

**DRAFT INFORMATION DOCUMENT**

[For Listing on Institutional Trading Platform (ITP) of NSE Emerge]

Dated: July 18, 2014

[In accordance with SEBI (Listing of Specified Securities  
on Institutional Trading Platform) Regulations, 2013]



**QVC REALTY CO. LIMITED**

Our Company was incorporated as “QVC Realty Private Limited” under the Companies Act, 1956 vide Certificate of Incorporation dated January 25, 2007 bearing Registration No 041581 in Bangalore, Karnataka. The name of our Company was changed to “QVC Realty Co. Private Limited” vide fresh certificate of incorporation dated March 02, 2009. Further, our Company was converted into a public limited company vide fresh certificate of incorporation dated June 04, 2014 and consequently the name of our Company was changed to “QVC Realty Co. Limited”. The Corporate Identification Number (CIN) of our Company is U45208KA2007PLC041581.

**Registered Office:** 89/1, Raja Ikon Building, 2nd Floor, Marathahalli Ring Road,  
Next to Sony World, Bangalore 560037, Karnataka. India.

**Tel:** +91 80 4025 0300 **Fax No.:** +91 80 4025 0350

**Website:** www.qvcrealty.com **E-mail id:** sivakumarr@qvcrealty.com

**Company Secretary and Compliance Officer: Mr. R. Sivakumar**

**NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS DRAFT INFORMATION DOCUMENT.**

**PROMOTERS: MR. PRAKASH GURBAXANI AND IIRF HOLDINGS IV LIMITED**

THIS DRAFT INFORMATION DOCUMENT IS IN TERMS OF THE CHAPTER XC OF THE SEBI (ICDR) REGULATIONS, 2009, AS AMENDED FROM TIME TO TIME AND WE PROPOSE TO LIST OUR 771,695 EQUITY SHARES ON INSTITUTIONAL TRADING PLATFORM OF NSE EMERGE.

**Absolute Responsibility of QVC Realty Co. Limited**

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

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## GENERAL

### DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, the following terms have the meanings given below. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

In this Draft Information Document, unless the context otherwise indicates, all references to “QVC”, “the Company”, “our Company” are to QVC Realty Co. Limited, a company incorporated in India under the provisions of Companies Act, 1956 (the “Companies Act”) having its Registered Office at 89/1, Raja Ikon Building, 2<sup>nd</sup> Floor, Marathahalli Ring Road, Next to Sony World, Bangalore – 560037, Karnataka, India. Furthermore, all references to the terms “we”, “us” and “our” are to QVC Realty Co. Limited.

#### Company Related Terms

Terms	Description
Act/Companies Act	The Companies Act, 1956 as amended and The Companies Act, 2013 to the extent of such provisions as have come into effect vide Ministry of Corporate Affairs’ Notifications till date.
Articles/ Articles of Association/AOA	The Articles of Association of QVC Realty Co. Limited
Board of Directors / Board/Director(s) / Our Board	The Board of Directors of our Company or a duly constituted committee thereof.
Company Secretary and Compliance Officer	Mr. R. Sivakumar
CC	Commencement Certificate
CCPS	Compulsorily Convertible Preference Shares of face value of Rs 10/- each or of such other value as may be issued by the Company from time to time as may be approved by the shareholder.
Depositories	NSDL and CDSL
Developable Area	The total area which we develop in each of our projects, and includes carpet area, common area, service and storage area as well as other open area including car parking.
Director(s)	The director(s) of our Company, unless otherwise specified.
Equity Shares / Shares	Equity Shares of our Company of face value of Rs. 10/- each fully paid up, unless otherwise specified in the context thereof
EMERGE-ITP Platform of NSE/Stock Exchange	The EMERGE-ITP platform of NSE for listing of equity shares offered under Chapter X-C of the SEBI (ICDR) Regulations
FIPB	Foreign Investment Promotion Board
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.
Forthcoming/ Upcoming Projects	Our projects for which (i) land has been acquired or a memorandum of understanding or development agreement has been executed; (ii) if required, change of land use has been completed, or an application for change in land use has been submitted to the relevant authorities; and (iii) management’s project development plans are complete.
ITP	Institutional Trading Platform

