotment of $[\bullet]$ Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint-tenants with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of 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 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with respective DP of the applicant would prevail. If the investors want to change their nomination, they are requested to inform their respective depository participant.

Application by Eligible NRIs / FIIs registered with SEBI

It is to be distinctly understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI. Such Eligible NRIs, FIIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation. FVCIs registered with SEBI shall not be permitted to participate in the Issue.

Bidding Period

Bidders may submit their Bids only in the Bidding Period. The Bid Opening Date is [●] and the Bid Closing Date is [●]. Provided that Anchor Investors may submit their Bid on the Anchor Investor Bid Date.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue including the devolvement of Underwriters within 60 days from the Bid Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act.

Further in terms of Rule 19(2)(b) of the SCRR, if at least 60% of the Issue cannot be allocated to QIBs, then all the application money shall be refunded forthwith.

Further in terms of Regulation 26(4) of the ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted will not be less than 1,000.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in New Delhi.

The Equity Shares are being offered and sold (i) within the United States to "qualified institutional buyers" in reliance on Rule 144A under the U.S. Securities Act of 1933 (the "Securities Act") and (ii) outside of the United States to non-U.S. Persons in reliance on Regulation S under the Securities Act ("Regulations S"). 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 or to, or for the account or benefit of, U.S. Persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Arrangement for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on Transfer of Shares

Except for lock-in of the pre-Issue Equity Shares and Promoters minimum constribution in the Issue as detailed in the section *"Capital Structure"* on page 56 and as provided in our Articles. See "*Main Provisions of our Articles of Association*" on page 387, there are no restrictions on transfers and transmission of shares/ debentures and on their consolidation/ splitting.

Option to receive Equity Shares in Dematerialised Form

Investors should note that Allotment of Equity Shares to all successful Bidders will only be in the dematerialized form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

ISSUE STRUCTURE

The present Issue of $[\bullet]$ Equity Shares of Rs. 10 each, at a price of Rs. $[\bullet]$ for cash aggregating Rs. $[\bullet]$ million is being made through the 100% Book Building Process. There will also be a Green Shoe Option of up to $[\bullet]$ Equity Shares for cash at a price of Rs. $[\bullet]$ per Equity Share aggregating to Rs. $[\bullet]$ million. The Issue and Green Shoe Option, if exercised in full, will aggregate to $[\bullet]$ Equity Shares amounting to Rs. $[\bullet]$. The Issue will constitute $[\bullet]$ % of the fully diluted post Issue paid up capital of the Company assuming that the Green Shoe Option is not exercised and $[\bullet]$ % assuming that the Green Shoe Option is exercised in full.

	QIBs*	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares assuming no over allocation pursuant to Green Shoe Option * *	At least [●] Equity Shares	Not less than [•] Equity Shares available for allocation or Issue Size less allocation to QIB Bidders and Retail Individual Bidders.	Not less than [•] Equity Shares available for allocation or Issue Size less allocation to QIB Bidders and Non- Institutional Bidders.
Percentage of Issue Size available for Allotment/allocation	At least 60% of the Issue shall be allocated to QIBs However, not less than 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Not less than 10% of the Issue available for allocation or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 30% of the Issue available for allocation or the Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment/Allocation if respective category is oversubscribed	 Proportionate as follows: (a) [•] Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) [•] Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above. 	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares.	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares.	[•] Equity Shares and in multiples of [•] Equity Shares.
Maximum Bid	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply ***	Public financial institutions as specified in Section 4A of the Companies Act, FIIs registered with SEBI, other than FIIs sub-accounts who are foreign companies or foreign individuals, scheduled commercial banks, mutual funds registered with SEBI, venture capital funds registered with SEBI, state	Eligible NRIs, Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts.	Individuals (including HUFs, Eligible NRIs) applying for Equity Shares such that the Bid Amount does not exceed Rs. 100,000 in value.

	QIBs*	Non-Institutional Bidders	Retail Individual Bidders
	industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million and the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India		
Terms of Payment	QIB Margin Amount shall be payable at the time of submission of Bid cum Application Form to the BRLMs.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members [#]
Margin Amount	At least 10% of Bid Amount ^{****}	Full Bid Amount on bidding	Full Bid Amount on bidding

* Our Company may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price in accordance with the ICDR Regulations. At least one-third of the Anchor Investor Portion shall be available for allocation to Mutual Funds only. Allocation to Anchor Investors shall be on a discretionary basis subject to a minimum number of (i) two Anchor Investors, where the allocation in the Anchor Investor Portion is up to Rs. 2,500 million and (ii) five, where the allocation under the Anchor Investor Portion is more than Rs. 2,500 million. An Anchor Investor shall make a minimum Bid of such number of Equity Shares that the Bid Amount is atleast Rs. 100 million. Further, Anchor Investors shall pay the Anchor Investor Margin Amount at the time of submission of Bid cum Application Form to the BRLMs and the balance within the Payin Date which shall be a date no later than two days of the Bid Closing Date.

- ** In terms of Rule 19 (2) (b) of the SCRR, this is an Issue for less than 25% of the post–Issue capital, therefore, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be allocated to QIBs on a proportionate basis. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% and 30% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. Additional Allotment to each of these categories would be made on a pro rata basis to the extent of the Green Shoe Option Portion.
- *** In case the Bid cum Application Form is submitted in joint names, the Bidders should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.
- **** After the Bid Closing Date, depending on the level of subscription, additional Margin Amount, if any, may be called for from the QIB Bidders.
- [#] In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the ASBA Bidder that are specified in the ASBA Bid cum Application Form.

As per Regulation 45 of the ICDR Regulations, our Company has availed of the Green Shoe Option for stabilising the post-listing price of the Equity Shares. The Company has appointed JM Financial Consultants Private Limited as the Stabilising Agent. The Green Shoe Option consists of an option to overallot up to $[\bullet]$ Equity Shares at the Issue Price, aggregating Rs. 1,687.50 million.

Withdrawal of the Issue

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

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

In the event our Company withdraws the Issue after the Bid Closing Date, our Company shall file a fresh offer document with the SEBI in the event it subsequently decides to proceed with its initial public offering.

Letters of Allotment or Refund Orders

Our Company shall facilitate and shall give credit to the beneficiary account with depository participants within two working days of finalization of the basis of Allotment of Equity Shares. Our Company shall dispatch refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and will dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 15 days of the Bid Closing Date.

Interest in case of delay in dispatch of Allotment Letters/Refund Orders

In accordance with the Companies Act, the requirements of the Stock Exchanges and the ICDR Regulations, our Company further undertakes that:

- Allotment of Equity Shares will be made only in dematerialized form within 15 days from the Bid Closing Date;
- Dispatch of refund orders will be done within 15 days from the Bid Closing Date or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions will be given to the clearing system; and
- Our Company shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment is not made, refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 15 day time prescribed above.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.

Refunds will be made through any of the modes as described in the Red Herring Prospectus and bank charges, if any, for encashing cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Bidding Programme

BID OPENS ON	•
BID CLOSES ON	[•]

SEBI has by way of amendment vide circular no. SEBI/CFD/DIL/DIP/36/2009/09/07 dated July 9, 2009 permitted participation by Anchor Investors. The Company is considering participation by Anchor Investors in terms of the

said SEBI amendment. Our Company will accept Bids from Anchor Investors only on the Anchor Investor Bidding Date, i.e. one day prior to the Bid Opening Date. Bids by Anchor Investors may be submitted to the Syndicate. The number of Equity Shares allocated to each Anchor Investor and Anchor Investor Issue Price shall be made available in the public domain by the BRLMs, before the Bid Opening Date.

Bids and any revision in Bids will be accepted **only between 10 a.m. and 3 p.m**. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned in the Bid cum Application Form **except that on the Bid Closing Date, Bids excluding ASBA Bids shall be accepted only between 10 a.m. and 3 p.m.** (Indian Standard Time) and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders; and (ii) 5.00 pm or until such time as permitted by the Stock Exchanges in case of Bids by Retail Individual Bidders. Due to limitation of time available for uploading the Bids on the Bid Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid Closing Date, as is typically experienced in IPOs, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation in the Issue. If such Bids are not uploaded, the Company, the BRLMs, and the Syndicate Members shall not be responsible. Bids will be accepted only on Business Days, i.e. Monday to Friday (excluding any public holiday).

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

Our Company reserves the right to revise the Price Band during the Bidding Period in accordance with the ICDR Regulations in consultation with the BRLMs. The Cap Price shall not be more than 20% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the floor price originally disclosed in the Red Herring Prospectus and the Cap Price will be revised accordingly.

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

ISSUE PROCEDURE

Book Building Procedure

In terms of Rule 19 (2) (b) of the SCRR, this is an Issue for less than 25% of the post–Issue capital, therefore, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be allocated to QIBs on a proportionate basis. Provided that, our Company may, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% and 30% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.

Bidders are required to submit their Bids through the Syndicate. In case of QIB Bidders, our Company in consultation with the BRLMs may reject Bids at the time of acceptance of Bid cum Application Form provided that the reasons for rejecting the same shall be provided to such Bidder in writing. Provided that, our Company in consultation with the BRLMs, reserves the right to reject any Bid procured from Anchor Investors without assigning any reason thereof. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds.

Investors should note that Allotment of Equity Shares to all successful Bidders will only be in the dematerialized form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form	
Resident Indian, NRIs applying on a non repatriation basis, excluding	White	
Anchor Investors		
Eligible NRIs, FIIs on a repatriation basis, excluding Anchor Investors	Blue	
ASBA Bidders bidding in physical form	White	
Anchor Investors	Yellow	

ASBA Bidders shall submit an ASBA Bid cum Application Form either in physical or electronic form to the SCSB authorizing blocking funds that are available in the bank account specified in the ASBA Bid cum Application Form used by ASBA Bidders. The ASBA Bidders can only provide one Bid in the ASBA Bid cum Application Form at Cut-off Price. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form for ASBA Bidders to the SCSB, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the ASBA as would be

required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

Who can Bid?

- Indian nationals resident in India who are majors, or in the names of their minor children as natural/legal guardians in single or joint names (not more than three);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in the equity shares;
- Eligible NRIs on a repatriation basis or a non-repatriation basis subject to applicable laws. NRI's other than Eligible NRI's are not eligible to participate in this Issue;
- Mutual Funds registered with SEBI;
- Indian Financial Institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the ICDR Regulations, as applicable);
- Venture Capital Funds registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/societies and who are authorised under their constitution to hold and invest in equity shares;
- FIIs and sub-accounts registered with SEBI other than a sub-account which is a foreign corporate or a foreign individual;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals, only under the Non Institutional Bidders Category.
- Scientific and/or Industrial Research Organisations authorised to invest in equity shares;
- Insurance companies registered with Insurance Regulatory and Development Authority, India;
- Provident Funds with minimum corpus of Rs. 250 million and who are authorized under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares; and
- National investment fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India.

Note: As per existing regulations, OCBs cannot participate in the Issue.

Participation by associates of the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs and the Syndicate

Members are entitled to subscribe for Equity Shares in the Issue, including in the Net QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis. Such bidding and subscription may be on their own account or their clients.

The BRLMs, Syndicate Members, their associates and affiliates shall not be allowed to subscribe to the Anchor Investor Portion in any manner except towards fulfilling their underwriting obligations.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Bids by Mutual Funds

Under the ICDR Regulations, at least one-third of the Anchor Investor Portion, i.e. $[\bullet]$ Equity Shares will be available for allocation to Mutual Funds only on a discretionary basis and 5% of the Net QIB Portion, i.e. $[\bullet]$ Equity Shares have been specifically reserved for mutual funds on a proportionate basis. An eligible Bid by a Mutual Fund in the Mutual Fund Portion shall first be considered for allocation proportionately in the Mutual Fund Portion. Assuming that the Green Shoe Option is not exercised, in the event that the demand in the Mutual Fund Portion is greater than $[\bullet]$ Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion.

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

The Bids made by asset management companies or custodians of Mutual Funds shall clearly indicate the name of the concerned scheme for which application is being made.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made

Bids by Eligible NRIs

Eligible NRIs are required to comply with the following:

- 1. Bid cum application forms (blue in colour) have been made available for NRIs at our Registered Office, members of the Syndicate and the Registrar to the Issue.
- 2. Eligible NRI may please note that only such applications as are accompanied by payment in free foreign exchange or by debit to their NRE or FCNR accounts shall be considered for Allotment. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the application form meant for Resident Indians (White in colour).
- 3. In accordance with the ICDR Regulations, NRIs cannot subscribe to this Issue under the ASBA process.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The offer of Equity Shares to a single FII should not exceed 10% of our post-issue issued capital (i.e. 10% of $[\bullet]$ Equity Shares). In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on

behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. As of now, in accordance with the foreign investment limits applicable to us, the total foreign investment including FII investment cannot exceed 24% of our total issued capital unless approved by the shareholders of the Company.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations 1995, as amended, by the SEBI (Foreign Institutional Investors)(Amendment) Regulations, 2008 ("SEBI Regulations"), an FII, as defined in the SEBI Regulations, or its sub account may issue, deal or hold, off shore derivative instruments (defined under the SEBI Regulations, as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or sub-account is also required to ensure that no further issue or transfer of any offshore derivative instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI Regulations. Associates and affiliates of the underwriters including the BRLMs and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue.

Bids by SEBI registered Venture Capital Funds

As per the current regulations, the following restrictions are applicable for SEBI registered Venture Capital Funds:

The SEBI (Venture Capital) Regulations, 1996 prescribe investment restrictions on venture capital funds registered with SEBI. Accordingly, the holding in any company by any individual venture capital fund registered with SEBI should not exceed 25% of the corpus of the venture capital fund. However, venture capital funds may invest not more than 33.33% of their respective investible funds in various prescribed instruments, including in initial public offers.

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 investment limits under laws or regulations or maximum number of Equity Shares that can be held by them under applicable laws.

Maximum and Minimum Bid Size

- (a) For Retail Individual Bidders: The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of cut-off option, the Bid would be considered for allocation under the Non-Institutional Portion. The option to Bid at Cut-off Price is an option given to the Retail Individual Bidders indicating their agreement to Bid and purchase at the Issue Price as determined at the end of the Book Building Process.
- (b) For Other Bidders (Non-Institutional Bidders and QIBs bidding in the QIB Portion): The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing ICDR Regulations, a QIB Bidder bidding in the Net QIB Portion cannot withdraw its Bid after the Bid Closing Date and is required to pay the QIB Margin Amount upon submission of Bid.

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In

case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cutoff'.

(c) **For Bidders in the Anchor Investor Portion:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount is atleast Rs. 100 million and in multiples of [•] Equity Shares thereafter. A Bid cannot be submitted for more than 30% of the QIB Portion.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Information for the Bidders:

- (a) The Red Herring Prospectus will be filed by the Company with the RoC at least three days before the Bid Opening Date.
- (b) The members of the Syndicate will circulate copies of the Bid cum Application Form to potential investors, and at the request of potential investors, copies of the Red Herring Prospectus.
- (c) Our Company and the BRLMs shall declare the Bid Opening Date and Bid Closing Date at the time of filing of the Red Herring Prospectus with the RoC and the same shall also be published in two newspapers (one in English and one in Hindi, which is also the regional newspaper).
- (d) The members of the Syndicate shall accept Bids from the Bidder during the Bidding Period in accordance with the terms of the Syndicate Agreement. Provided that the BRLMs shall accept the Bids from the Anchor Investors only on the Anchor Investor Bidding Date.
- (e) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from our Registered Office or from any of the members of the Syndicate.
- (f) Eligible investors who are interested in subscribing for the Equity Shares should approach any of the BRLMs or the Syndicate Members or their authorised agent(s) to register their Bids.
- (g) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.

Method and Process of Bidding

- (a) Our Company, BRLMs shall declare the Bid Opening Date, Bid Closing Date and Price Band at the time of filing the Red Herring Prospectus with RoC and also publish the same in two widely circulated national newspapers (one each in English and Hindi newspaper). This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Schedule XIII of the ICDR Regulations.
- (b) The BRLMs shall accept Bids from the Anchor Investors on the Anchor Investor Bid Date, i.e. one day prior to the Bid Opening Date. Investors, except Anchor Investors who are interested in subscribing to the Equity Shares should approach any of the members of the Syndicate or their authorised agents to register their Bids, during the Bidding Period. The members of the Syndicate shall accept Bids from all the other Bidders and shall have the right to vet the Bids, during the Bidding Period in accordance with the terms of the Syndicate Agreement and Red Herring Prospectus.