Listing Agreement	The listing agreement to be entered into by our Company with the Stock Exchange.
Memorandum of Association / Memorandum / MOA	Memorandum of Association of our Company, as amended from time to time.
NSE	National Stock Exchange of India Limited.
Promoters / Our Promoters	Promoters of our Company, being Mr. Prakash Gurbaxani and IIRF Holdings IV Limited, Mauritius.
Registered office	The Registered Office of our Company situated at 89/1,Raja Ikon Building, 2nd Floor, Marathahalli Ring Road, Next to Sony World, Bangalore 560037, Karnataka.
ORPS	Optionally Redeemable Preference Shares of face value of Rs 10/- each or of such other value as may be issued by the Company from time to time as may be approved by the shareholder.
Ongoing project	A project in respect of which the necessary legal documents relating to the acquisition of land or development rights have been executed by us and/ or key land related approvals have been obtained and any one of the following activities are being undertaken (not necessarily in the sequence set out herein): (a) on-site construction of the project has commenced; (b) initial detailed design for civil and landscaping is being undertaken and work has commenced on detailed design; (c) project launch activity which includes the construction of a show residence, sales office and other supporting infrastructure at the project site has commenced; or (d) an architect has been appointed and a detailed concept design is being prepared.
RCCPS	Redeemable Cumulative Convertible Preference Shares of face value of Rs 10/- each or of such value as may be issued by the Company from time to time as may be approved by the shareholder.
RoC	Registrar of Companies, Bangalore, Karnataka
Saleable Area	That part of Developable Area relating to our economic interest in each project.
Statutory Auditor	The statutory auditor of our Company , being Deloitte Haskins & Sells , Chartered Accountants
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Regulation/ SEBI (ICDR) Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended.
SEBI Insider Trading Regulations	The SEBI (Prohibitions of Insider Trading) Regulations, 1992, as amended, including instructions and clarifications issued by SEBI from time to time.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
Stock Exchange	Shall refer to the NSE where the shares of the Company proposed to list.
Urban Land Ceiling Act	The Urban Land (Ceiling & Regulation) Act, 1976

## Abbreviations

Abbreviation	Full Form
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
AGM	Annual General Meeting
AY	Assessment Year
B. A	Bachelor of Arts
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
BG/LC	Bank Guarantee / Letter of Credit
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
DIN	Director Identification Number
DP	Depository Participant
ECS	Electronic Clearing System
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
FY/ Fiscal/ Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FIs	Financial Institutions
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000
GIR Number	General Index Registry Number
GoI/ Government	Government of India
GDP	Gross Domestic Product
HUF	Hindu Undivided Family
INR/ Rupees	Indian Rupees, the legal currency of the Republic of India
I.T. Act	Income Tax Act, 1961, as amended from time to time
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
M. A	Master of Arts
M. B. A	Master of Business Administration
M. Com	Master of Commerce
M. E	Master of Engineering
M. Tech	Masters of Technology
NA	Not Applicable
NAV	Net Asset Value

NPV	Net Present Value
NSDL	National Securities Depository Limited
P.A.	Per Annum
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
Sq.ft	Square Feet
Sq.mt	Square Meter
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
STT	Securities Transaction Tax
Sec.	Section
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
VCF / Venture Capital Fund	Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India

Notwithstanding the following, in the section titled “Financial Information” beginning on page 28 of this Draft Information Document, defined terms shall have the meaning given to such terms in that section.

### **Certain Conventions – Use of Market Data**

In this Draft Information Document, unless the context otherwise requires or unless stated otherwise, the financial data is derived from our financial statements prepared and in accordance with the applicable regulations. In this Draft Information Document, any discrepancies in any table between the total and the sums of the amounts mentioned are owing to rounding-off.

In this Draft Information Document, unless the context otherwise requires, all references to one gender also refers to another gender and the word “lacs” means “one hundred thousand” and the word “million” means “ten lacs” and the word “Crore” means “ten million” and the word billion refers to “Thousand Million”.

### **Conversion table for Area**

In this Draft Information Document, the Company has presented information related to land in various units. The conversion ratio of such units is as follows:

1 hectare = 2.47 acres  
1 acre = 4,046.85 sq.mts  
1 acre = 43,560.00 sq.ft  
1 acre = 4840 sq yards  
1 Sq.yard = 9 Sq. Ft  
1 sq.mt = 10.764 sq.ft

### **Forward –Looking Statements**

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

All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others: -

- General economic and business conditions in India and other countries.
- Our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks that have an impact on our business activities or investments.
- The changes in monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices.
- The performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.
- Changes in the value of the Rupee and other currencies.
- The occurrence of natural disasters or calamities.
- Change in political and social conditions in India.

**GENERAL INFORMATION**

**QVC REALTY CO. LIMITED**

Our Company was incorporated as “QVC Realty Private Limited” under the Companies Act, 1956 vide Certificate of Incorporation dated January 25, 2007 bearing Registration No 041581 in Bangalore, Karnataka. The name of our Company was changed to “QVC Realty Co. Private Limited” vide fresh certificate of incorporation dated March 02, 2009. Further, our Company was converted into a public limited company vide fresh certificate of incorporation dated June 04, 2014 and consequently the name of our Company was changed to “QVC Realty Co. Limited”. The Corporate Identification Number (CIN) of our Company is U45208KA2007PLC041581.

**REGISTERED OFFICE OF OUR COMPANY:**

**QVC Realty Co. Limited**

89/1, Raja Ikon Building,  
2nd Floor, Marathahalli Ring Road,  
Next to Sony World,  
Bangalore 560037,  
Karnataka., India  
**Tel:** +91 80 4025 0300  
**Fax No.:** +91 80 4025 0350  
**Website:** www.qvcrealty.com  
**E-mail:** sivakumarr@qvcrealty.com

**REGISTRAR OF COMPANIES:**

**Registrar of Companies, Bangalore, Karnataka**

'E' Wing, 2nd Floor  
Kendriya Sadana  
Koramangala, Bangalore-560034  
**PHONE:** 080-25537449/25633104  
**FAX:** 080-25538531  
**Email:** roc.bangalore@mca.gov.in  
**Website:** www.mca.gov.in

**BOARD OF DIRECTORS:**

**Our Board of Directors comprise of the following members:**

Name	Designation	DIN	Address
Prakash Gurbaxani	Managing Director and Chief Executive Officer	00255401	249, Adarsh Palm, Ramagondada halli, Whitefield Road, Bangalore – 560066, Karnataka, India
Shahzaad Siraj Dalal	Chairman and Non-Executive Director Non- Independent Director	00011375	Emirates Crown, Apartment No.4102, Dubai Marina, Dubai, 191588, United Arab Emirates.
Archana Niranjani Hingorani	Non- Executive and Non- Independent Director	00028037	10, Jeevan Dhara, Dr Ambedkar Road, Bandra West, Mumbai, 400050, Maharashtra, India
Anantkumar Srinivasrao Kulkarni	Non- Executive and Independent Director	02078034	10AS, Parijath, 1 <sup>st</sup> Cross, Srividyanagar BSK 3 <sup>rd</sup> Stage, 4 <sup>th</sup> Phase, Near Srividyanagar Bus Stand, Bangalore – 560085



Anand Sadashiv Kapre	Non- Executive and Independent Director	00019530	A-805,Harshvardhan CHS Ltd. Saki-Vihar Road, Andheri(E), Mumbai 400072
Sheshagiri Kulkarni	Non- Executive and Independent Director	00364116	R-104, Orchid Block, Purva Park, Cox Town, Bangalore – 560005.

**For further details of our Directors, please see section titled "Our Management" on page 89 of this Draft Information Document.**

**COMPANY SECRETARY & COMPLIANCE OFFICER:**

**Mr. R. Sivakumar**

89/1, Raja Ikon Building,  
2nd Floor, Marathahalli Ring Road,  
Next to Sony World,  
Bangalore - 560037,  
Karnataka., India  
**Tel:** +91 80 4025 0300  
**Fax No.:** +91 80 4025 0350  
**E-mail:** sivakumarr@qvcrealty.com

**ADVISORS TO THE LISTING:**



SARTH I

**Sarthi Advisors Private Limited**

159/11, Amar Brass Compound,  
Vidya Nagari Marg, Kalina,  
Santacruz (East)  
Mumbai - 400098  
**Contact Person:** Mr. Deepak Sharma  
**Tel:** +91-22-26528671/72  
**Fax:** +91-22-26528673

**STATUTORY AUDITORS:**

**M/s Deloitte Haskins & Sells**

Chartered Accountants  
Deloitte Centre, Anchorage II,  
100/2, Richmond Road,  
Bangalore - 560025  
Karnataka, India  
**Tel:** +91 (080) 6627 6000  
**Fax no:** +91 80 6627 6011  
**Firm Registration No:** 008072S

**REGISTRAR TO THE COMPANY:**



**BIGSHARE SERVICES PVT. LTD.**

Attentive. Able. Adaptive

E-2 & 3, Ansa Industrial Estate,  
Saki-Vihar Road, Sakinaka  
Andheri(East), Mumbai – 400 072  
**Contact Person:** Mr. Ashok Shetty  
**Tel:** 91-22-40430200  
**Fax:** 91-22-28475207

**Investing Venture Capital Fund**

Infrastructure Leasing & Financial Services Realty Fund, a scheme of IL&FS Private Equity Trust, a SEBI Registered Venture Capital Fund through its trustee IL&FS Trust Company Limited has invested in the company by subscribing equity shares and preference shares of the Company. The SEBI Registration Number of the fund is IN/VCF/04-05/050.

## **ELIGIBILITY CRITERIA**

We are an unlisted company as on date and we propose to list our Equity Shares on Institutional Trading Platform (ITP) of NSE Emerge in terms of the Chapter XC of the SEBI (ICDR) Regulations, 2009. Our Company is eligible for the listing in terms of 106 Y and other provisions of Chapter XC of the SEBI (ICDR) Regulations, 2009.

We Confirm that

1. The name of our Company, our promoters, any of our group companies or directors does not appear in the willful defaulters list of Reserve Bank of India as maintained by Credit Information Bureau (India) Limited;
2. There is no winding up petition against the Company that has been admitted by a competent court;
3. Our Company, group companies or subsidiaries have not been referred to the Board for Industrial and Financial Reconstruction within a period of five years prior to the date of application for listing;
4. No regulatory action has been taken against the Company, its promoter or director, by the Board, Reserve Bank of India, Insurance Regulatory and Development Authority or Ministry of Corporate Affairs within a period of five years prior to the date of application for listing;
5. We have been incorporated on January 25, 2007 and thus not completed more than ten years after incorporation and our revenues have not exceeded Rs.100 crores (Rupees One Hundred Crores) in any of the previous financial years.
6. The paid up capital of the company has not exceeded twenty five crore rupees in any of the previous financial years;
7. Having being incorporated in the FY 2006-07, we have more than one year's audited financial statements at the time of making this application.
8. In accordance with Regulation 106Y(h)(i) of SEBI (ICDR) Regulations,2009, Infrastructure Leasing & Financial Services Realty Fund, a scheme of IL&FS Private Equity Trust, a SEBI Registered Venture Capital Fund through its trustee IL&FS Trust Company Limited, has invested a sum of Rs. 80.38 Lacs by subscription of 131 equity shares of our Company. However, post bonus issue the fund is holding 13,100 equity shares in the Company.