- (c) The Bidding Period shall be for a minimum of three working days and not exceeding 10 working days (including the days for which the Issue is open in case of revision in Price Band). In case the Price Band is revised, the revised Price Band and the Bidding Period will be published in an English national newspaper and a Hindi national newspaper, both with wide circulation.
- (d) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details see "*Bids at Different Price Levels*" below, within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- (e) The Bidder cannot Bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in the "*Build up of the Book and Revision of Bids*" on page 252. Provided that Bids submitted by a QIB in the Anchor Investor Portion and in the Net QIB Portion will not be considered as Multiple Bids.
- (f) Except in relation to the Bids received from the Anchor Investors, the members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip ("**TRS**"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- (g) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "*Terms of Payment and Payment into the Escrow Account(s)*".

Bids at Different Price Levels

- (a) The Price Band has been fixed at Rs. [•] to Rs. [•] per Equity Share of Rs. 10 each, Rs. [•] being the Floor Price and Rs. [•] being the Cap Price. The Bidders can Bid at any price with in the Price Band, in multiples of Rs. [•]
- (b) Our Company in consultation with the BRLMs reserves the right to revise the Price Band, during the Bidding Period, in accordance with the ICDR Regulations. The Cap Price cannot be more than 20% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price disclosed in the Red Herring Prospectus.
- (c) In case of revision in the Price Band, the Issue Period will be extended after revision of Price Band, subject to a maximum of 10 days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice in two widely circulated newspapers, one each in English and Hindi, and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Members.
- (d) Our Company in consultation with the BRLMs can finalise the Issue Price and Anchor Investor Issue Price within the Price Band in accordance with this clause, without the prior approval of or intimation to the Bidders.
- (e) The Bidder can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may Bid at Cut-off Price. However, bidding at Cut-off Price is

prohibited for QIB or Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.

- (f) Retail Individual Bidders who Bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Account(s). In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at Cut-off Price (i.e., the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders who Bid at Cut-off Price shall receive the refund of the excess amounts from the Escrow Account(s).
- (g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the revised Cap Price (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 100,000 for Retail Individual Bidders bidding at the Cut-off Price, if the Bidder wants to continue to Bid at Cut-off Price), with the Syndicate Members to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 100,000 for Retail Individual Bidders bidding at the Cut-off Price the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the Cap Price prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that the no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.
- (h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account(s).
- (i) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [•] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.
- (j) When a Bidder revised his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

Terms of Payment and Payment into the Escrow Account(s)

Each Bidder, other than Anchor Investors, shall provide the applicable Margin Amount, with the submission of the Bid cum Application Form by drawing a cheque or demand draft for the maximum amount of the Bid in favour of the Escrow Account(s) of the Escrow Collection Bank(s) (for details see the "*Issue Procedure-Payment Instructions*", and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash/stock invest/money order shall not be accepted. The Bidder may also provide the applicable Margin Amount by way of an electronic transfer of funds through the RTGS mechanism. Each QIB shall provide its Margin Amount only to the Syndicate. The Margin Amount based on the Bid Amount has to be paid at the time of the submission of the Bid cum Application form

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold such monies for the benefit of the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account(s), as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be held for the benefit of the Bidders who are entitled to refunds. No later than 15 days from the Bid Closing Date, the Escrow Collection Bank(s) shall dispatch all refund amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment to the Bidders.

Each category of Bidders i.e., QIB Bidders (including Anchor Investors), Non-Institutional Bidders and Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned under the "*Issue Structure*" on page 339. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares transferred at the Isue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date. If the payment is not made favouring the Escrow Account(s) within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the applicable Margin Amount for Bidders is 100%, the full amount of payment has to be made at the time of submission of the Bid cum Application Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had Bid for, the excess amount paid on bidding, if any, after adjustment for allocation/ transfer, will be refunded to such Bidder within 15 days from the Bid Closing Date, failing which our Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

Electronic Registration of Bids

- (a) The members of the Syndicate will register the Bids received, except Bids received from Anchor Investors, using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity in each city, where the Stock Exchanges are located in India and where such Bids are being accepted.
- (b) The Stock Exchanges will offer a screen-based facility for registering such Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorised agents during the Bidding Period. The Syndicate Members can also set up facilities for off-line electronic registration of Bids subject to the condition that it will subsequently upload the off-line data file into the on-line facilities for book building on a half hourly basis.
- (c) On the Bid Closing Date, the members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the BRLMs on a regular basis. Bidders are cautioned that a high inflow of bids typically experienced on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that could not uploaded will not be considered for allocation. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday).
- (d) The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be uploaded on a regular basis, consolidated and displayed on-line at all bidding centres and the website of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available at the bidding centers and at the websites of each of the Stock Exchanges during the Bidding Period.
- (e) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:
 - Name of the investor. Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depositary Account is held. In case the Bid cum Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.
 - Investor Category Individual, Corporate, Eligible NRI, FII, or Mutual Fund, QIBs, etc.
 - Numbers of Equity Shares Bid for.
 - Bid Amount.
 - Bid cum Application Form number.

- Whether Margin Amount has been paid upon submission of Bid cum Application Form.
- Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder.
- (f) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated/ Allotted either by the members of the Syndicate or our Company.
- (g) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (h) In the case of QIB Bidders in the Net QIB Portion, members of the Syndicate also have the right to accept the Bid or reject it. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed in the "Issue Procedure-Grounds for Technical Rejections".
- (i) The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.
- (j) It is also to be distinctly understood that the approval given by the Stock Exchanges should not in any way be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.
- (k) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/ Allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLMs based on the physical records of Bid Application Forms shall be final and binding on all concerned.

Build Up of the Book and Revision of Bids

- (a) Bids registered by various Bidders, except Anchor Investors, through the members of the Syndicate shall be electronically transmitted to the Stock Exchanges mainframe on a regular basis.
- (b) The book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.
- (c) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.
- (d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the options that are not being revised, in the Revision Form. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms.

- (e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
- (f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Draft Red Herring Prospectus. In case of QIB Bidders in the Net QIB Portion, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
- (g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.
- (h) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLMs based on the physical records of Bid Application Forms shall be final and binding on all concerned.

Price Discovery and Allocation

- (a) After the Bid Closing Date, the BRLMs will analyse the demand generated at various price levels.
- (b) Our Company in consultation with the BRLMs, shall finalise the Anchor Investor Issue Price and Issue Price.
- (c) Allocation to Anchor Investors shall be at the discretion of the Company in consultation with the BRLMs, subject to compliance with the ICDR Regulations. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion.
- (d) Under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be met with spill over from any other category at the sole discretion of our Company and in consultation with the BRLMs. However, if the aggregate demand by Mutual Funds in the Mutual Fund Portion is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the Net QIB Portion and be Allotted proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has been met, under subscription, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. If at least 60% of the Issue is not allocated to QIBs, the entire subscription monies shall be refunded.
- (e) Allocation to Eligible NRIs and FIIs registered with SEBI applying on repatriation basis will be subject to applicable law and the terms and conditions stipulated by the FIPB and RBI, while granting permission for Allotment of Equity Shares to them in this Issue.
- (f) The BRLMs, in consultation with the Company shall notify the members of the Syndicate of the Issue Price and Anchor Investor Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- (g) If the Issue Price is higher than the Anchor Investor Issue Price, the additional amount shall be paid by the Anchor Investors. However, if the Issue Price is lower than the Anchor Investor Issue Price, the difference shall not be payable to the Anchor Investors.

- (h) In terms of the ICDR Regulations, QIB Bidders bidding in the Net QIB Portion shall not be allowed to withdraw their Bid after the Bid Closing Date. Further Anchor Investors shall not be allowed to withdraw their Bid after the Anchor Investor Bidding Date.
- (i) Our Company in consultation with the BRLMs, reserves the right to reject any Bid procured from QIB Bidders, by any or all members of the Syndicate. Rejection of Bids by QIBs bidding in the Net QIB Portion, if any will be made at the time of submission of Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. Provided that, our Company, in consultation with BRLMs, reserves the right to reject any Bid received from Anchor Investors without assigning any reason therefore.
- (j) The Allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

- (a) Our Company, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) /Allotment to the Bidders.
- (b) After signing the Underwriting Agreement, the updated Red Herring Prospectus will be filed by the Company with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Anchor Investor Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.
- (c) We will file a copy of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

Announcement of pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall after filing of the Red Herring Prospectus, publish an advertisement, in the from prescribed by the ICDR Regulations in two widely circulated newspapers (in English and Hindi, which is also the regional newspaper).

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement in a widely circulated English national newspaper and Hindi national newspaper (which is also the regional newspaper) after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

- (a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLMs, or Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated/ Allotted Equity Shares in the Issue. The approval of the basis of Allotment by the Designated Stock Exchange for QIB Bidders in the Net QIB Portion may be done simultaneously with or prior to the approval of the basis of Allotment for the Retail Individuals and Non-Institutional Bidders. However, investors should note that our Company shall ensure that the Equity Shares are Allotted to all investors in this Issue on the same date. For Anchor Investors, see "Notice to Anchor Investors: Allotment/Reconciliation and Revised CANs"
- (b) The BRLMs or the Syndicate Members would dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price or Anchor Investor Issue Price, as may be applicable, for all the Equity Shares allocated to such Bidder. QIB Bidders (including Anchor Investors) who have not

paid the entire Bid Amount into the Escrow Account(s) at the time of bidding shall pay in full the amount payable into the Escrow Account(s) by the Pay-in Date specified in the CAN.

- (c) Bidders who have been allocated Equity Shares and who have already paid the Bid Amount into the Escrow Account(s) at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account(s). The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for the Allotment to such Bidder.
- (d) The Issuance of CAN is subject to "Notice to Anchor Investors: Allotment Reconciliation and Revised CANs" and "Notice to QIBs: Allotment Reconciliation and Revised CANs" as set forth below

Notice to Anchor Investors: Allotment Reconciliation and revised CANs

After the Anchor Investor Bidding Date, a physical book will be prepared by the Registrar on the basis of Bid cum Application Forms received in the Anchor Investor Portion. Based on the physical book and at the discretion of the Company, BRLMs, select Anchor Investors may be sent a CAN, within two working days of the Anchor Investor Bidding Date, indicating the number of Equity Shares that may be allocated to them. The provisional CAN shall constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the Anchor Investor to pay the entire Issue Price for all the Equity Shares allocated to such Anchor Investor. This provisional CAN and the final allocation is subject to (a) physical application being valid in all respects along with stipulated documents being received by the Registrar to the Issue, (b) the Issue Price being finalized at a price not higher than the higher than the Anchor Investor Issue Price, and (c) allotment by the Board of Directors. Subject to the ICDR Regulations, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, among other things, and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. In such instances or in the event the Issue Price is fixed higher that the Anchor Investor Issue Price, a revised CAN may be sent to Anchor Investors, price of the Equity Shares in such revised CAN may be different from that specified in the earlier CAN. Anchor Investors should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation or price of Equity Shares, which shall in no event be later than two days after the Bid Closing Date. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

Notice to QIBs bidding in the Net QIB Portion: Allotment/Transfer Reconciliation and Revised CAN

After the Bid Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE systems. This shall be followed by a physical book prepared by the Registrar on the basis of the Bid cum Application Form received. Based on the electronic book or the Physical book as the case may be, QIBs bidding in the Net QIB Portion may be sent a CAN, within two working days of the Bid Closing Date, indicating the number of Equity Shares that may be allocated to them. This provisional CAN and the final allocation and is subject to (a) the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar, (b) physical application being valid in all respects along with stipulated documents being received by the Registrar to the Issue, and (c) allotment by the Board of Directors. Subject to the ICDR Regulations, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs bidding in the Net QIB Portion, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. OIBs bidding in the Net OIB Portion should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN shall constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the OIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

(a) Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid Closing Date. After the funds are transferred from the Escrow Account(s) to the Public Issue Account on the

Designated Date, our Company will ensure the credit to the successful Bidders depository account within two working days of the date of Allotment.

(b) In accordance with the ICDR Regulations, Equity Shares will be issued, transferred and Allotment shall be made only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

General Instructions

Do's:

- (a) Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable laws, rules and regulations;
- (b) Ensure that you have Bid within the Price Band;
- (c) Read all the instructions carefully and complete the Resident Bid cum Application Form (white in colour) or non-resident Bid cum Application Form (blue in colour), or the Anchor Investor Bid cum Application Form (Yellow in colour) as the case may be;
- (d) Ensure that the details about Depository Participant and Beneficiary Account are correct (and activated) as Allotment of Equity Shares will be in the dematerialized form only;
- (e) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;
- (f) Ensure that you have been given a TRS for all your Bid options;
- (g) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
- (h) Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, each of the Bidders should mention their Permanent Account Number (PAN) allotted under the I.T. Act.;
- (i) Ensure that the Demographic Details (as defined below) are updated, true and correct in all respects;
- (j) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

- (a) Do not Bid for lower than the minimum Bid size;
- (b) Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
- (c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;
- (d) Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;

- (e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;
- (f) Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders);
- (g) Do not fill up the Bid cum Application Form such that the Equity Shares Bid exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- (h) Do not submit the Bid without the applicable Margin Amount;
- (i) Do not Bid for amount exceeding Rs. 100,000 in case of a Bid by Retail Individual Bidders.

(j) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

Instructions for Completing the Bid cum Application Form

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate or the Registered Office of the Company or the Registrar to the Issue.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white for Resident Indians and Eligible NRIs applying on a non-repatriation basis, blue colour for Eligible NRIs and FIIs applying on a repatriation basis, white for ASBS Bidders and Yellow for Anchor Investors.
- (b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.
- (c) For Retail Individual Bidders (including Eligible NRIs) the Bid must be for a minimum of [•] Equity Shares and in multiples of [•] thereafter subject to a maximum Bid Amount of Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of Cutoff option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.
- (d) For Non-Institutional Bidders and QIB Bidders bidding in the Net QIB Portion (including Eligible NRIs), Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 100,000 and in multiples of [•] Equity Shares thereafter. Anchor Investors must ensure that Bids must make a minimum Bid of such number of Equity Shares that the Bid Amount is at least Rs. 1,000 million. Bids cannot be made for more than the Issue Size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations. Anchor Investors cannot withdraw their Bids after the Bid Closing Date.
- (e) Bids by NRIs and FIIs registered with SEBI on a repatriation basis shall be in the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

- (f) In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at Cut off Price.
- (g) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- (h) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bids by Anchor Investors

The Company may consider participation by Anchor Investors in the QIB Portion for up to $[\bullet]$ Equity Shares in accordance with the applicable ICDR Regulations. Only QIBs as defined in Regulation 2 (zd) of the ICDR Regulations and not otherwise excluded pursuant to Schedule XI (10) (k) of the ICDR Regulations are eligible to invest. The QIB Portion shall be reduced in proportion to the allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. In accordance with the ICDR Regulations, the key terms for participation in the Anchor Investor Portion are as follows:

- (a) Anchor Investors Bid cum Application Form have been made available for Anchor Investor Portion at our Registered Office, members of the Syndicate and the Registrar to the Issue.
- (b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds Rs. 100 million and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than 30% of the QIB Portion.
- (c) One-third of the Anchor Investor Portion shall be reserved for allocation to domestic mutual funds.
- (d) The Bidding for Anchor Investors shall open one day before the Bid Opening Date and shall be completed on the same day.
- (e) The Company, in consultation with the BRLMs, shall finalise Allocation to the Anchor Investors on a discretionary basis, subject to compliance with requirements regarding minimum number of Allottees.
- (f) The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the BRLMs before the Bid Opening Date.
- (g) Anchor Investors shall pay Anchor Investor Margin Amount representing 25% on the Bid Amount at the time of submission of the Bid. Any difference between the amount payable by the Anchor Investor for Equity Shares allocated and the Anchor Investor Margin Amount paid at the time of Bidding, shall be payable by the Anchor Investor within two days of the Bid Closing Date.
- (h) In case the Issue Price is greater than the Anchor Investor Issue Price, the additional amount being the difference between the Issue Price and the Anchor Investor Issue Price shall be paid by the Anchor Investors by the Pay-in-Date. In the event the Issue Price is lower than the Anchor Investor Issue Price, the Allotment to Anchor Investors shall be at the higher price i.e. the Anchor Investor Issue Price.
- (i) The Equity Shares allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment in the Issue.