We further confirm that in accordance with Regulation 106 ZB of Chapter XC of the SEBI (ICDR) Regulations, 2009, Our Promoters i.e. Mr. Prakash Gurbaxani and IIRF Holdings IV Limited has given their consent to lock-in on 67,439 equity Shares and 86,900 equity shares respectively aggregating to 154,339, representing 20 % of the post listing Capital of the Company, for a period of three years from the date of listing.

We further confirm that in terms of Regulation 106ZC of SEBI (ICDR) Regulations, 2009:

- (i) All Equity Shares of our Company shall be in dematerialized form upon listing on Institutional Trading Platform.
- (ii) Our Company has entered into a Tripartite Agreement with CDSL and NSDL dated June 24, 2014 and July 09, 2014 respectively. We further confirm that we shall have connectivity with at least one depository at all times.
- (iii) The minimum trading lot on institutional trading platform shall be Rs. 10.00 Lacs

### **Absolute Responsibility of QVC Realty Co. Limited**

QVC Realty Co. Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Draft Information Document contains all information with regard to the company, which is material, that the information contained in this Draft Information Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Information Document as a whole or any of such information or the expression of any such opinions are intentions misleading in any material respect.

## INDUSTRY OVERVIEW

Unless otherwise stated, Industry & Market data used throughout this Draft Information Document has been obtained from internal Company reports and Industry publications and the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Draft Information Document is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

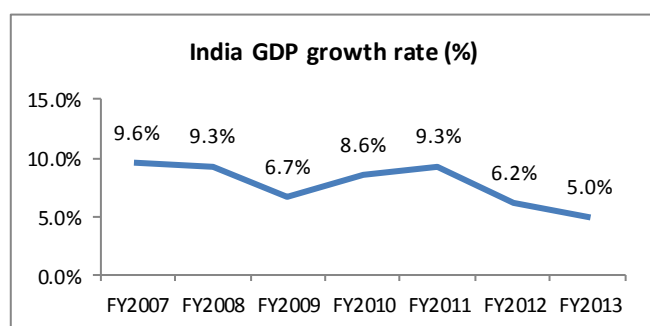
The extent to which the market and industry data used in this Draft Information Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

### OVERVIEW OF INDIAN ECONOMY:

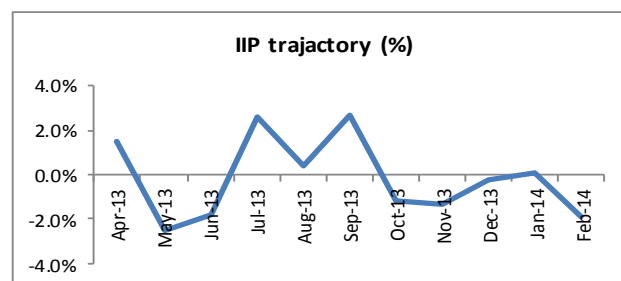
During the course of 2013-14, monetary policy had to face an extraordinary spell of financial turbulence arising from the US Fed contemplating tapering its large scale asset purchase programme. The news heralded the turning of the global interest rate cycle with volatile movements for cross-border capital flows and asset prices. Like most emerging market and developing economies (EMDEs), India faced capital outflows and intense exchange rate pressures. Monetary policy had to depart from its charted course of calibrated monetary easing that had started in April 2012 using the monetary policy space that was gradually becoming available. Past monetary tightening was dampening the pricing power of the corporates and the return to fiscal consolidation in H2 of 2012-13 was reducing the twin deficit risks. Though macroeconomic weaknesses were evident in the form of persistence in inflation, falling growth, weaker corporate balance sheet, deteriorating asset quality of the banks, fiscal imbalances and external sector vulnerabilities, the economy seemed to be mending. However, the prospect of tapering interrupted this.

The growth concerns remain significant with GDP growth staying sub-5 per cent for seven successive quarters and index of industrial production (IIP) growth stagnating for two successive years. Third, though a negative output gap has prevailed for long, there is clear evidence that potential growth has fallen considerably with high inflation and low growth. This means that monetary policy needs to be conscious of the impact of supply-side constraints on long-run growth, recognizing that the negative output gap may be minimal at this stage.

(Source: <http://rbidocs.rbi.org.in/rdocs/Publications/PDFs/MM01042014D84537B376.pdf>)



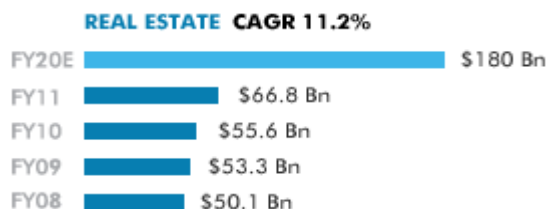
Source: RBI



Source: RBI

**OVERVIEW OF INDIAN REAL ESTATE SECTOR:**

The real estate sector in India is mainly comprised of the development of residential housing, commercial buildings, hotels, restaurants, cinemas, retail outlets and purchase & sale of land and development rights. The real estate and construction sector play an important role in the overall development of India’s core infrastructure.



The real estate sector in India has evolved over the years, accompanied by various regulatory reforms. In the past, factors such as the absence of a centralized title registry providing title guarantee, lack of uniformity in local laws affecting real estate and their application, the unavailability of bank financing, high interest rates and transfer taxes and the lack of transparency in transaction values led to inefficiencies in the sector. However, in recent years, the real estate sector in India has exhibited a trend towards greater efficiency and transparency due to the various laws and regulations that have been implemented to govern the sector.

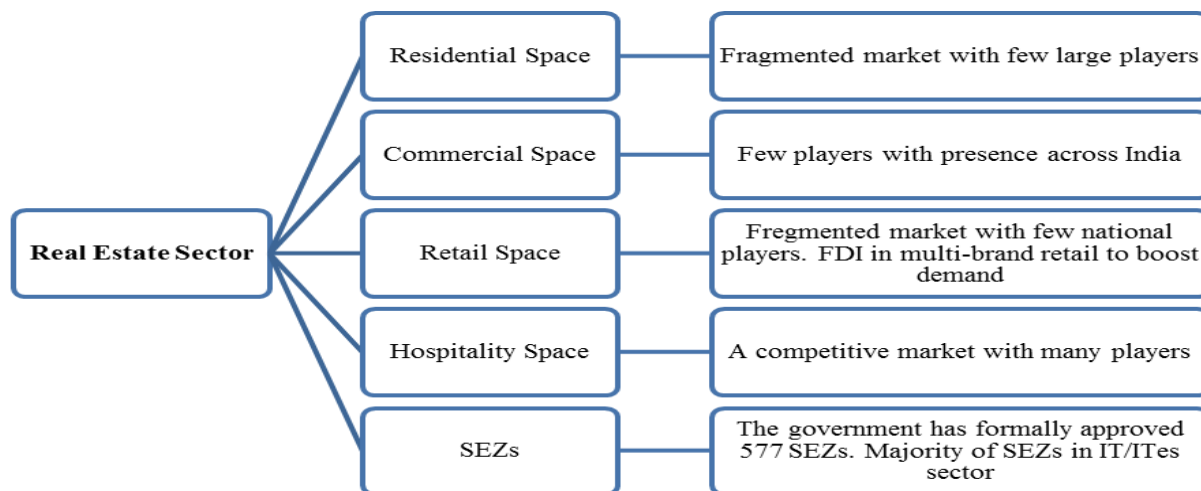
(Source: <http://www.ibef.org/industry/real-estate-india.aspx>)

The trend has contributed to the development of more reliable indicators of value and has triggered investment in the real estate sector by domestic and international financial institutions. This has also resulted in greater availability of financing for real estate developers. Real estate plays a crucial role in the Indian economy. The Indian real estate market size is expected to touch \$180 billion by 2020.

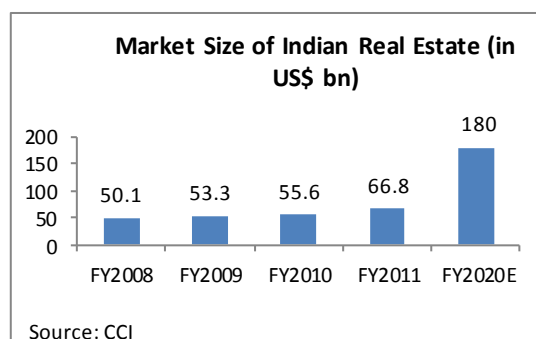
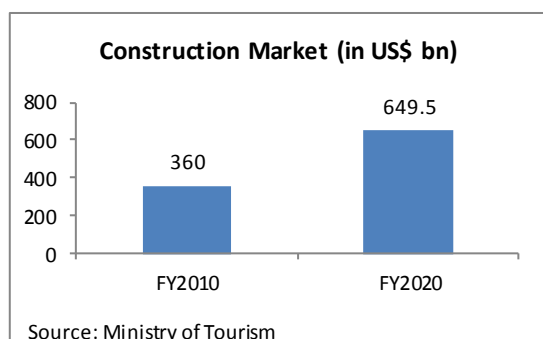
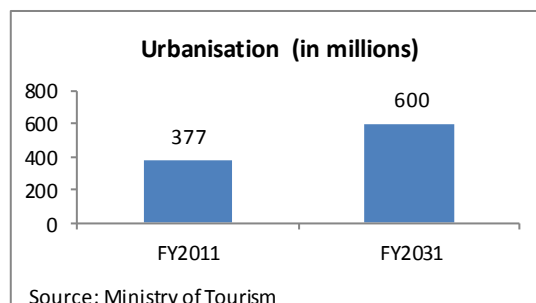
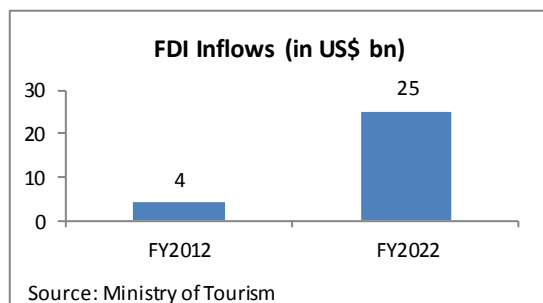
Real estate in India is being recognised as an infrastructure service that is driving the economic growth engine of the country. Growing infrastructure requirement in diverse sectors such as tourism, education, healthcare, etc., are offering several investment opportunities for both domestic as well as foreign investors. Total investment by private equity (PE) funds in the real estate sector from January–March 2014 was approximately Rs 28 billion (US\$ 465.19 million). This is a substantial increase of 28 per cent compared to the previous quarter and close to 2.5 times the investments during January–March 2013.