- (j) None of BRLMs nor any person related to the BRLMs, Promoters, Promoter Group shall participate in the Anchor Investor Portion.
- (k) Bids made by QIBs under both the Anchor Investor Portion and the Net QIB Portion shall not be considered as multiple Bids.
- (1) The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - In case of resident Anchor Investors: "Ambience– Escrow Account Anchor Investor"
 - In case of non-resident Anchor Investors: "Ambience– Escrow Account Anchor Investor NR"

The minimum number of Allotees in the Anchor Investor Portion shall not be less than:

- (a) two, where the allocation under Anchor Investor Portion is up to Rs. 2,500 million; and
- (b) five, where the allocation under Anchor Investor Portion is more than Rs. 2,500 million.

Additional details, if any, regarding participation in the Issue under the Anchor Investor Portion shall be disclosed in the advertisement for the Price Band which shall be taken out by the Company in a national English and Hindi newspaper at least two working days prior to the Bid Opening Date.

The Red Herring Prospectus, in so far as it relates to terms of the Issue should be read in conjunction with the aforestated paragraphs, to the extent applicable.

Bidder's Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS) to the Bidders. Hence, Bidders are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs nor the Registrar to the Issue nor the Escrow Collection Banks nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

Bidders Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND SUCH JOINT NAMES ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders /CANs /Allocation Advice and printing of Bank particulars on the refund order or making refunds electronically and the Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue. Hence the Bidders are advised to update their Demographic Details as provided to the DP and ensure they are true and correct.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders (where refunds are not being made electronically)/Allocation Advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither our Company, Escrow Collection Bank(s) nor the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the Red Herring Prospectus, Bidders may note that refunds may get delayed if bank particulars obtained from the Depository Participant are incorrect.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

Our Company in its absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Bids by Non Residents, Eligible NRIs and FIIs registered with SEBI on a repatriation basis

Bids and revision to Bids must be made:

- 1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
- 2. In a single name or joint names (not more than three).
- 3. Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation; by other eligible Non Resident Bidders for a minimum of such number of Equity Shares and in multiples of [•] thereafter that the Bid Amount exceeds Rs. 100,000.

For further details, please refer to the "Issue Procedure - Maximum and Minimum Bid Size" on page 347.

In the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Our Company has received all relevant approvals for the Issue of Equity Shares to Eligible NRI and FIIs, registered with SEBI. As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Eligible NRIs and FIIs and and all Eligible NRIs and FIIs applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made pursuant to a power of attorney by FIIs a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made by provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company, the BRLMs may deem fit.

Payment Instructions

Escrow Mechanism

Our Company and the members of the Syndicate shall open Escrow Account(s) with the Escrow Collection Bank(s) for the collection of the Bid Amount payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation/Allotment in the Issue.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank(s), for and on behalf of the Bidders, shall maintain the monies in the Escrow Account. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account and Refund Account as per the terms of the Escrow Agreement, the Red Herring Prospectus and Prospectus. The balance amount after transfer to the Public Issue Account shall be held for the benefit of the Bidders who are entitled to refunds. Payments of refund to the Bidders shall also be made from the Refund Account are per the terms of the Escrow Agreement and the Red Herring Prospectus and Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Payment into Escrow Account(s)

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

- 1. The Bidders for whom the applicable Margin Amount is equal to 100%, shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account(s) and submit the same to the members of the Syndicate.
- 2. In case of QIBs (including Anchor Investors) bidding in the QIB Portion, where the margin is less than 100% of the Bid Amount, the balance amount shall be paid by the Bidders into the Escrow Account(s) within the period specified in the CAN. If the payment is not made in favour of the Escrow Account within the stipulated time, the Bid is liable to be rejected. For Anchor Investors, see also "*Payment Instructions for Anchor Investors*" below.
- 3. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - In case of QIB Bidders: "Escrow Account–Ambience Public Issue QIB R"
 - In case of non-resident QIB Bidders: "Escrow Account– Ambience Public Issue QIB– NR"
 - In case of Resident Bidders: "Escrow Account– Ambience Public Issue"
 - In case of Non Resident Bidders: "Escrow Account Ambience Public Issue NR"
 - In case of Resident Anchor Investors: "Escrow Account Ambience Public Issue -Anchor Investor"
 - In case of Non-Resident Anchor Investors: "Ambience Escrow Account Ambience Public Issue Anchor Investor - NR"
- 4. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account maintained with banks authorised to deal in foreign exchange in India.
- 5. In case of Bids by FIIs, the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Rupee Account.
- 6. Where a Bidder has been allocated/ Allotted a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated will be refunded to the Bidder from the Refund Account.
- 7. The monies deposited in the Escrow Account(s) will be held for the benefit of the Bidders till the Designated Date.

- 8. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account(s) as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.
- 9. On the Designated Date and no later than 15 days from the Bid Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/Allotment to the Bidders.
- 10. Payments should be made by cheque, or demand draft drawn on any bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stockinvest/Money Orders/Postal orders will not be accepted.
- 11. Bidders are advised to mention the number of application form on the reverse of the cheque / demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.
- 7. In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.

Payment Instructions for Anchor Investors

- 1. Anchor Investors shall provide the Anchor Investor Margin Amount, i.e. at least 25% of the Bid Amount along with the submission of the Bid cum Application Form by drawing a cheque or demand draft for the Bid Amount in favour of the Escrow Account of the Escrow Collection Bank(s) and submit the same to the member of the Syndicate to whom the Bid cum Application Form is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted.
- 2. Company in consultation with the BRLMs in their absolute discretion, shall decide the list of Anchor Investors to whom the provisional CAN or CAN shall be sent, pursuant to which the details of the Equity Shares allocated to them and the details of the amounts payable for allotment of such Equity Shares in their respective names shall be notified to such QIBs.
- 3. Any difference between the amount payable by the Anchor Investor for Equity Shares allocated/ Allotted and the Anchor Investor Margin Amount paid at the time of Bidding, shall be payable by the Bidder within two days of the Bid Closing Date. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Anchor Investor is liable to be cancelled.
- 4. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - In case of Resident Anchor Investors: "Escrow Account Ambience Public Issue- Anchor Investor"
 - In case of Non-Resident Anchor Investor: "Escrow Account Ambience Public Issue- Anchor Investor NR"

Payment by Stockinvest

In terms of the RBI Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Submission of Bid Cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

Other Instructions

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Anchor Investors can Bid under the Anchor Investor Portion and also in the QIB Portion and such Bids shall not be treated as multiple Bids.

Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- 1. All applications with the same name and age will be accumulated and taken to a separate process file, which would serve as a multiple master.
- 2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.
- 3. The Registrar will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form and create an address master.
- 4. The addresses of all the applications in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The applications with same name and same address will be treated as multiple applications.
- 5. The applications will be scrutinised for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.
- 6. Subsequent to the aforesaid procedures, a print out of the multiple master will be taken and the applications physically verified to tally signatures as also father's/ husband's names. On completion of this, the applications will be identified as multiple applications.

Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number or PAN

Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, each of the Bidders should mention his/her PAN allotted under the I.T. Act. Applications without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground.

Unique Identification Number ("UIN")

Pursuant to circulars dated April 27, 2007 (No. MRD/DoP/Cir-05/2007) and June 25, 2007 (No. MRD/DoP/Cir-08/2007) issued by SEBI, the requirement of UIN under the SEBI (Central database of Market Participants) Regulations, 2005 has been discontinued and irrespective of the amount of transaction, PAN has been made the sole identification number for all participants in the securities market.

Right to Reject Bids

In case of QIB Bidders bidding in the Net QIB Portion, our Company in consultation with the BRLMs may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. Provided further that, our Company in consultation with the BRLMs, reserve the right to reject any Bid received from Anchor Investors without assigning any reasons therefore. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made through any of the modes described in the Red Herring Prospectus and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- 1. Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for;
- 2. Age of First Bidder not given;
- 3. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- 4. Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- 5. PAN not stated or GIR number stated instead (except for Bids on behalf of the Central or State Government and the officials appointed by the courts);
- 6. Bids for lower number of Equity Shares than specified for that category of investors;
- 7. Bids at a price less than the Floor Price;
- 8. Bids at a price more than the Cap Price;
- 9. Bids at Cut off Price by Non-Institutional Bidders and QIB Bidders;
- 10. Bids for number of Equity Shares which are not in multiples of [•];
- 11. Category not ticked;
- 12. Multiple Bids as described in this Draft Red Herring Prospectus;
- 13. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;

- 14. Bids accompanied by Stockinvest/money order/postal order/cash;
- 15. Signature of sole and/or joint Bidders missing;
- 16. Bid cum Application Forms does not have the stamp of the BRLMs or the Syndicate Members;
- 17. Bid cum Application Forms does not have Bidder's depository account details or the details given are incomplete;
- 18. Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
- 19. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depositary Participant's identity (DP ID) and the beneficiary's account number;
- 20. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- 21. Bids by QIBs not submitted through the Syndicate;
- 22. Bids by OCBs;
- 23. Bids by FVCIs and Bids by multilateral and bilateral development financial institutions;
- 24. Bids by persons in the United States;
- 25. Bids where clear funds are not available in the Escrow Accounts as per the final certificate from the Escrow Collection Banks;
- 26. Bids not uploaded in the Book would be rejected;
- 27. Bids or revision thereof by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 uploaded after 5.00 P.M. on the Bid Closing Date;
- 28. Bank account details for the refund not given;
- 29. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- 30. Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines and approvals;
- 31. Bids that do not comply with the securities laws of their respective jurisdictions; and
- 32. Bids by any persons outside India if not in compliance with applicable foreign and Indian laws.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- a) Agreement dated [•] with NSDL, our Company and the Registrar to the Issue;
- b) Agreement dated [•] with CDSL, our Company and the Registrar to the Issue.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

- a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.
- b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.
- c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
- d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.
- f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.
- g) Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- h) The trading of the Equity Shares of our Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of transferred shares in the respective beneficiary accounts, refunds, etc.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"Any person who:

- (a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or
- (b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

Basis of Allotment

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the valid Bids in this category is less than or equal to [•] Equity Shares (assuming the Green Shoe Option is not exercised) at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- If the valid Bids in this category is greater than [•] Equity Shares (assuming the Green Shoe Option is not exercised) at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter. For the method of proportionate basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less Allotment to QIBs Bidders and Retail Institutional Bidders shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the valid Bids in this category is less than or equal to [●] Equity Shares (assuming the Green Shoe Option is not exercised) at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the valid Bids in this category is greater than [●] Equity Shares (assuming the Green Shoe Option is not exercised) at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate basis of Allotment refer below.

C. For QIBs in the Net QIB Portion

- Bids received from the QIB Bidders bidding in the Net QIB Portion, at or above the Issue Price, shall be grouped together to determine the total demand under this portion. The Allotment to all the QIB Bidders will be made at the Issue Price.
- The Net QIB Portion shall be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for 5% of the Net QIB Portion shall be determined as follows:
- (i) In the event that Mutual Fund Bids exceeds 5% of the Net QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for 5% of the Net QIB Portion.
- (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
- (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- (b) In the second instance Allotment to all QIBs Bidders shall be determined as follows:
- (i) In the event of an oversubscription in the Net QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be Allotted Equity Shares on a proportionate basis for up to 95% of the Net QIB Portion.
- (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
- (iii) Under-subscription below 5% of the Net QIB Portion, if any, in the Mutual Fund Portion, would be included for allocation to the remaining QIB Bidders on a proportionate basis.
- The aggregate allocation to QIB Bidders shall be at least [•] Equity Shares (assuming the Green Shoe Option is not exercised). The method of proportionate basis of allotment is stated below.

D. For Anchor Investors

Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the Company, in consultation with the BRLMs, subject to compliance with the following requirements:

- (i) not more than 30% of the QIB Portion will be allocated to Anchor Investors.
- (ii) at least one-third of the Anchor Investor Portion shall be available for allocation to Mutual Funds only.
- (iii) Allocation to a minimum number of two Anchor Investors.

The number of Equity Shares Allotted to Anchor Investors and the Anchor Investor Issue Price, shall be made available in the public domain by the BRLMs before the Bid Opening Date

Illustration of Allotment to QIBs and Mutual Funds ("MF") in the Net QIB Portion

Issue Details

Sr. No.	Particulars	Issue details
1	Issue size	200 million Equity Shares
2	Allocation to QIB (60%)	120 million Equity Shares
	Of which:	
	a. Reservation to MF (5%)	6 million Equity Shares
	b. Balance for all QIBs including MFs	114 million Equity Shares
3	No. of QIB applicants	10
4	No. of shares applied for	500 million Equity Shares

B. Details of QIB Bids

S. No	Type of QIB bidders#	No. of Equity Shares bid for (in millions)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	Total	500

A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/ Applicants

	(Number of Equity Shares in milli				
Type of QIB	Shares bid for	Allocation of 6	Allocation of balance	Aggregate	
bidders		million Equity	114 million Equity	allocation to MFs	
		Shares to MF	Shares to QIBs		
		proportionately	proportionately		
		(please see note 2	(please see note 4		
		below)	below)		
(I)	(II)	(III)	(IV)	(V)	
A1	50	0	11.40	0	
A2	20	0	4.5	0	
A3	130	0	29.6	0	
A4	50	0	11.4	0	
A5	50	0	11.4	0	
MF1	40	1.2	9.1	10.3	
MF2	40	1.2	9.1	10.3	
MF3	80	2.4	18.2	20.6	
MF4	20	0.6	4.5	5.2	
MF5	20	0.6	4.5	5.2	
	500	6	114	51.6	

Please note:

1. The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in "*Issue Structure*" on page 339.

2. Out of 114 million equity shares allocated to QIBs, 6 million (i.e. 5%) will be allocated on proportionate basis among 5 mutual fund applicants who applied for 200 shares in QIB category.

- 3. The balance 95 million equity shares (i.e. 100 5 (available for mutual funds)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 equity shares (including 5 mutual fund applicants who applied for 200 equity shares).
- 4. The figures in the fourth column titled "Allocation of balance 114 million equity shares to QIBs proportionately" in the above illustration are arrived as under:
 - For QIBs other than mutual funds (A1 to A5)= No. of shares bid for (i.e. in column II) X 114 / 494
 - For mutual funds (MF1 to MF5)= {(No. of shares bid for (i.e. in column II of the table above) less equity shares allotted (i.e., column III of the table above)} X 114/494
 - The numerator and denominator for arriving at allocation of 114 million shares to the 10 QIBs are reduced by 6 million shares, which have already been allotted to mutual funds in the manner specified in column III of the table above.

Basis of Allotment

Except in relation to Anchor Investors, in the event of the Issue being over-subscribed, our Company shall finalize the basis of Allotment in consultation with the BRLMs and the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalized in a fair and proper manner.

Except in relation to Anchor Investors, the Allotment to Bidders shall be made in marketable lots, on a proportionate basis as explained below:

- a) Bidders will 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 shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- c) Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- d) In all Bids where the proportionate Allotment is less than [•] Equity Shares per Bidder, the allotment shall be made as follows:
 - (a) Each successful Bidder shall be Allotted a minimum of [•] Equity Shares; and
 - (b) The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above.
- e) If the proportionate Allotment to a Bidder is a number that is more than [•] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that number is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. All Bidders in such categories would be Allotted Equity Shares arrived at after such rounding off.
- f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted shares are not sufficient for proportionate Alotment

to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

g) Subject to valid Bids being received, Allotment of Equity Shares to Anchor Investors will be at the discretion of the Company, in consultation with the BRLMs.