The role of the Government of India has been instrumental in the development of the sector. With the government trying to introduce developer and buyer friendly policies, the outlook for the real estate sector in 2014 does look promising.

**Key Segments in the Indian Real Estate**



## Key Statistics of Indian Reality Sector:



## Market Size

The market size of the Indian real estate sector stood at US\$ 55.6 billion in 2010–11 and is expected to touch US\$ 180 billion by 2020. The net office space absorption across the top eight cities – Delhi-NCR, Mumbai, Bengaluru, Chennai, Hyderabad, Pune, Kolkata and Ahmedabad – was up 58 per cent during January–March 2014 as compared to the corresponding period last year, according to real estate consultancy Cushman & Wakefield. Among the eight cities, Ahmedabad and Delhi-NCR recorded a threefold increase in net absorption during the period over January–March 2013. The number of new launches in the residential segment during the first quarter of 2014 has increased by 43 per cent at 55,000 units across eight major cities. Bengaluru recorded the largest number of units launched at an increase of 22 per cent at 16,838 units, followed by Mumbai and Chennai, according to a report by Cushman & Wakefield.

## The Bangalore Real Estate Market

Bangalore has been the fastest growing city of India over the past few decades. Information Technology has been the major growth driver responsible for aggressive real estate development of the city. Being the IT Hub of India, Bangalore has a multi-cultural population, good social infrastructure, excellent educational institutes and an improving physical infrastructure. Currently, the most promising residential micro-markets are Outer Ring Road (ORR), Sarjapur Road, Whitefield and North Bangalore.

Bangalore is also the third-largest real estate investment hub for High Net worth Individuals (HNIs) and tops the list in terms of investments from Non Resident Indians (NRIs) looking at settling down in India in the future. The city attracts a sizeable population due to its cosmopolitan culture. Home to over 10,000 individual dollar millionaires, Bangalore has a large base of expatriates living and employed in the city.

The Bangalore market witnessed improved residential real estate absorption in 4Q13 in comparison to 3Q13. Over 30 residential projects were launched across Bangalore in the last quarter of 2013. Major residential launches included Unishire Belvedere Signature, Orchids Lake View, Ajmera Stone Park, Hiranandani Edenhall, Sobha Town Square and Purva Coronation Square. Capital values appreciated marginally across various sub-markets in 4Q13 due to an increase in sales volumes and higher prices at most projects that were nearing completion.

The following factors will influence capital appreciation and rental potential in Bangalore:

- Growth in the IT Industry
- An increasing number of High Net-Worth Individuals and Non Resident Indians (NRIs) / expatriates Proposed infrastructure by the Government (Peripheral Ring Road, Metro Rail, Signal Free ORR, High Speed Rail Link, Mono Rail and Elevated Expressway).
- Proposed SEZ and IT parks in North Bangalore (ITIR in Devanhalli, Aerospace SEZ, Devanhalli Business Park, Airport City).

(Source: [http://www.moneycontrol.com/news/real-estate/reviewoutlook-2014-bangalore-residential-property\\_1044219.html](http://www.moneycontrol.com/news/real-estate/reviewoutlook-2014-bangalore-residential-property_1044219.html))

### **The Gurgaon Real Estate Market**

With rising demand from all sectors, Gurgaon hits the demand list. The real estate numbers are further driven by factors such as good connectivity to Delhi, upcoming international projects and proximity to all key areas of the city. Considering the whole of Delhi, Gurgaon is the most rapidly developing region in the real estate sector. After witnessing a rise in the property prices up to 25% in the last year, builders and property developers are keen to launch their projects in Gurgaon.

Some of the notable recent launches in Gurgaon were made by Sobha Developers, Godrej Developers and Tata Realty. The entry of such leading players in the sector has further infused the competition in the region. After having emerged as a hub for IT industry and Allied services in north India, lots of white-collar jobs have been initiated in Gurgaon in the recent times. Notwithstanding, due to its close vicinity to the national capital Delhi, large number of Fortune 500 firms have made their proud march into the city, bringing in hundreds of high-income professionals.