Payment of Refund

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid-cum-Application Form, the Registrar will obtain, from the Depositories, the Bidders' address, bank account details, including the nine digit Magnetic Ink Character Recognition ("**MICR**") code as appearing on a cheque leaf. Hence Bidders are adviced to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither our Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the BRLMs shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

- 1. ECS Payment of refund would be done through ECS for applicants having an account at any of the centres specified by the RBI. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of centres specified by the RBI, except where the applicant, being eligible, opts to receive refund through Direct Credit, NEFT or RTGS.
- 2. Direct Credit Applicants having bank accounts with the Refund Banker(s), in this case being, [●] shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.
- 3. NEFT (National Electronic Fund Transfer) Payment of refund shall be undertaken through NEFT wherever the applicants' bank branch is NEFT enabled and has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR) code of that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date prior to the date of payment of refund, duly mapped with MICR code. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency and the past experience of the Registrars to the Issue. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in this section.
- 4. RTGS Applicants having a bank account at any of the centres specified by the RBI and whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the Bidder.
- 5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by

cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Disposal of applications and application moneys and interest in case of delay

Our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two working days of date of Basis of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Bid Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 15 days of Bid Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of the finalisation of Basis of Allotment of the Equity Shares.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the ICDR Regulations, Our Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialized form within 15 (fifteen) days of the Bid Closing Date;
- Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (fifteen) days of the Bid Closing Date would be ensured; and

Our Company shall pay interest at 15% per annum for any delay beyond the 15 day time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 15 day time prescribed above as per the ICDR Regulations.

Letters of Allotment or Refund Orders

Our Company shall credit Equity Shares Allotted to the beneficiary account with depository participants within 15 days of the Bid Closing Date, and shall dispatch refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and will dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 15 days of the Bid Closing Date. Applicants residing at sixty eight centers where clearing houses are managed by the RBI, will get refunds through ECS subject to adequate details being available in the demographic details received from the depositories, except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the ICDR Regulations, our Company further undertakes that:

- Allotment of Equity Shares will be made only in dematerialized form within 15 days from the Bid Closing Date;
- Dispatch of refunds will be done within 15 days from the Bid Closing Date; and

• Our Company will pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment is not made, refund instruction are not given and/or demat credits are not made to investors within the 15 day time prescribed above.

Our Company will provide adequate funds required for dispatch of refunds orders or Allotment advice to the Registrar to the Issue.

Refunds will be made through any of the modes described above and bank charges, if any, for encashing cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Interest in case of delay in dispatch of Allotment letters/refund orders

We agree that Allotment of securities offered to the public shall be made not later than 15 days from the Bid Closing Date. We further agree that we shall pay interest at 15% per annum if the Allotment letters/refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from the Bid Closing Date.

In case of revision in the Price Band, the Bidding Period will be extended after revision of Price Band provided that the Bidding Period shall not exceed 10 working days. Any revision in the Price Band and the revised Bid Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the web site of the BRLMs and at the terminals of the Syndicate.

Utilization of Issue proceeds

The Board of Directors declares that:

- All monies received out of this Issue shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- Details of all monies utilized out of the Issue shall be disclosed under an appropriate separate 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 of our Company indicating the form in which such unutilized monies have been invested.

Undertakings by our Company

Our Company undertakes the following:

- that no further issue of Equity Shares shall be made until the Equity Shares offered through this Draft Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of Allotment;
- that the complaints received in respect of this Issue shall be attended to expeditiously. Our Company has authorised our Company Secretary as the Compliance Officer to redress all complaints, if any, of the investors participating in this Issue;

- that the funds required for making refunds or dispatch of Allotment advice by registered post or speed post shall be made available to the Registrar to the Issue;
- that the certificates of the securities/ refund orders to the eligible non-resident Indians or FIIs shall be dispatched within specified time;
- that the refund instruction shall be given or Allotment advice to the successful Bidders shall be dispatched within specified time;
- that where the refunds are effected through the electronic transfer of funds, suitable communication shall be sent to the applicants within 15 days of closure of the Issue giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of the refund;
- that adequate arrangements shall be made to collect all Applications Supported by Blocked Amount (ASBA) and to consider them similar to non-ASBA applications while finalizing the Basis of Allotment; and
- That we shall pay interest of 15% per annum (for any delay beyond 15 days) if allotment has not been made and refund orders have not been dispatched within aforesaid dates.

Issue procedure for ASBA Bidders

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company, the BRLMs are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid cum Application Form is correctly filled up, as described in this section.

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

ASBA Process

A Resident Retail Individual Investor shall submit his Bid through an ASBA Bid cum Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder ("**ASBA Account**") is maintained. The SCSB shall block an amount equal to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the BRLMs.

ASBA Bid cum Application Form

ASBA Bidders shall use the ASBA Bid cum Application Form bearing the stamp of the Syndicate Members and/or the Designated Branch of SCSB, as the case may be, for the purpose of making a Bid in terms of the Red Herring Prospectus. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Bid cum Application form at the Designated

Branch of the SCSB. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Bid cum Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA account held with SCSB, and accordingly registering such Bids. The ASBA Bidders can submit only one Bid option in the ASBA Bid cum Application Form which shall be at Cut-off Price.

Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form to the Designated Branch of the SCSB, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the ASBA Bid cum Application Form shall be white.

Who can Bid?

In accordance with the ICDR Regulations, only Resident Retail Individual Investor can submit their application through ASBA process to bid for the Equity Shares of our Company.

Maximum and Minimum Bid Size for ASBA Bidders

The ASBA Bid must be for a minimum of $[\bullet]$ Equity Shares and in multiples of $[\bullet]$ Equity Shares thereafter. The maximum ASBA Bid cannot exceed $[\bullet]$ Equity Shares in order to ensure that the total Bid Amount blocked in respect of the ASBA Bidder does not exceed Rs. 100,000. The ASBA Bidders shall Bid only at the Cut-off Price indicating their agreement to Bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

Information for the ASBA Bidders:

- a. The BRLMs shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Bid cum Application Form to the SCSBs and the SCSBs will then make available such copies to investors applying under the ASBA process. Additionally, the BRLMs shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the ASBA Bid cum Application Form and that the same are made available on the websites of the SCSBs.
- b. ASBA Bidders, under the ASBA process, who would like to obtain the Red Herring Prospectus and/or the ASBA Bid cum Application Form can obtain the same from the Designated Branches of the SCSBs or the BRLMs. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA Bid cum Application Form in electronic form on the websites of the SCSBs.
- c. The Bids should be submitted on the prescribed ASBA Bid cum Application Form if applied in physical mode. SCSBs may provide the electronic mode of Bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors.
- d. ASBA Bid cum Application Forms should bear the stamp of the Syndicate Members and/or Designated Branch of the SCSB. ASBA Bid cum Application Forms which do not bear the stamp will be rejected.
- e. ASBA Bidders shall bid for Equity Shares only at the Cut-off Price, with a single bid option as to the number of Equity Shares.
- f. ASBA Bidders shall correctly mention the bank account number in the ASBA Bid cum Application Form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch.

- g. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form.
- h. ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA Bid cum Application Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Bid cum Application Form.
- i. ASBA Bidders shall not be allowed to revise their Bid and shall not bid under any reserved category.

Method and Process of Bidding

- a. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSBs. ASBA Bidders submitting their Bids in electronic form shall submit their Bids either using the internet enabled bidding and banking facility of the SCSBs or such other electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors, and accordingly registering such Bids. Every Designated Branch of the SCSB shall accept Bids from all such investors who hold accounts with them and desire to place Bids through them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the ICDR Regulations and Red Herring Prospectus.
- b. The Designated Branches of the SCSBs shall give an acknowledgment specifying the application number to the ASBA Bidders as a proof of acceptance of the ASBA Bid cum Application Form. Such acknowledgment does not in any manner guarantee that the Equity Shares bid for shall be Allocated to the ASBA Bidders.
- c. Each ASBA Bid cum Application Form will give the ASBA Bidder only one option to bid for the Equity Shares at the Cut-off Price i.e. at the Cap Price of the Price Band and specify the demand (i.e. the number of Equity Shares Bid for) in such option. After determination of the Issue Price, the number of Equity Shares bid for by the ASBA Bidder at the Cut-off Price will be considered for allocation along with the Non-ASBA Retail Bidders who have bid for Equity Shares at or above the Issue Price or at Cut-off Price.
- d. Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.
- e. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.
- f. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form. The Designated Branch shall thereafter enter the Bid details from the prescribed ASBA Bid cum Application Form, if submitted in physical mode, or the Bid information submitted through the electronic mode made available by the SCSBs, as the case may be, into the electronic bidding system of the Stock Exchanges and generate a Transaction Registration Slip ("**TRS**"). The TRS shall be furnished to the ASBA Bidder on request.
- g. An ASBA Bidder cannot bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form after bidding on one ASBA Bid cum Application Form, either in physical or electronic mode, has been submitted to the Designated Branches of SCSBs or uploaded by the ASBA Bidder, as the case may be. Submission of a second ASBA Bid cum Application Form or a Non-ASBA Bid cum Application Form to either the same or to another Designated Branch of the SCSB will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the Allocation or Allotment of Equity Shares in this Issue. ASBA Bidders are cautioned that Bids for Equity Shares made in the Issue through the ASBA Bid cum Application Form cannot be revised.

Bidding

- a. The Price Band has been fixed at Rs. [•] to Rs. [•] per Equity Share of Rs. 10 each, Rs. [•] being the Floor Price and Rs. [•] being the Cap Price. The ASBA Bidders can submit only one Bid in the ASBA Bid cum Application Form, that is, at Cut-off Price with single option as to the number of Equity Shares.
- b. In accordance with the ICDR Regulations, our Company reserves the right to revise the Price Band during the Bidding Period, in consultation with the BRLMs. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.
- c. In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and a regional newspaper and also by indicating the change on the websites of the BRLMs, SCSBs and at the terminals of the members of the Syndicate.
- d. Our Company in consultation with the BRLMs can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the ASBA Bidders.
- e. ASBA Bidders agree that they shall purchase the Equity Shares at any price within the Price Band. In the event the Bid Amount is higher than the subscription amount payable (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the ASBA Account shall be unblocked to the extent to such excess of Bid Amount over the subscription amount payable.
- f. In case of an upward revision in the Price Band, announced as above, the number of Equity Shares bid for shall be adjusted downwards (to the previous multiple lot) for the purpose of allotment, such that no additional amount is required to be blocked in the bank account of the ASBA Bidder and the ASBA Bidder is deemed to have approved such revised Bid at Cut-off Price.

Mode of Payment

Upon submission of an ASBA Bid cum Application Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the bank account maintained with the SCSB.

Bid Amounts paid in cash, by money order or by postal order or by stockinvest, or ASBA Bid cum Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Account, in terms of the ICDR Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Bid Amount, as per the Bid cum Application Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts from the time of the submission of the ASBA Bid cum Application Form, whether in physical or electronic mode, until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Electronic registration of Bids by SCSBs

- a. In case of ASBA Bid cum Application Forms, whether in physical or electronic mode, the Designated Branch of the SCSBs will register the Bids using the online facilities of the Stock Exchanges. SCSB shall not upload any ASBA Application Form in the electronic bidding system of the Stock Exchange(s) unless
 - (i) it has received the ASBA in a physical or electronic form; and
 - (ii) it has blocked the application money in the bank account specified in the ASBA or has systems to ensure that Electronic ASBAs are accepted in the system only after blocking of application money in the relevant bank account opened with it.
- b. The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bid/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. ASBA Bidders are cautioned that high inflow of bids typically received on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that are not uploaded may not be considered for allocation.
- c. The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be displayed online at all the Designated Branches of the SCSBs and on the websites of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available at all the Designated Branches of the SCSBs during the Bidding Period.
- d. At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:
 - Name of the Bidder(s);
 - Application Number;
 - Permanent Account Number;
 - Number of Equity Shares Bid for;
 - Depository Participant identification no.; and
 - Client identification No. of the Bidder's beneficiary account.

In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the abovementioned details in the electronic bidding system provided by the Stock Exchange(s).

- e. A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches of the SCSBs. The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Equity Shares bid for shall be Allocated to the ASBA Bidders.
- f. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- g. It is to be distinctly understood that the permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLMs or the Designated Branches of the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements; nor does it take any responsibility for the financial or other soundness of our Company, our management or any scheme or project of our Company.
- h. It is also to be distinctly understood that the approval given by the Stock Exchanges should not in any way be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by the Stock

Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that our Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

- i. The SCSB may reject the ASBA Bid upon receipt of ASBA Bid cum Application Form, if the bank account maintained with the SCSB as mentioned in the ASBA Bid cum Application Form does not have sufficient funds equivalent to the Bid Amount. Subsequent to the acceptance of the Bid by the Designated Branch, our Company would have a right to reject the Bids only on technical grounds.
- j. Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. In case of discrepancy of data between the BSE or NSE and the Designated Branches of the SCSBs, the decision of the Registrar, in consultation with the BRLMs, our Company and the Designated Stock Exchange, based on the physical records of the ASBA Bid cum Application Forms shall be final and binding on all concerned.

Build up of the book and revision of Bids

- a. Bids registered through the Designated Branches of the SCSBs shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.
- b. The book gets built up at various price levels. This information will be available with the BRLMs, the Stock Exchanges and the Designated Branches of the SCSBs on a regular basis.
- c. ASBA Bidders shall not revise their Bids.
- d. The SCSBs shall provide aggregate information about the numbers of ASBA Bid cum Application Forms uploaded, total number of Equity Shares and total amount blocked against the uploaded ASBA Bid cum Application Form and other information pertaining to the ASBA Bidders. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs. In the event of any error or discrepancy, the Registrar to the Issue shall inform the SCSB of the same. The SCSB shall be responsible to provide the rectified data within the time stipulated by the Registrar to the Issue. Further the decision of the Registrar to the Issue in consultation with the BRLMs, our Company and the Designated Stock Exchange, in this regard shall be final and binding.
- e. Only Bids that are uploaded on the online IPO system of the BSE and NSE shall be considered for allocation/ Allotment.

Price Discovery and Allocation

After the Bid losing Date, the BRLMs shall aggregate the demand generated under the ASBA process and which details are provided to them by the Registrar to the Issue with the Retail Individual Investor applied under the non ASBA process to determine the demand generated at different price levels. For further details, refer to the "Issue Procedure -Price Discovery and Allocation" on page 353.

Signing of Underwriting Agreement and RoC Filing

- (a) We, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement upon finalisation of the Issue Price.
- (b) After signing the Underwriting Agreement, we shall update and file the updated Red Herring Prospectus with the RoC, which then would be termed the 'Prospectus'. The Prospectus would contain details of the Issue Price, Anchor Investor Issue Price and Issue size.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by our Company in a widely circulated English national newspaper and a Hindi national newspaper of wide circulation. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price and Anchor Investor Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

- (a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue. Investors should note that our Company shall endeavour to ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue; and
- (b) The ASBA Bidders shall directly receive the CAN from the Registrar. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalisation of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Bid, as the case may be.

Allotment of Equity Shares

- (a) Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the bank account of the ASBA Bidders to the ASBA Public Issue Account on the Designated Date, to the extent applicable, our Company would ensure the credit of the Allotted Equity Shares to the depository accounts of all successful ASBA Bidders' within two working days from the date of Allotment.
- (b) As per the ICDR Regulations, **Equity Shares will be issued, transferred and allotted only in the dematerialised form to the Allottees**. Allottees will have the option to re-materialise the Equity Shares so Allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

GENERAL INSTRUCTIONS

Do's:

- a. Check if you are a Resident Retail Individual Investor and eligible to Bid under ASBA process.
- b. Ensure that you use the ASBA Bid cum Application Form specified for the purposes of ASBA process.
- c. Read all the instructions carefully and complete the ASBA Bid cum Application Form (if the Bid is submitted in physical mode, the prescribed ASBA Bid cum Application Form is white in colour).
- d. Ensure that your Bid is at the Cut-off Price.
- e. Ensure that you have mentioned only one Bid option with respect to the number of equity shares in the ASBA Bid cum Application Form.
- f. Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

- g. Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to our Company or Registrar or Lead Manager to the Issue.
- h. Ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder.
- i. Ensure that you have mentioned the correct bank account No. in the ASBA Bid cum Application Form.
- j. Ensure that you have funds equal to the number of Equity Shares Bid for at Cut-off Price available in your bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB.
- k. Ensure that you have correctly checked the authorisation box in the ASBA Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form in your ASBA Account maintained with a branch of the concerned SCSB.
- 1. Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA Bid cum Application Form.
- m. Ensure that you have mentioned your Permanent Account Number ("PAN") allotted under the I.T. Act.
- n. Ensure that the name(s) and PAN(s) given in the ASBA Bid cum Application Form is exactly the same as the name(s) and PAN(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Bid cum Application Form.
- o. Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

- a. Do not submit an ASBA Bid if you are not a Resident Retail Individual Investor.
- b. Do not submit an ASBA Bid if you are applying under any reserved category.
- c. Do not revise your Bid.
- d. Do not Bid for lower than the minimum Bid size.
- e. Do not Bid on another ASBA or Non-ASBA Bid cum Application Form after you have submitted a Bid to a Designated Branch of the SCSB.
- f. Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSBs, shall not be accepted under the ASBA process.
- g. Do not send your physical ASBA Bid cum Application Form by post; instead submit the same to a Designated Branch of the SCSB only.
- h. Do not fill up the ASBA Bid cum Application Form such that the bid amount against the number of Equity Shares Bid for exceeds Rs. 1,00,000.
- i. Do not submit the GIR number instead of the PAN.

j. Do not instruct your respective banksto release the funds blocked in the bank account under the ASBA process.

Bids by ASBA Bidders must be:

- a. Made only in the prescribed ASBA Bid cum Application Form, which is white in colour if submitted in physical mode, or electronic mode.
- b. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- c. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA Bid cum Application Form.
- d. The Bids must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter subject to a maximum of [•] Equity Shares such that the Bid Amount does not exceed Rs. 100,000.
- e. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

ASBA Bidder's depository account and bank details

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PERMANENT ACCOUNT NUMBER IN THE ASBA BID CUM APPLICATION FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. ADDITIONALLY, THE PERMANENT ACCOUNT NUMBER IN THE ASBA BID CUM APPLICATION FORM SHOULD BE EXACTLY THE SAME AS PROVIDED WHILE DEPOSITORY ACCOUNT. IN CASE THE ASBA BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE ASBA BID CUM APPLICATION FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, PAN, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address, ("Demographic Details"). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Bid cum Application Form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants.

By signing the ASBA Bid cum Application Form, the ASBA Bidder is deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

CAN/Allocation advice and letters intimating unblocking of bank account of the respective ASBA Bidder would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/Allocation advice or letters intimating unblocking of bank account may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSBs, the

members of the Syndicate, or our Company shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected.

ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

Payment mechanism under ASBA

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the application money in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount.

In the event of withdrawal or rejection of Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the Controlling Branch of the SCSB to unblock the application money in the relevant bank account. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

ASBA Bids under Power of Attorney

In case of ASBA Bids made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject such ASBA Bids.

Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Bid cum Application Form, subject to such terms and conditions that we, in consultation with the BRLMs may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

In case an ASBA Bidder wants to withdraw the ASBA Bid cum Application Form during the Bid/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account.

In case an ASBA Bidder wants to withdraw the ASBA cum Application Form after the Bid Closing date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB on finalization of the Basis of Allotment.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Multiple ASBA Bids

An ASBA Bidder should submit only one Bid for the total number of Equity Shares desired. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same. In this regard, the procedures which

would be followed by the Registrar to the Issue to detect multiple applications are described in "*Issue Procedure-Multiple Bids*".

Permanent Account Number

For details, see "Permanent Account Number or PAN" on page 364.

Right to Reject ASBA Bids

The Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Bid cum Application Form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue.

GROUNDS FOR TECHNICAL REJECTIONS UNDER THE ASBA PROCESS

In addition to the grounds listed under "*Grounds for Technical Rejection*" above, applications under the ASBA process are liable to be rejected on, *inter alia*, the following technical grounds:

- 1. Application on plain paper or on split form;
- 2. Amount mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of Equity Shares Bid for;
- 3. Bids at a price other than at the Cut-off Price;
- 4. Age of first Bidder not given;
- 5. Bid made by categories of investors other than Resident Retail Individual Investors;
- 6. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;
- 7. PAN not stated, or GIR number furnished instead of PAN. See "*Issue Procedure Permanent Account Number or PAN*" on page 364;
- 8. Bids for number of Equity Shares, which are not in multiples of [•];
- 9. Authorisation for blocking funds in the ASBA Bidder's bank account not ticked or provided;
- 10. Multiple Bids as defined in this Draft Red Herring Prospectus;
- 11. In case of Bid under power of attorney, relevant documents are not submitted;
- 12. ASBA Bids accompanied by stockinvest/money order/postal order/cash;
- 13. Signature of sole and/or joint Bidders missing in case of ASBA Bid cum Application Forms submitted in physical mode;
- 14. ASBA Bid cum Application Form does not have the stamp of the SCSB and/or a member of the Syndicate;
- 15. ASBA Bid cum Application Form does not have the Bidder's depository account details;
- 16. ASBA Bid cum Application Form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA Bid cum Application Form and the Red Herring Prospectus;
- 17. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the ASBA Account;
- 18. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number; and
- 19. If the ASBA Bid in the Issue is revised.

Bidders are advised that ASBA Bids not uploaded in the electronic book of the Stock Exchanges, due to any of the grounds mentioned above, would be rejected.

COMMUNICATIONS

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First ASBA Bidder, ASBA Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Bid cum Application Form, name and address of the Designated Branch of the SCSB where the ASBA Bid was submitted, bank account number in which the amount equivalent to the Bid amount was blocked and a copy of the acknowledgement slip. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or willful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held. The Company, the BRLMs, the Syndicate Members and the Registrar accept no responsibility for errors, omissions, commissions or any acts of SCSB's including any defaults in complying with its obligations under applicable ICDR Regulations.

ASBA Investors can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA Bid cum Application Form was submitted, or the Registrar to the Issue in case of any pre- or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked on application, bank account number and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Impersonation

For details, see "Issue Procedure- Impersonation" above.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSBs BY THE REGISTRAR TO THE ISSUE

In accordance with the Companies Act, the requirements of the Stock Exchanges and the ICDR Regulations, we undertake that:

- Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- Instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 15 days from the Bid/Issue Closing Date; and
- We shall pay interest at 15% per annum for any delay beyond the 15 day period mentioned above, if Allotment is not made, instructions for unblocking of ASBA Bidder's Bank Account are not dispatched and/or demat credits are not made to investors within the 15 day period prescribed above.

Basis of Allocation

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The basis of allocation to such valid ASBA and non-ASBA Bidders will be that applicable to Retail Individual Bidders. For details, see "*Issue Procedure- Basis of Allotment*" on page 368.

Method of Proportionate basis of allocation in the Issue

ASBA Bidders, along with non-ASBA Bidders, will be categorized as Retail Individual Bidders. No preference shall be given vis-à-vis ASBA and non-ASBA Bidders.

Undertaking by our Company

In addition to our undertakings described under "*Issue Procedure- Undertaking by our Company*", with respect to the ASBA Bidders, we undertake that adequate arrangement shall be made to collect all ASBA Bid cum Application Forms and to consider ASBA Bidders similar to other Bidders while finalizing the basis of allocation.

Utilisation of Issue Proceeds

Our Board has provided certain certifications with respect to the utilization of Issue Proceeds. For details, see *"Issue Procedure-Utilization of Issue Proceeds"* above.

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

COMMENCEMENT OF BUSINESS

Capital

5. The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may from time to time, be provided in clause V of Memorandum of Association. The Company will have the power to increase or reduce or modify the said capital and to divide the shares for the time being of the Company into several classes and attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and the requirements of law and to vary, modify or abrogate any such rights, privileges or condition in such manner as may be for the time being be provided by the regulations of the Company. Any class of shares may be issued on such terms and conditions as may be determined by the Directors in accordance with the regulations of the Company. The shares or any of them may be consolidated into shares of larger or subdivided into shares of smaller value as and when considered between the amount paid and the amount, if any, unpaid on such shares, shall remain' the same as it was before the consolidation or sub division.

However the Minimum Paid up Capital of the Company shall not be less than Rs. 5 Lacs.

The rights for the time being attached to the said class of shares respectively, may be varied or dealt within the manner mentioned in the Articles and subject to the provisions of the Act or any mediation thereof.

Fraction of shares

5a If as a result of the issue of new shares, any members become entitled to fractions of a share the Board may, subject to any directions given by the Company in general meeting sell the shares representing such fraction and pay the net proceeds thereof to among the person entitled thereto. For the purpose of any such sale the Board may authorise any person to transfer the said shares the purchaser thereof and such person shall not be bound to see to the application of the purchase money nor shall his entitlement to shares be affected by any irregularity in the proceedings with reference to the sale.

Power to issue redeemable preference shares

- 5b.(i) Subject to the provisions of Section 80 of the Act, the Company may issue preference shares which are or at the option of the Company are to be liable to be redeemed,
- (ii) Subject to the provisions of the said Section 80, the redemption of preference shares may be affected on the terms and conditions of their issue and subject thereto in such manner as the directions may think fit.
- (iii) The redemption of preference shares under this provision by the Company shall not be taken as reducing the amount of its authorised share capital.
- (iv) Where in pursuance of this Article, the Company has redeemed or is about to redeem any preference shares, it shall have power to issue upto the nominal amount of the shares redeemed or to be redeemed a if these shares had never been issued and accordingly the share capital of the Company shall not, for the purpose of calculating the fees payable under Section 601 of the Act be deemed to be increased by the issue of shares in pursuance of this sub-clause.
- (v) The capital redemption reserve fund, may not-withstanding anything in this Article, be applied by the Company in paying up unissued shares of the Company as fully paid bonus shares.

Restrictions on allotment etc.

6. The Board shall observe the restrictions as to allotment of shares contained in Sections 69 and 70 of the Act, as the case maybe, and shall cause to be made the returns as to allotment according to Section 75 of the Act.

Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 79 of the Act) at a discount and at such time as they may from time to time think fit and with sanction of the Company in the general meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any persons without the sanction of the Company in the general meeting.

Power of General Meeting to offer shares to such persons as the Company may resolve

8. In addition to and without derogating from the power for the purpose conferred on the Directors under Article 7, the Company in general meeting may by special resolution determine to issue further shares out of the authorised but unissued capital of the Company and may determine that any shares (whether forming part of the original capital or of any increased capital of Company) shall be offered to such persons (whether members or holders of debentures of the Company or not) in such proportion and on such terms and condition and either at a premium or at par or, (subject to compliance with the provisions of Section 79 of Act at a discount as such general meeting shall determine and with full power to give any person (whether a member or holder of debentures of the Company or not) the option to be allotted shares of any class of the Company either at a premium, or at par or (subject to compliance with the provisions of Section 79 of Act) at a discount, such option being exercisable at such times and for such considerations as may be directed by such general meeting or the Company in general meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares, subject to any direction given by the Company in general meeting as aforesaid and the provisions of the Article 68 hereof shall apply to any issue of new shares.

Directors may allot shares as fully paid up

9. Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the capital of the Company in the payment or part payment of any property or assets of any kind whatsoever (including the goodwill of any business) sold or transferred, or goods or machinery or know-how supplied, or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partly paid up in cash or otherwise than in cash and if so issued shall be deemed to be fully paid up or partly paid up shares as aforesaid. The Directors shall cause returns to be filed of any such allotment as provided by Section 75 of the Act.

Shares to be numbered progressively

10. The shares in the Capital of the Company shall be numbered progressively according to their denomination and except in the manner hereinafter mentioned, no share shall be subdivided.

Acceptance of shares

11. An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus, or otherwise accepts any shares and whose name is entered in the Register shall for the purpose of these Articles be a member.

Deposit & calls etc. to be debt payable immediately

12. The money (if any) which the Directors shall, on the allotment of any shares being made by them require or direct to be paid by way of deposit at call or otherwise, in respect of any shares allotted by them, shall, immediately on the insertion of the name of the allottee in the Register as the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shah be paid by him accordingly.

Installments on shares to be duly paid

13. If by the conditions of allotment of any shares the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall when due be paid to the Company by the person who for the time being and from time to time shall be the Registered holder of the share or his legal representative.

Company not bound to recognize any interest in shares other than that of the registered holders.

14. Except when required by law or ordered by a court of competent jurisdiction, the Company shall not be bound to recognise any person holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any fractional part of a share, or (except only as by these Articles or as ordered by a court of competent jurisdiction or by law otherwise provided) any order of the rights in respect of any share except an absolute right to the entity thereof in the registered holder.

UNDERWRITING AND BROKERAGE

Commission for placing shares, debentures

15. The Company may, subject to the provisions of Section 76 and other applicable provisions (if any) of the Act, at the time of public issue pay a commission to any person in consideration of his subscribing or agreeing to subscribe or his procuring or agreeing to procure subscription whether absolutely or conditionally for any shares in or debentures of the Company but so that the amount or rate of commission does not exceed in the case of shares 5% of the price at which the shares are issued and in the case of debentures 2.5% of the price at which the debentures are issued. The commission may be satisfied by the payment in cash or the allotment of fully or partly paid up shares or debentures or partly in the one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.

CERTIFICATES

Certificates

16. The certificates of title to the shares and duplicates thereof when necessary shall be issued under the Seal of the Company which shall be affixed in accordance with the provisions of the Companies (Issue of Share Certificates) Rules, 1960, as the same may be in forces from time to time or of any Rules issued in substitution therefore.

Member's rights to certificates

17. Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Board so approve (upon paying such fee as the Board may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three (3) months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of applications of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Board may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue and deliver more than one (1) certificate and delivery of a certificate of shares to one (1) of several joint holders shall be sufficient delivery to all such holders.

As to issue of new Certificates in place of the defaced, lost or destroyed

18(a) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Board so decides, or on payment of such fees (not exceeding Rs. 2/- for each certificate) as the Board shall prescribe.

- (b) The Company shall not charge any fee for registration of transfer of shares and debentures:
- (i) for subdivision and consolidation of share and debenture certificates and for sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipt into denomination corresponding to the market units of trading;
- (ii) for sub-division of renounceable Letters of Right;
- (iii) for issue of new certificates in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfer have been fully utilized;
- (iv) for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.
- (c) When a new share certificate has been issued in pursuance of clause (a) or (b) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "issued in lieu of Share Certificate No". The word "Duplicate" shall be stamped or punched In bold letters across the face of the share certificate.
- (d) All blank forms of share certificates shall be printed and the printing shall be done only in the authority of a resolution of the Board. The blank forms shall be consecutively machine numbered and the forms and the blocks engravings, facsimiles and hues relating to the printing of such form and the blocks be kept in the custody of the secretary or such other person as the Board may appoint for the purpose, and the secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (e) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and the safe custody of all, books and documents relating to the issue of share certificates except the blank forms of share certificates referred to in clause (d).
- (f) All the books referred to in sub-article (e) shall be preserved in good order permanently.

CALLS

Board may make calls

19. The Board of Directors may from time to time (by resolution passed at the meeting of the Board and not by resolution by circulation) but subject to the condition hereinafter mentioned, make such calls as they think fit, upon the members in respect of all monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and which are not by the conditions of allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the persons and at the times appointed by the Directors. A call may be made payable by installments.

"Rider"

20. The call shall not exceed one fourth (1/4) of the nominal value of the share, or be made payable within one (1) month after the last preceeding call was payable. Not less than thirty (30) days notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.

Calls on shares of the same class to be made on uniform basis

21. Where any calls are made on the shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article, shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

Notice of Call

22. At least thirty (30) days' notice of every call otherwise than on allotment shall be given specifying the time of payment, and if payable to any person other than the Company the name of the person to whom the call shall be provided that before the time for payment of such call the Directors may by notice in writing to the members revoke the same.

Call to date from Resolution

23. A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such calls was passed and may be made payable by those members whose names appear in the Register on such date, or at the discretion of the Directors on such subsequent date as shall be fixed by the Directors.

Directors may extend time

24. The Directors may from time to time, at their discretion extend the time for the payment of any call, and may extend such time as to all or any of the members who on account of their residences being at a distance or other cause, the Directors may deem entitled to such extension but no member shall be entitled to such extension save as a matter of grace and favour.

Amount payable at fixed time or by installments deemed as calls

25. If by the terms of issue of any share, any amount is made payable at any fixed time or by installments at fixed times (whether on account of the nominal amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall relate to such amount or installment accordingly.

When interest on call or installment payable

26. If the sum payable in respect of any allotment, call or installment be not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the share in respect of which an allotment call shall have been made or the installment shall be due shall pay interest on the same at such rate as the Directors may determine from the day appointed for the payment thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part.

Judgement decree or partial payment not to preclude forfeiture

27. Neither a judgement nor a decree in favour of the Company for calls or other monies due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of the payment of any money shall preclude the forfeiture of such shares as hereinafter provided.