With the new Gurgaon-Manesar Master Plan 2025, more real estate corridors are expected to open up due to increased availability of land. Under the new plan, 14,930 hectares of land have been allocated for residential accommodations, creating home for over 58 new sectors. Most of the new real estate developments planned in Gurgaon is going to take place in these sectors. According to sources, more than 35% of the proposed residential lands are under various stages of license processing. Sohna Road, Bhiwadi, Golf Course Road, Dharuhera, Pataudi Road, Jaipur Highway are some of the high growth corridors in Gurgaon.

(Source: <http://ask.indiaproperty.com/knowledgebase/articles/123243-delhi-report-gurgaon-leads-the-real-estate-market>)

### **Challenges faced by Indian Real Estate**

#### ➤ ***Lack of national reach of existing players***

There are currently very few real estate companies in India who can claim to have operations throughout the country. Most real estate developers in India are regionally based and active in areas where the conditions are most familiar to them. This is due to factors such as:

- The differing tastes of customers in different regions;
- Difficulties with respect to large scale land acquisition in unfamiliar locations;
- An absence of business infrastructure to market projects in new locations;
- Large number of approvals which must be obtained from different authorities at various stages of construction under local laws; and
- Long development period of projects.

- ***Fragmented land holding***  
Land ownership in India is usually fragmented between multiple owners and therefore there is a low availability of large contiguous land parcels with a single owner. This leads to reduced availability of land with clear title.
- ***Majority of market belonging to unorganized segment***  
The Indian real estate sector is highly fragmented with many small builders and contractors, who account for a majority of the housing units constructed. As a result, there is less transparency in dealings or sharing of data between developers.
- ***Legal and regulatory issues***  
The legal and regulatory framework in India for land acquisition is complex, and inconsistent and overlapping state and national government laws lead to further complications and delays.
- ***Demand dependent on many factors***  
Real estate developers face challenges in generating demand for projects. The factors that influence a customer's choice of property is not restricted to quality alone, but is dependent on a number of other external factors, including proximity to urban areas and amenities such as schools, roads and water supply, each of which is often beyond the developer's control. Demand for housing units is also influenced by policy decisions relating to housing incentives, such as the government's income tax policies.
- ***Increasing raw material prices***  
Construction activities are often funded by the purchaser, who makes cash advances at different stages of construction. In other words, the final amount of revenue from a project is pre-determined and the realization of this revenue is scattered across the period of construction. A significant challenge that real estate developers face is dealing with adverse movements in cost. The real estate sector is dependent on a number of components such as cement, steel, bricks, wood, sand, gravel and paints. As the revenues from sale of units are predetermined, adverse changes in the price of any raw material directly affect the profitability of the developers.
- ***Interest rates***  
One of the main drivers of the growth in demand for housing units is the availability of finance for consumers and real estate developers at low rates of interest. Interest rates increased between 2010 and 2013; however, key interest rates were reduced over the last year causing a lowering of interest rates by banks, increased borrowers and improvement in the real estate market. Any increase in the interest rate at which real estate customers borrow funds may affect the affordability and purchasing power of customers, and hence customers demand for real estate developments.

### **Investments Opportunities**

As corporate look to expand businesses, India is expected to witness major demand for office space in 2014. Office space absorption across the country's seven major cities – Delhi-NCR, Mumbai, Bengaluru, Chennai, Pune, Hyderabad and Kolkata – is likely to increase seven per cent this year to 29 million square feet (sq ft), according to global real estate consultant DTZ.

New supply of retail space in shopping malls in India's top seven cities is expected to more than double to 11.7 million sq ft in 2014. This will take up the mall stock across India's metropolitan cities to 87.7 million sq ft by the end of the year, according to a report by Jones Lang LaSalle.

The construction development sector, including townships, housing, built-up infrastructure and construction-development projects garnered total foreign direct investment (FDI) worth US\$ 23,131.64 million in the period April 2000–February

2014. Construction (infrastructure) activities during the period received FDI worth US\$ 2,462.60 million, according to the Department of Industrial Policy and Promotion (DIPP).

### **Government Initiatives**

- The Government of India has allowed FDI up to 100 per cent in development projects for townships and settlements. Hundred per cent FDI is also permitted in the hotel and tourism sector through the automatic route.
- A committee on Streamlining Approval Procedure for Real Estate Projects (SAPREP) was constituted by the Ministry of Housing & Urban Poverty Alleviation (MHUPA) to streamline the process of seeking clearances for real estate projects.
- The Real Estate (Regulation and Development) Bill, 2013, as approved by the Union Cabinet is a pioneering initiative aimed at delivering a uniform regulatory environment to protect the consumer, help in quick verdicts of disputes and ensure systematic growth of the sector.
- Additional deduction of up to USD1,841 on interests payable on home loans of up to USD46,032 announced in the Union Budget 2013–14
- To liberalise scheme of interest subversion of 1 per cent on home loan by including loans of up to USD31,250 for houses that cost up to USD52,080
- Allocation of USD1.1 billion for Rural Housing Fund in FY14 budget
- Allocation of USD 0.37 billion for Urban Housing Fund in FY14 budget to bridge the huge shortage of housing in certain urban areas

(Source: <http://www.ibef.org/industry/real-estate-india.aspx>)