Proof on trial of suit for money due on shares

28. Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of any shares it shall be sufficient to prove that the name of the member in respect of whose share money is sought to be recovered appears/entered on the Register as the holder of the shares in respect of which such money is sought to be recovered, that the resolution making the call is duly recorded in the Minutes Book of the Company and that the notice of such call was duly posted to the member or his representative in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such call and nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Payment in anticipation of calls may carry interest

29. The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same, whole or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance or so much thereof, as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate as the member paying the sum in advance and the Directors agree upon, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. 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. The provisions of this Article shall mutatis mutandis apply to the calls on debentures of the Company.

Revocation of call

29(a) A call may be revoked or postponed at the discretion of the Board.

FORFEITURES SURRENDER AND LIEN

If call of instalment not paid notice may be given.

30. 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 installment or any part thereof, and other monies 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 (it any) entitled to the share by transmission requiring him to pay such call or instalment or such part thereof or other moneys remaining 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-payment.

Terms of notice

31. The notice shall name a day (not being less than 30 days from the date of service of notice) on or before which and the place or places on or at which such allotment call or installment or such part thereof and other monies as aforesaid and such interest and expenses as aforesaid are to be paid, and if payable to any person other than the Company, the person to whom such payment is to be made. The notice shall also state that in the event of non-payment at or before the time and (if payable to any person other than the Company) at the place appointed the shares in respect of which the call was made or installment is payable will be liable to be forfeited.

In default of payment shares be forfeited

32. 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 but before payment of all allotment money, calls or instalments, interest and expenses and other monies 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.

Entry of forfeiture in Register

33. When any share shall have been so forfeited, an entry of the forfeiture with the date thereof, shall be made in the Register and notice of forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture but no forfeiture shall be, in any manner, invalidated by any omission or neglect to give such notice or to make any entry as aforesaid.

Forfeited shares to be property of the Company and may be sold etc.

34. Any share so forfeited shall be deemed to be the property of the Company and may be sold re-allotted and or otherwise disposed of either to the original holder thereof, or to any other person upon such terms and in such manner as the Board shall think fit.

Directors may annual forfeiture

35. The Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of annul the forfeiture upon such conditions as they think fit.

Shareholders still liable to pay money owing at the time of forfeiture and interest

36. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, instalments, interest expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Directors may determine and the Directors may enforce the payment of the whole or a portion thereof as it were a new call made at the date of the forfeiture but shall not be under any obligation to do so.

Effect of forfeiture

37. The forfeiture of a share shall involve extinction at the time of the forfeiture, of all interest in and all claims and demands against the Company in respect of the share and all other rights incidental to the share, except only such of those rights as by these presents are expressly saved.

Surrender of shares

38. The Directors may subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering the share on such terms as they think fit.

Company's lien on shares/ debentures

39. The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except on the 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

As to enforcement of lien by sale

40. For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manners as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell such shares shall have been served on such member or the person (if any) entitled by transmission to the shares and default have been made by him in payment, fulfillment or discharge of such debts, liabilities or engagements for 7 days after such notice.

Application of proceeds of sale

41. The net proceeds of any such sale after payment of the costs of the such sale shall applied in or towards the satisfaction of such debts, liabilities or engagements of such member and the residue (if any), shall subject to a like lien for not presently payable as existed upon the shares before the sales be paid to such member or the person (if any) entitled by transmission to the shares so sold.

Certificate of forfeiture

42. A certificate in writing under the hand of two Directors that the call in respect of a share was made, and notice thereof given, and that default in payment of the call was made by a resolution of the Directors to that effect, shall be conclusive evidence of the facts stated therein as against all persons entitled to such share.

Title of purchaser and allottee of forfeited shares sold to exercise lien

43. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore ore given, the Board may appoint some persons to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition, thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity in proceeding with reference to the forfeiture ale re-allotment or other disposal of the share and after his name has been entered in the Register in respect of such share, the validity of the sale shall not be impeached by any person,

Cancellation of share certificate in respect of the share sold to exercise lien

44. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

TRANSFER AND TRANSMISSION OF SHARES

Register of Transfers

45. The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

Register of renewed and Duplicate certificates

46. The Company shall keep a book to be called the "Register of Renewed and Duplicate Certificates and therein shall be fairly and distinctly entered the particulars of the issue of renewed and duplicate certificate in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out or rendered useless.

Instrument of Transfer

47. The instrument of transfer of any share shall be in writing and all the provisions of Section 108 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof.

Application for transfer

- 48(1) An application for registration of transfer of the shares in the Company may be made either by transferor or the transferee.
- (2) Where the application is made by the transferor and related to partly paid shares' the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two (2) weeks from the receipt of the notice.
- (3) For the purpose of clause (2) above the notice to the transferee shall be deemed to have been duly given if it is despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course off post.

Transfer to be executed by the transferor and transferee

49. Every such instrument of transfer shall be signed by the transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof,

Transfer not to be registered except on production of instrument of transfer

50. The Company shall not register a transfer of shares in the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company with in the prescribed period alongwith the certificate relating to the shares or if no such share certificate is in existence alongwith the letter of allotment of the shares. Provided that whereon an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to Indemnity as the Board may think fit. Provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.

Transfer not to be registered except on production of instrument of transfer

50A. Before registering any transfer tendered for registration, the Company may, if it so thinks fit give, notice by letter in the ordinary course to the registered holder that such transfer deed has been lodged and that unless objection is taken, the transfer will be registered and if such registered holder fails to lodge an objection in writing at the office of the Company within four (4) weeks from the posting of such notice to him, he shall be deemed to have admitted the validity of the said transfer.

Directors may refuse to register transfer

51. Subject to the provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a member in or debentures of the Company. The Company shall within one (1) month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the 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.

Notice of refusal to be given to transferor and transferee

52. If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company send notice of refusal to the transferee and transferor or the person giving intimation of the transmission as the case maybe, and there upon the provisions of Section 111 of the Act or any statutory modification thereof for the time being in force shall apply.

Transfer by legal representative

53. A transfer of a share in the Company of deceased member thereof made by his legal representative shall although the legal representative is not himself a member be as valid as it he had been a member at the time Of the execution of the instrument of transfer.

Custody of instrument of transfer

54. The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register, shall on demand be returned to the person depositing the same, The Directors may cause to be destroyed all transfer deeds lying with the Company for the period of eight years or more.

Closure of transfer books

55. The Directors shall have power, on giving not less than seven days previous notice by advertisement as required by Section 154 of the Act to close the transfer books of the Company, the Register or the Register of Debenture-holders at such time or times and for such period or periods of time not exceeding in the whole 45 days in each year but not exceeding 30 days at a time as may seem expedient to the Board.

Title of shares of deceased holder

56. The executors or administrators or the holder of a Succession Certificate in respect of the estate of a deceased member (not being one or two or more joint holders) shall be the only persons recognised by the Company having any title to the shares registered in the name of such member and the Company shall not be bound to recognise such executors or administrators unless such executors or administrators shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be, from a Competent Court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of Probate or Letter of Administration or Succession Certificate and under the Provisions of Article 57, register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

Transmission clause

57. Subject to the provisions contained in Article 51 and 52 hereof, any person becoming entitled to a share in consequence of the death, lunacy or insolvency of any member, upon producing proper evidence of the grant of Probate or Letters of Administration or Succession Certificate or such other evidence that he sustains the character in respect of which he proposes to act, with the consent of the Board (which it shall not be under any obligation to give), be registered as a member in respect of such shares, or may subject to the regulations as to transfer hereinbefore contained, transfer such shares. This article is herein referred to as the transmission clause.

Power to refuse registration

58. Subject to provisions of the Act and these Articles, the Directors shall have the same right to refuse to register as a member a person entitled by transmission to any shares or his nominees as if he were the transferee named in an ordinary transfer presented for registration.

Persons entitled may receive dividend without being registered as a member

59. A person entitled to a share by transmission shall, be subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive, and may give a discharge for any dividends or other moneys payable in respect of the share.

Board may require evidence of transmission

60. Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

Fee on transfer

- 61. There shall be no charge for:
- (a) Registration of transfer or transmission of shares or debentures;
- (b) Sub-division and/or consolidation of shares debentures certificates and subdivision of Letters of Allotment and split, consolidation, renewal and pucca transfer receipts Into denominations corresponding to the market unit of trading.
- (c) issue of new certificates in replacement of those which are dereceipt or worn out or where the cages on the reverse for recording transfers have been fully utilized.
- (d) Sub-division of renouncible Letters of Rights,
- (e) registration of any Powers of Attorney, Letter of Administration and similar other documents

Company not liable for disregard of a notice prohibiting registration of transfer

62. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of share made or purporting to be made by any apparent legal owner thereof (as shown or, appearing in the Register) to the prejudice of persons having or claiming any equitable rights, title or Interest to or in the said share notwithstanding that the Company may have had notice of such equitable right, title or interest or may have received a notice prohibiting registration of such transfer and. may have entered such notice or referred such notice thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing. or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Directors shall so think fit.

INCREASE, REDUCTION AND ALTERATION OF CAPITAL

Increase of Capital

67. The Company may from time to time by special resolution in general meeting increase its share capital by the creation and issue of new shares of such amount as it thinks expedient. Subject to the provisions of the Act, the shares shall be issued upon such terms and on conditions and with such rights an privilege annexed thereto as the general meeting creating the same shall direct and if no direction be given, as the Directors shall determine. Such shares may be issued with a preferential or qualified right as to dividends, and in the distribution of assets of the Company, and with a right of voting at a general meeting of the Company in conformity with Sections 87 and 88 of the Act, Whenever the capital of the Company has been increased under the provision of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

Further issue of shares

- 68(1) Where at any time after the expiry of two (2) years from the formation of the Company or at any time after the expiry of one (1) year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares then:
- (a) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date;
- (b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than fifteen (15) days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
- (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice refereed to in sub clause (b) hereof shall contain a statement of this right.
- (d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.
- 68(2) Notwithstanding anything contained in Article 68(1) hereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of Article 68(1) hereof) in any manner whatsoever.
- (a) If a special resolution to that affect is passed by the Company in a general meeting, or
- (b) Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the chairman) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied on an application made by the Board in this behalf that the proposal is most beneficial to the Company.
- 68(3) Nothing in these Article 68(1) hereof shall be deemed:
- (a) To extend the time within which the offer should be accepted; or
- (b) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- 68(4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or conversion of loans into equity by the Company.
- (a) To convert such debentures or loans into shares in the Company; or
- (b) To subscribe for shares in the Company.

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with rules, if any, made by that Government in this behalf; and
- (b) In the case of debentures or loans or other than debentures issued to or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in a general meeting before the issue of the debentures or raising of the loans.

Increased capital to be considered same as original capital

69(1) Except so far as otherwise provided by the conditions of issue of shares or by presents, any capital raised by the creation of new shares or by presents, shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien surrender, voting and otherwise.

- (2) Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares which are, or, at the option of the Company, liable to be redeemed, and the redemption may, subject to the provisions of Article 5 thereof, be effected in the manner and subject to the terms and provision of its issue.
- (3) On the issue of redeemable preference shares under the provisions of clause (2) hereof, the following provisions shall take effect:-
- (a) no such shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption;
- (b) no such shares shall be redeemed unless they are fully paid;
- (c) the premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's Share Premium Account before the shares are redeemed;
- (d) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the profits which would otherwise have been available for dividend by transfer to a reserve fund, to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares to be redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply, as if the Capital Redemption Reserve Account were part of the paid up share capital of the Company.

Restriction on purchase by the Company by the Company of its own shares

- 70(a) The Company shall not have the power to buy its own shares unless the consequent reduction of capital is effected and sanctioned in pursuance of Article 71 or in pursuance of Section 100 to 104 or Section 402 or other applicable provisions (if any) of the Act.
- (b) Except to the extent permitted by Section 77 or other applicable provisions (if any) of the Act, the Company shall not give whether directly or indirectly and whether by means of a loan, guarantee provision of security or otherwise any financial assistance for the purpose of or in connection with the purchase or subscription made or to be made by any person of or for any shares in the Company.

Reduction of Capital

71. The Company may, subject to the provisions of Section 78, 80, 100 to 105 inclusive, of the Act, from time to time by special resolution reduce its share capital and any Capital Redemption Reserve Account of Share Premium Account in any way authorised by law and in particular may pay off any paid-up share capital upon the footing that it may be called up again or otherwise and may, if and so far as is necessary, alter its Memorandum by reducing the amount of its share capital and of its shares accordingly.

Consolidation, division and subdivision

- 72. The Company may in a general meeting alter the conditions of its Memorandum as follows:
- (a) consolidate and divide all or any of the share capital into share of large amounts than its existing share,
- (b) sub-divide its share or any of them in 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 amounts, 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 its share capital by the amount of the shares so cancelled.

Issue of further Pari Passu shares not to effect the rights of shares already issued

73. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless, otherwise expressly provided by the terms of issue of shares of that class be deemed to be varied by the creation of issue of further shares ranking pari passu therewith.

MODIFICATION OF RIGHTS

Issue of further Pari Passu shares not to effect the rights of shares already issued

73(A) If at any time the share capital is divided into different classes, the rights attached to any class of shares (unless otherwise provided by the terms of issue of the shares of that class) may, subject, to the provisions of Sections 106 and 107 of the Act, be modified, abridged, commuted, affected, abrogated or varied (whether or not the Company is being wound up) with the consent in writing of the holders of not less than three forth (3/4) of the issued shares of that class or with the sanction of special resolution passed at a separate meeting of the holders of the class of shares, and all the provisions herein-after contained as to general meeting shall mutatis mutandis apply to every such meetings.

JOINT HOLDERS

Joint holders

- 74. Where two (2) or more persons are registered as the holders of any shares they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained the Articles:
- (a) The Company shall not be bound to register more than three (3) persons as the joint holder as of any share
- (b) The Joint-holders of any shares shall be liable severally as well as jointly for and in respect or all calls and other payments which ought to be made in respect of such share.
- (c) On the death of any such joint-holder the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the Directors may require such evidence of death as they deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability in respect of the shares held by him jointly with any other person.
- (d) Only the person whose name stands first in the Register as one of the joint holders of any share may give effectual receipts for any dividends or other moneys payable in respect of such share,
- (e) Only the person whose name stands first in the Register as one of joint-holders of any share shall be entitled to delivery of the certificates relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in Article-211) from the Company, and any documents served on or sent to such person shall be deemed service on all the joint-holders.

Votes of Joint holders

(f) Any one of two or more joint-holders may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto and it more than one of such joint-holders be present at any meeting personally or by proxy then one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint holder shall be holder present at any meeting shall be entitled to vote in preference to a joint holder present by proxy although the name of such joint holder present by proxy stands first or higher in the register in respect of such shares. Several executors or administrators of a deceased member in whose (deceased members) sole name any share stands shall for the purpose of this sub-clause be deemed joint-holders.

BORROWING POWERS

Powers to borrow

75. Subject to the provisions of Section 292 and 293 of the Act and these Articles and without prejudice to the other powers conferred by these Articles, the Directors shall have the powers, from time to time at their discretion, by a resolution passed at a meeting of the Board and not by resolution by circulation, to accept deposits from members, either in advance calls or otherwise, and generally raise or borrow or secure the payment of any sum or sums moneys for the purposes of the Company provided that the total amount borrowed 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 a general meeting, exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose. Such consent shall be obtained by an ordinary resolution which shall provide for the total amount up to which moneys may be borrowed by the Board. The expression "Temporary Loans" in this article means loans repayable on demand or within six (6) months from the date of the loan, such as short teem cash credit arrangements, discounting of bills and the issue of other short term loans of seasonal character but does not include loans raised for the purpose of financing expenditure of a capital nature.

Conditions on which money may be borrowed

76. Subject to the provisions of the Act and these Articles, the Directors may, by resolution passed at the meeting of the Board and not by resolution by circulation, 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 bonds, debentures or debenture-stock, or other securities issued or to be issued by the Company shall be under control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Bonds, debentures etc. to be subject to control of Directors

77. Any bonds, debentures, debenture-stock, or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Indemnity to be given

81. Subject to the provisions of the Act and these Articles, it the Directors or any or them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Director may execute or cause to be executed any mortgage, charge or security of, on, over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors, or any other person so becoming liable as aforesaid from any loss in respect of such liability.

Register of mortgage etc. to be kept

82. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company including all floating charges on the undertaking or any property of the Company, and shall cause the requirements of Sections 118, 125 and 127 to 144 (both inclusive) of the Act. In that behalf to be duly complied with (within the time prescribed by the said sections or such extensions thereof as may be permitted by the court or the Registrar of Companies) so far as they are to be complied with by the Company. The Company shall, if at any time, it issues debentures, keep a register and index of debentures holders in accordance with Section 152 of the Act.

GENERAL MEETING

Statutory meeting

83. The Statutory Meeting of the Company shall be held at such place and time (not less than one (1) month nor more than six (6) months from the date on which the Company is entitled to commence business) as the Directors may determine and in connection therewith the Directors shall comply with the provision of Section 165 of Act.

Annual General Meetings

84(1) The Company shall in addition to any other meetings, hold a general meeting (herein called an "Annual General Meeting") at the intervals and in accordance with the provisions herein specified. The Company shall hold its first Annual General Meeting within eighteen (18) months from the date of incorporation of the Company and if such general meeting is held within such period it shall not be necessary for the Company to hold any Annual General Meeting in the year of its incorporation or in the following years, but subject to the aforesaid provisions Annual Meeting shall be so held at least once in every calendar year and

within six (6) months after the expiry of each financial year and that not more than fifteen (15) months shall elapse between the date of one Annual General Meeting and the next provided, however, that if the Registrar of the Companies shall have for any special reason extended the time within which any Annual General Meeting shall be held by a further period not exceeding three (3) months, the Annual General Meeting may be held within the additional time allowed by the Registrar of Companies.

(2) Every Annual General Meeting shall be called for at a time during business hours and on such day (not being a public holiday) 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 Company may by a resolution passed at one Annual General Meeting, fix the time for its subsequent Annual General Meeting. The notice calling the meting shall specify it as the Annual General Meeting.

Extraordinary General Meeting

All general meetings other than Annual General Meeting shall be called 'Extraordinary General Meetings'.

Directors may call Extraordinary General Meeting

86 The Board of Directors may call an Extraordinary General Meeting whenever they think fit.

Calling of Extraordinary General Meeting on requisition

- 87(1) The Board of Directors shall, on a 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 (1/10) of such of the paid up capital of the Company upon which all calls or other monies than due shall have been paid, as at the date carries the light of voting in regard to the matter, forthwith proceed duly to call an Extraordinary General Meeting and the provisions of Section 169 of the Act (including the provisions below) shall be applicable.
- (2) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the registered office of the Company.
- (3) The requisition may consist of several documents of like form, each signed by one (1) or more requisitionists.
- (4) Where two (2) or more distinct matters are specified in the requisition, the provisions of clause (1) above shall apply separately in regard to each such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that clause is fulfilled.
- (5) If the Board of Directors does not, within twenty one (21) days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of these matters on a day not later than forty five (45) days from the date of the deposit of the requisitions the meeting may be called by the requisitioned themselves or by such of the requisitionists as represent either a majority in value of paid up share capital held by all of them or not less than one-tenth (1/10) of such of the paid-up share capital of the Company as is referred to in Clause (1) above, whichever is less.
- (6) A meeting called under Clause (5) above by the requisitionists or any of them shall be called in the manner similar to that in which meeting are to be called by the Board, but shall not be held after the expiration of three (3) months from the date of the deposit of the requisition.
- (7) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company; and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

Notice of meeting

88(1) A general meeting of the Company may be called by giving not less than twenty one (21) day's notice In writing.

- (2) However a general meeting may be called after giving shorter notice than twenty one (21) days, if the consent is accorded thereto:
- (i) in the case of an Annual General Meeting by all the members entitled to vote thereat, and
- (ii) in case of any other meeting by Members of the Company holding not less than ninety five (95) percent or such part of the paid up share capital of the Company as gives a right to vote at that meeting.

Contents of Notice

- 89(1) Every notice of a meeting of the Company shall specify the place, date and hour of the meeting, and shall contain a statement of the business to be transacted thereat.
- (2) In every notice there shall appear within reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and that a proxy need not be a member of the Company.

Special Business

- 90.(1) In the case of an Annual General Meeting, all business to be transacted at the meeting shall be deemed special with the exception of business relating to:
- (i) the consideration of the Accounts, Balance Sheet and Profit and Loss Account and Reports of the Board of Directors and the Auditors;
- (ii) the declaration of a dividend;
- (iii) the appointment of Directors in the place of those retiring; and
- (iv) the appointment of and the fixing of the remuneration of the Auditors,
- (2) In the case of any other meeting, all business shall be deemed special.
- (3) Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular, the nature of the concern or interest, if any, therein of every Director and the Manager, if any. Provided that where any item of special business as aforesaid to be transacted at a meeting of the Company relates to, or affects any other Company, the extent of the share-holding interest, in that other Company of every Director and the Manager if any of the Company shall also be set out in the, explanatory statement, if the extent of such shareholding interest is not less than twenty (20) per cent of paid-up share capital of that other Company.
- (4) Where any item of business to be transacted at the meeting of the Company consists of according to the approval the meeting of any documents, the time and place where the document can be inspected shall be specified in the explanatory statement.

Service of Notice

91 Notice of every meeting shall be given to every member of the Company in any manner authorised by subsections (1) to (4) of Section 53 of the Act and by these Articles. It shall be given to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a pre-paid letter addressed to them by name, or by the title of the representatives of the deceased or assignees of the insolvent or by any like description, at the address if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred. Provided that where notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the registered office of the Company as provided in sub-section (3) of Section 53 of the Act, the explanatory statement need not be annexed to the notice as required by Section 173 of the Act, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company,

As to omission to give notice

93 The accidental omission to give notice of any meeting to or the non-receipt of any notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting or the Resolution passed thereat,

Resolution requiring Special Notice

- 94(1) Where, by any provision contained in the Act or in these Articles, special notice is required of any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen (14) days before the meeting at which it is to be moved, exclusive of the day on which the notice is served or deemed to be served and the day of the meeting.
- (2) The Company shall, immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as is given notice of the meeting, or if that is not practicable, shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these Articles, not less than seven (7) days before the meeting.

PROCEEDINGS AT GENERAL MEETINGS

Quorum at General Meeting

95 Minimum five (5) members entitled to vote and present in person shall be a quorum for general meeting and no business shall be transacted at any general meeting unless the quorum requisite be present at the commencement of the business.

Proceeding when quorum not present

96. If with in half an hour after the time appointed for the holding of a general meeting a quorum be not present, the meeting, if convened on the requisition of shareholders, shall stand dissolved and in every other case shall stand dissolved to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day, time and place as the Directors may by notice to the shareholders determine if at such adjourned meeting a quorum be not present within half an hour from the time appointed for holding the meeting, the members present shall be a quorum and may transact the business for which the meeting was called.

Business at adjourned meeting

97. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

Chairman

98. The Chairman of the Board of Directors shall be entitled to take the Chair at every general meeting. If there be no Chairman, or if at any meeting he shall not be present within fifteen (15) minutes after the time appointed for holding such meeting or he has notified to the Company of his absence, or is unwilling to act as Chairman of the meeting, the Directors present may elect one of their members to be the Chairman of the meeting.

Business confined to election of Chairman whilst Chair vacant

- 99.(1) No business shall be discussed at any general meeting except the election of Chairman whilst the Chair is vacant.
- (2) If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and these Articles. The Chairman so elected on the show of hands will exercise all the powers of the Chairman under the Act, and these Articles.
- (3) If some other person is elected Chairman, chairman for the rest of the meeting.

Chairman with consent may adjourn meeting

100. The Chairman with the consent of any meeting at which a quorum is present, any meeting from time to time and from place to place in the city or the town or village in which the registered office of the Company is situated.

Notice to be given where a meeting adjourned for thirty days or more

101. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to given any notice of an adjournment or the business to be transacted at an adjourned meeting.

What would be the evidence of the passing of resolution where poll not demanded

102. At any general meeting, a resolution put to the vote of the meeting shall, unless a poll is (before or on the declaration of the result of the voting on show of hands) demanded by decided on a show of hands and unless a poll is so demanded, a declaration by the Chairman that a resolution has been carried, either unanimously or by a particular majority and an entry to that affect 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.

Demand for poll

103 Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy or by a duly constituted attorney in case the member is a company or a corporation either registered in India or abroad or by any member present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not less than one-tenth (1/10) of the total voting power in respect of the resolution or by any member or members present in person or by proxy and holding shares in the Company, conferring a right to vote on the resolution being shares on which an aggregate sum of not less than fifty thousand rupees (Rs. 50,000) has been paid up. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Time and manner of taking poll

104 A poll demanded on any question (other than the election of the Chairman or on a question of adjournment, which shall be taken forthwith) shall be taken at such place in the city, town or village in which the registered office of the Company is situated and at such time, not being later than forty-eight (48) hours from the time when the demand was made, as the Chairman may direct, subject in the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken, including the power to take the poll by open voting or by secret ballot and either at once or after the interval of adjournment or otherwise and the result of the poll shall be deemed to be decision of the meeting on the resolution on which the poll was taken.

Scrutineers at poll

105 When a poll is to be taken, the Chairman of the meeting shall appoint two (2) scrutineers to scrutinise votes given on the poll and to report thereon to him. The Chairman shall have the power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of scrutineers arising from such removal or from any other cause. Of the two (2) scrutineers appointed under this Article, one shall always be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed.

Demand for poll not to prevent or transaction of other business

106 The demand for a poll shall not prevent the continuance of meeting for transaction of any business other than the question on which poll has been demanded,

Resolution how decided in case of equality of votes

107 In 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 take place, or at which the poll is demanded shall be entitled to a casting vote, in addition to his own vote or votes which he may be entitled as a member.

Reports, Statements and Registers to be laid on the table

108. At every Annual General Meeting of the Company there shall be laid on the table Director's Report and audited Statement of Accounts, Auditor's Report (if not already incorporated in the audited accounts), the Proxy Register with proxies and the Register of Directors and Managing Director's or Manager's holdings

maintained under Section 307 of the Act. The Auditor's Report shall be read before the Company in general meeting and shall be open to inspection by any member of the Company.

Registration of certain Resolutions and Agreements

- 109. A copy each of the following resolutions (together with a copy of the statement of material facts annexed under Section 173 to the notice of the meeting in which such resolution has been passed) or agreement shall, within thirty (30) days after the passing or making thereof, be printed or type-written and duly certified under the signature of an officer of the Company and filed with the Registrar.
- (a) all special resolutions;
- (b) resolutions which have been agreed to by all the members of the Company but which, if not so agreed to, would not have been effective for their purpose unless they had been passed as special resolutions;
- (c) resolutions of the Board or agreements relating to the appointment, reappointment or renewal of the appointment or variation of the terms of appointment of a Managing Director;
- (d) resolutions or agreements which have been agreed to by all the members or any class of shareholders but which if not so agreed to would not have been effective for their purpose unless they had been passed by some particular majority or otherwise in some particular manner and all resolutions or agreements which effectively bind all the members or any class or shareholders though not agreed to by all those members.
- (e) resolutions requiring the Company to be wound up voluntarily passed in pursuance of sub-section (1) Section 484 of the Act:
- (f) resolutions passed by the Company according consent to the exercise by the Board of Directors of the powers under clauses (a), (d) and (e) of sub-section (1) of section 293 of the Act; and
- (g) resolutions passed by the Company approving the appointment of sole selling agents under Section 294 of the Act.

A copy of every resolution which has the effect of altering the Articles of Association of the Company and a copy of every Agreement referred to the above sub-clauses (c) and (d) shall be embodied in and annexed to every copy of the Articles issued after the passing of the resolution of the making of the Agreement.

Inspection of minutes books of General Meetings

111. The books containing the aforesaid minutes shall be kept at the registered office and be open during business hours for the inspection of any member without charge subject to such reasonable restrictions as the Company may by these Articles or in general meeting impose in accordance with Section 196 of the Act. Any member shall be entitled to be furnished within seven (7) days after he has made a request in that behalf to the Company with a copy of the minutes on payment of Rupees One (Re.1) of every one hundred words or fractional part thereof required to be copied.

Publication of report of proceedings of General Meeting

112. No report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 193 of the Act to be contained in the minutes of the proceedings of such meetings.

VOTES OF MEMBERS

Votes may be given by proxy or attorney

113. Subject to the provisions of the Act and these Articles, votes may be given either personally or by proxy or in the case of a body corporate also by a representative duly authorised under Section 187 of the Act and Article 115 hereof.

Votes

- 114. Subject to the provisions of the Act and particularly of Sections 87, 88 and 92(2) thereof and of these articles:
- (1) upon a show of hands every member holding equity shares and entitled to vote and present in person including proxy of a corporation or a representative of a Company as mentioned in Article (115), shall have one vote;

- (2) upon a poll the voting right of every member holding equity shares entitled to vote and present in person (including a proxy of a corporation or a representative of a Company present as aforesaid) or by proxy shall be in the same proportion as the capital paid on the equity share or shares (whether fully paid or partly paid) held by him bears to the total paid-up equity capital of the Company;
- (3) upon a show of hands or upon a poll, the voting right of every member holding, preference share shall be subject to the provisions, limitations and restriction laid down in Section 87 of the Act.

No voting by proxy on show of hands

115. No member not personally present shall be entitled to vote on a show of hands unless such member is a corporation present by proxy or unless such member is body corporate present by a representative duly authorized under Section 187 of the Act or by a proxy by such body corporate in which case such proxy or representative may vote on show hands as if he were a member of the Company.

Votes in respect of shares of deceased and insolvent members

116. Any person entitled under the transmission Article (Article 57 hereof) to transfer any shares may vote at any general meeting in respect thereof as if he were the registered holder of such shares; provided that atleast forty-eight (48) hours before the time of holding of the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity, if any, as the Directors may require, unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Voting by members of unsound mind and minors

117. A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his committee or other legal guardian; and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian, or any one of his guardians, if more than one, to be elected in case of dispute by the Chairman of the meeting.

No member to vote unless call are paid

118. Subject to the provisions of the Act no member shall be entitled to exercise any voting right at any general meeting either personally or by proxy or be reckoned in a quorum whilst any call or other sum is due and presently payable to the Company in respect of any of the shares of such member or in regard to which the Company has exercised right or lien.

Right of member to use his votes differently

119. On a poll taken at a meeting of the Company a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

Proxies.

120. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself but a proxy so appointed shall not have any right to speak at the meeting.

Appointment of proxy

121. Every proxy shall be appointed by an instrument in writing signed by the appointee 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.

Deposit and validity of instrument of appointment

- 122.(1) The instrument of proxy shall be deposited at the office of the Company not less than forty-eight (48) hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.
- (2) Every member entitled to vote at a meeting of Company according to the provisions of these Articles on any resolution to be moved there at shall be entitled, during the period beginning twenty four (24)) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting

and ending with the conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company provided not less than three (3) day's notice in writing of the intention so to inspect is given to the Company. Inspection of proxy

Form of proxy

123. An instrument appointing a proxy shall be in the following form, or shall contain words to the following effect:

Custody of the instrument of proxy notwithstanding death of member etc.

124. Where the power to act as proxy is given by any member by executing special or general power attorney, such power of attorney shall be delivered to the Company along with an extra copy thereof and the Company on comparing the copy with the original, shall return the original.

Validity of Votes given by proxy notwithstanding death of member etc.

125. A vote given in accordance with the terms of an instrument of proxy shall be valid not with-standing the previous death of the principal or revocation of the proxy under which such proxy was signed provided that no intimation in writing of the death or revocation shall have been received before the commencement of the meeting.

Validity of Votes given by proxy notwithstanding death of member etc.

126. Subject to the provisions of the Act and these Articles, no objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by proxy or by any means hereby authorised and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

Chairman of any meeting to be the judge of validity of any votes

127. Subject to the provisions of the Act and these Articles, the Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting and subject as aforesaid, the Chairmen present at the time of poll shall be the sole judge of the validity of every vote tendered at such poll.

DIRECTORS

Appointment of Alternate Directors

130. The Board of Directors of the Company or the collaborator as the case may appoint an Alternate Director to act for a Director (hereinafter called "the Original Director") Directors during his absence for a period of not less than three (3) months from the State in which the meeting of the Board of Directors are ordinarily held and such appointment shall have effect and such appointee, whilst he hold 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 Articles shall not hold office as such for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns. If the term of office of Original Director is determined before he so returns to the said State of any provisions in the Act or in these Articles for the Automatic re-appointment of the retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

Casual Vacancy

131. Subject Co the provisions of Section 262(2) and 283(1) and other applicable provisions (if any) of the Act any casual vacancy occurring in the office of a Director whose period of office is liable to determination by retirement by rotation may be filled up by the Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date on which the Director in whose place he is appointed would have hold office office if the vacancy had not occurred.

Appointment of Additional Directors

132. Subject to the provision of Section 260 and other applicable provisions (if any) of the Act the Directors shall have power at any time and from time to time to appoint a person or persons as Additional Director or Directors. The Additional Director shall hold office till the date of the next following Annual general meeting but shall be eligible for re-appointment.

Qualification of Directors

133. A Director of the Company shall not be required to hold any qualification shares.

Remuneration of Director

- 134.(1) The remuneration of a Director for his services shall be the sum of Rupees Five thousand (Rs. 5000) for each meeting of Board or of one or more Committees of the Board attended by him or such amount as the Board may decide from time to time. Subject to the limitations provided by the Act, such additional remunerations, as may be fixed by the Directors, may be paid to anyone or more of the Directors, 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 such proportion and manner as the Directors may from time to determine, and in default of such determination, equally and such remuneration and/or additional remuneration may be by way of fixed sum or commission as laid down in Sections 309, 349 350 and 351 of the Act on net profits or by participation in profits or by any or all those modes.
- (2) The Directors may, subject as aforesaid, allow and pay to any Director who is not a bona fide resident of the place where a meeting is held and who shall come to such place or the purpose of attending a meeting, travelling, boarding, lodging and other expenses. In addition to his fees for attending such meeting as above specified.

Directors may act notwithstanding vacancy

135. The continuing Directors may act notwithstanding any vacancy in their body; but so that if the number falls below the minimum number above fixed and notwithstanding the absence of a quorum, the Directors shall not act except for the purposes of filling up vacancy or for summoning a general meeting of the Company.

Interested Director not to participate or vote in Board's proceedings

137(5) An interested Director shall not take any part in the discussions of or vote on any contract or arrangement entered into, or to be entered into by or on behalf of the Company if he is in any way, directly or indirectly, concerned or interested in the contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote, shall be void;

Provided that this prohibition shall not apply:

- (i) to any contract of indemnity against any loss which the Directors or any one or more of them suffer by reason of becoming or being a surety or sureties for the Company,
- (ii) to any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely in his being a Director of such Company and the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as Director thereof he having been nominated as such Director by the Company or in his being a member holding not more than two (2) percent of the paid up share capital of such company whichever is greater;
- (iii) in case a notification is issued under sub-section (3) of Section 300 of the Act to the extent specified in the notification.

RETIREMENT AND ROTATION OF DIRECTORS

Retirement by Rotation

145(1) Not less than two-third (2/3) of the total number of Directors of the Company shall be persons whose period of office is liable to determination by retirement of Directors by rotation, and save as otherwise expressly provided in the Act and these Articles, be appointed by the Company in a general meeting.

- (2) The remaining Directors shall be appointed in accordance the provision of these Articles and particularly in accordance with the provisions of Articles 129, 130 and 173.
- (3) At the first Annual General Meeting of the Company and at every subsequent Annual General Meeting one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three (3) or a multiple of three (3), then number nearest to one-third (1/3) shall retire from office.
- 146. Subject to the provisions of the Act and these Articles, the Directors to retire by rotation under the foregoing Articles at every Annual General Meeting shall be those who have been longest in office since their last appointment but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lots. Subject to the provisions of the Act a retiring Director shall remain in office until the conclusion of the meeting at which his reappointment is decided or his successor is appointed.

DIVIDENDS

Division of Profits

181. The profit of the Company, subject to the provision of these Articles, shall be divisible among the members in proportion to the amount of capital paid up on the shares help by them respectively. Provided always that capital paid up on a share during the period in respect of which a dividend is declared, shall unless the terms of issue otherwise provide, only entitle the holder of such share to an apportioned amount of such dividend proportionate to the capital from time to time paid up, during such period on such share,

Capital paid up in advance at interest not to earn dividend

182. Where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not whilst carrying interest confer a right to dividend or to participate in profits.

Dividends in proportion to amount paid up

183. The Company may pay dividends in proportion to the amount paid up or credited as paid up or credited as paid on each share, where a larger amount is paid up or a credited as paid up on shares than no others.

The Company in General Meeting may declare a dividend

184 The Company in a general meeting may, subject to the provisions of Section 205 of the Act, declare a dividend to be paid to the members according to their respective rights and interests, in the profit and subject to the provisions of the Act may fix the time for its payment. When a dividend has been so declared either the dividend shall be paid or the warrant in respect thereof shall be posted within forty two (42) days of the date of the declaration to the shareholders entitled to the payment of the same.

Reserves

- 185. Subject to the provision of the Act the Board shall in accordance with Section 205 (2A) of the Act before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and such application may at the discretion, either be employed in the business of the Company or be Invested in such Investments. The Board may also carry forward any profit which it may think prudent not to divide without settle the aside as a reserves.
- (i) No larger dividend shall be declared than is recommended by the Directors but the Company, in a general meeting, may declare a smaller dividend. No dividend shall be payable except out of the profits of the year or any other undistributed profits of the Company, or otherwise than in accordance with the provisions of section 205, 206 and 207 of the Act and no dividend shall car' interest as against the Company. The declaration of the Directors as to the amount of the net profits of Company shall be conclusive.
- (ii) No unclaimed or unpaid dividend shall be forfeited by the Company and the same shall be dealt with in accordance with Section 205 A and 205 B of the Act.

Interim Dividend

186. Subject to the provisions of the Act, the Directors may, from time to time, pay to the members such interim dividends as in their judgement the position of the Company justifies.

Retention of dividends until completion of transfer under Article 57

187. Subject to the provisions of the Act, the Directors may retain the dividends payable upon any shares in respect of which any person under Article 57 hereof, is entitled to become a member or which any person under that Article is entitled to transfer until such person shall become a member in respect of such shares of shall duly transfer the same. The provisions of this Article shall apply to any interest created in a share either by reason of transmission or by operation of law or otherwise.

No member to receive dividend whilst indebted to the Company and Company's right of reimbursement thereabout.

188. Subject to the provisions of the Act no member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever either alone or jointly with any other person or persons, and the Directors may deduct from the interest or dividend payable to any member all sums of money due from him to the Company.

Transfer of shares must be registered

189. A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer.

Dividends how remitted

190. Unless otherwise directed any dividend may be paid by cheque or warrant sent through post to the Registered address of the members or person entitled to the shares or in the case of joint holders to that one of them first named in the Register in respect of the joint holding. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transaction or for any dividend lost to the member or other person entitled thereof by the forged endorsement of any cheques of warrant or the fraudulent or improper recovery thereto by any other means.

Unclaimed dividends

191. Where the Company has declared a dividend which has not been paid or claimed or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank called "Unpaid Dividend of Ambience Limited" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the fund known as the Investor Education and Protection Fund, established under Section 205C of the Act.

No unclaimed or unpaid dividend shall be forfeited by the Board.

Dividend and call together

192. Any general meeting declaring a dividend may on the recommendation of the Directors make a call on the members for such amount as the meeting fixed, but so that the call to each member shall not exceed the dividend payable to him and so that the call may be made payable at the same time as the dividend may, if so arranged between the Company and the members be set off against the call.

CAPITALISATION

Capitalisation

193.(1) Any general meeting may resolve that any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or any moneys, investments or other assets forming part of the

undivided profits (including profits or surplus moneys arising from the realisation) and where permitted by law from the appreciation in value of any capital assets of the Company standing to the credit of the General Reserve or any Reserve Fund or any other fund of the Company or in the hands of the dividend be capitalized:

- (a) By the issue and distribution as fully paid up shares of the Company; or
- (b) by crediting shares of the Company which may have been issued and are credited as partly paid up with the whole or any part of the sum remaining unpaid thereon.

Provided that any amount standing to the credit of the Share Premium Account or the capital Redemption Reserve Account shall be applied only in crediting the payment of capital on shares of the Company to be issued to members (as herein provided) as fully paid bonus shares.

- (2) Such issues and distribution under (1) (a) above and such payment to the credit of unpaid share capital under (1) (b) above shall be made to, amongst and in favour of the members or any class of them or any of them entitled thereto in accordance with their respective rights and interest and in proportion to the amount of the capital paid up on the shares held by them respectively in respect of which such distribution under (1) (a) or payment under (1) (b) above shall be made on the footing that such members become entitled thereto as capital.
- (3) The Directors shall give effect to any such resolution and apply such portion of the profit, General Reserve or Reserve Fund or any other fund or account as aforesaid as may be required for the purpose of making payment in full for the shares of the Company so distributed under (1) (a) above 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 under 1 (b) above, provided that no such distribution or payment shall be made unless recommended by the Directors and if so recommended such distribution or payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalised sum.
- (4) For the purpose of giving effect to any such resolution the Directors may 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 fractional certificates and may fix the value for distribution of specific assets and my deter mine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash or shares in trustees upon such trusts for the persons entitled thereto as may deem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares and fractional certificates or otherwise as they may think fit.
- (5) Subject to the provisions of the Act and these Articles in cases where some of the shares of the Company are fully paid-up and others are partly paid-up only, such capitalisation may be effected by the distribution of further shares in respect of the fully paid shares, and by crediting partly paid shares with the whole or part of the unpaid liability thereof but so that as between the holders of the fully paid shares and the partly paid shares the sum so applied on the payment of such further shares, and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied prorata in proportion to the amount then already paid or credited as paid on the existing fully paid shares respectively.
- (6) When deemed requisite a proper contract shall be made in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective

INDEMNITYAND RESPONSIBILITY

Directors and others right to indemnity

223.(a) Subject to the provision of Section 201 of the Act, every Director of the Company or the Managing Director, manager, secretary and other officer or employee of the Company and all trustees (if any) for the time being acting in co-relation to any of the affairs of the Company and every one of them shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses and expenses (including traveling expenses) which any such Director, Managing Director, officer or employee and the trustees (if any) for the time being acting in co-relation to

any of the affairs of the Company may incur or become liable to by reason of any contract entered into any act or deed done by him as such Director, officer or servant or in any way in the discharge of his duties.

(b) Subject to as aforesaid every Director, Managing Director, manager, secretary or other officer or employee of the Company or the trustees (if any) for the time being acting in relation to any at the affairs of the Company and every one of them shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any applications under section 633 of the Act, in which relief is given to him by court

Not responsible for acts of others

224 Subject to the provision of Section 201 of the Act, no Director or the Managing Director or other officer of the Company shall be liable for the acts, omissions, neglects, defaults of any other Director or officer or for joining in any omission or other act for conformity, or for any loss or expenses suffered by the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company or corporation with whom any moneys, securities or effects shall be invested or for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person, company or corporation with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgement or oversight on his part or for any other loss or damages or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty, willful neglect or default.

DEMATERIALISATION OF SECURITIES

- 225. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.
- (a) The Company shall be entitled to dematerialize securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.
- (b) Every holder of or subscriber to securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is the Beneficial Owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required certificates for the securities. If a person opts to hold his securities with the Depository, the Company shall intimate such Depository the details of allotment of the securities, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the securities.
- (c) All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by on behalf of the Beneficial Owners.
- (d) (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities of the Company on behalf of the Beneficial Owner.

(ii) Save as required by applicable law, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(iii) Every person holding securities of the Company and whose name is entered as the Beneficial Owner of securities in the record of the Depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a Depository and shall be deemed to be a member of the Company.

- (e) Notwithstanding anything contained in the Act or these Articles to the contrary, where securities of the Company are held in a Depository, the records of the Beneficiary Ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.
- (f) Nothing contained in Section 108 of the Act shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.
- (g) Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a

Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

(h) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

The Register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be the register and index of members and security holders for the purposes of these Articles.

SECTION IX: OTHER INFORMATION MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered into or will be entered into by the Company. These contracts, copies of which have been attached to the copy of this Draft Red Herring Prospectus, delivered to the Registrar of Companies for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of the Company from 10.00 am to 4.00 pm on working days from the date of filing this Draft Red Herring Prospectus until the Bid Closing Date.

Material Contracts to the Issue

- 1. Agreement dated September 24, 2009 among the Company and the BRLMs.
- 2. Agreement dated [•] executed by the Company with the Registrar to the Issue.
- 3. Stabilisation Agreement dated September 24, 2009 between the Company, the Green Shoe Lender and the Stabilising Agent.
- 4. Letter dated September 9, 2009 appointing the Monitoring Agency
- 5. Escrow Agreement dated [•] among the Company, the BRLMs, Escrow Collection Banks and the Registrar to the Issue.
- 6. Syndicate Agreement dated [•] among the Company, the BRLMs and the Syndicate Members.
- 7. Underwriting Agreement dated [•] among the Company, the BRLMs and the Syndicate Members.

Material Documents

- 1. Memorandum and Articles of Association of the Company as amended.
- 2. Certificate of incorporation dated April 14, 1986 and certificates for the subsequent name changes.
- 3. Shareholders' resolutions dated September 21, 2009 in relation to the Issue, Green Shoe Option and other related matters.
- 4. Resolution of the Board of Directors dated September 16, 2009 authorising the Issue and the Green Shoe Option.
- 5. Reports of the Auditor, BLY & Associates, Chartered Accountants, dated September 22, 2009 prepared as per Indian GAAP and mentioned in this Draft Red Herring Prospectus.
- 6. Report on statement of tax benefits dated September 22, 2009 as contained in the Draft Red Herring Prospectus.
- 7. Copies of annual reports of the Company for the last five fiscals.
- 8. Consents of the Auditor, BLY & Associates, Chartered Accountants, for inclusion of their report on accounts in the form and context in which they appear in this Draft Red Herring Prospectus.
- 9. Resolution executed by the Directors of the Company in favour of person(s) for signing and making necessary changes to this Draft Red Herring Prospectus and other related documents.
- 10. Consents of Auditor, the BRLMs, Syndicate Members, Registrar to the Issue, Banker to the Issue, Architects, Bankers to the Company, Domestic Legal Counsel to the Company, Domestic Legal Counsel to

the Underwriters, International Legal Counsel to the Underwriters, Directors of the Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.

- 11. Applications dated [•] and [•] for in-principle listing approval to the BSE and NSE, respectively.
- 12. In-principle listing approval dated [•] and [•] from the BSE and NSE respectively.
- 13. Agreement among NSDL, the Company and the Registrar to the Issue dated [•].
- 14. Agreement among CDSL, the Company and the Registrar to the Issue dated [•].
- 15. Due diligence certificate dated September 25, 2009 to SEBI from the BRLMs.
- 16. SEBI observation letter [•] dated [•] and the Company's in-seriatim reply to the same dated [•].
- 17. IPO grading report dated $[\bullet]$ by $[\bullet]$.
- 18. Development agreement among Mrs. Sheela Gehlot, Mr. Vipin Solanki, Mr. Raghubinder Singh, Mr. Mohan Singh, Mr. Dayanand Singh, Mr. Shekhar Singh, Mr. Sandeep Chikara and Ambience Homes Private Limited dated September 5, 2009.
- 19. Development agreement among Mrs. Sheela Gehlot, Mrs. Sunita Chaudhary and Ambience Limited dated September 9, 2009.
- 20. Allotment letter dated April 18, 2007 by NOIDA in respect of land at Noida, Sector 115.
- 21. Provisional allotment letter dated August 31, 2007 by VUDA in respect of land at Madhurawada, Vishakhapatnam.
- 22. Four allotment letters dated March 4, 2008 as amended on December 2, 2008 by GNIDA in respect of land in Greater Noida, sectors Alfa –II, Beta II.

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 the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We certify that all relevant provisions of Companies Act, and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of Companies Act, the Securities and Exchange Board of India Act, 1992 or rules and regulations made thereunder,. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Directors of the Company

Mr. Raj Singh Gehlot, Chairman and Managing Director

Mr. Mohan Singh, Non-Executive Director

Mr. Dayanand Singh, Non-Executive Director

Mr. Aman Singh Gehlot, Non-Executive Director

Mr. Brij Behari Tandon, Non-Executive Director (Independent)

Mr. Ramesh Chander Kapoor, Non-Executive Director (Indpendent)

Mr. Shyam Sunder Dawra, Non-Executive Director (Indpendent)

Mr. Shamsher Singh Kanwar, Non-Executive Director (Indpendent)

Mr. Vinod Garg, President Finance and Corporate Affairs

Date: September 25, 2009

Place: New Delhi