### **Road Ahead**

The Indian construction and real estate sector continues to be a favoured destination for global investors. Several large global investors, including a number of sovereign funds, have taken the first move by partnering with successful local investors and developers for investing in the Indian real estate market. This is expected to result in high transaction activity, especially in income yielding commercial office assets during 2014. The residential asset class looks to have great potential for growth. “With housing requirements growing across cities and funds investing in the asset class primarily in the form of NCDs providing fixed returns, investments in the right project have the potential to yield healthy returns,” said Mr Sanjay Dutt, Executive Managing Director – South Asia, Cushman & Wakefield. Further, demand for space from sectors such as education and healthcare has opened up ample opportunities in the real estate sector. The country still needs to add three million hospital beds to meet the global average of three for every 1,000 people. (Source: <http://www.ibef.org/industry/real-estate-india.aspx>)



## SECTION I – BUSINESS

### **DESCRIPTION OF OUR BUSINESS AND OPERATION**

We are a first generation Indian Real Estate Development Company and one of the early private equity funded real estate Development Company in India. We started our operations in the year 2007 and within a span of seven years have created a diversified portfolio of real estate development projects mainly in Gurgaon and Bangalore. Our Company is committed to develop world-class properties appropriate to the social and environmental context, and with a fundamental focus on providing superior Quality, Value and exceptional Customer Experience. Our Company is focused on developing large, integrated mixed-use projects in major Tier I and Tier II cities in India.

QVC Realty is currently developing ‘THE HILLS’ – a gated luxury villa community in Bangalore, and two integrated townships – ‘G99’ and ‘International City’ – in Gurgaon. Besides these, we have project in Chikmagalur (Karnataka).The projects cover a range of Residential, Commercial, Office, Retail, and Mixed-use Integrated Townships. Our Company has been promoted to primarily engage in development/implementation of real estate projects, along with the related brokerage and advisory services in India.

Our Company brings together a team of 29 employees who are highly qualified and experienced professionals. The team includes experts in Land acquisitions, Design and Construction, Finance, Marketing, Property Management, Legal and Technology, who bring in-depth understanding of target markets and the expertise essential to delivering successful real estate projects.

At the helm of the management, is Mr. Prakash Gurbaxani who founded QVC in January 2007. As the CEO of the Company, he directs all aspects of the business, with the sole vision of transforming the “home-buying” experience by providing exceptional quality and service.

#### **Our Operations:**

Our business operations are divided into two main segments, namely:

1. **Real estate development business**, which is our principal business and focuses on the development of real estate projects including townships, housing built-up infrastructure and construction development projects in the residential, commercial and retail segments of the real estate industry and
2. **Real estate services business**, which focuses on property management services for our real estate projects and construction management services.

#### **1. Real Estate Development Business:**

We typically develop our projects (1) through joint development agreements with land-owners, in terms of which we acquire the development rights to the underlying land; (2) through joint ventures with third parties, with whom we establish special-purpose vehicles (“SPVs”) for the purposes of developing projects through such joint venture SPVs; or (3) in fewer occasions, through acquiring land ourselves and retaining the sole development rights in respect of any project.

***Our Joint Development and Joint Venture Models:***

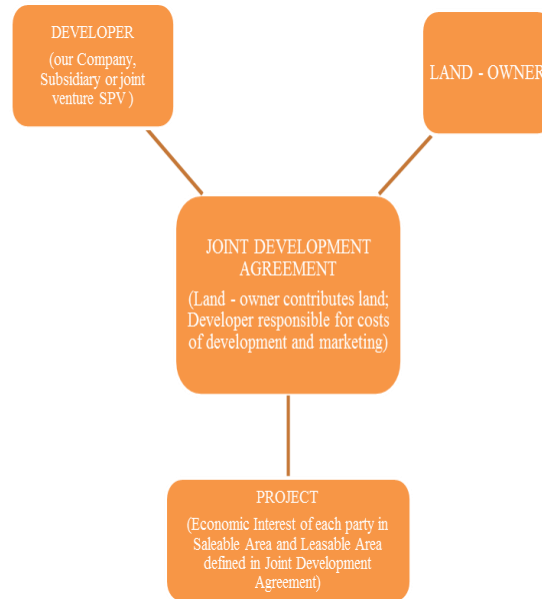
***Joint Development Model***

The diagram illustrates typical joint development model followed by our Company

In terms of each joint development agreement we conclude with land-owners, the land-owner contributes the underlying land, and we, as the project developers, either directly through our Company, Subsidiaries or a joint venture entities are responsible for the cost and execution of the development of the project on the land contributed by the land-owner, whereas the marketing and sale of the projects upon launch or completion are done by the Company.

The joint development agreement also typically sets out the economic interest of each of the land-owner and developer, which is expressed as a percentage of the total Developable Area in respect of which each party is entitled to the sale proceeds or rental income from its share in the built-up area of the project, as the case may be. Each party is also entitled to a certain percentage of the land area which is same as the share in the land area.

Accordingly, our economic interest in a given project developed pursuant to a joint development agreement represents the percentage of sale proceeds from the Developable Area and the percentage of the share in the land area conveyed to us, that we are entitled to retain under the terms of the joint development agreement.

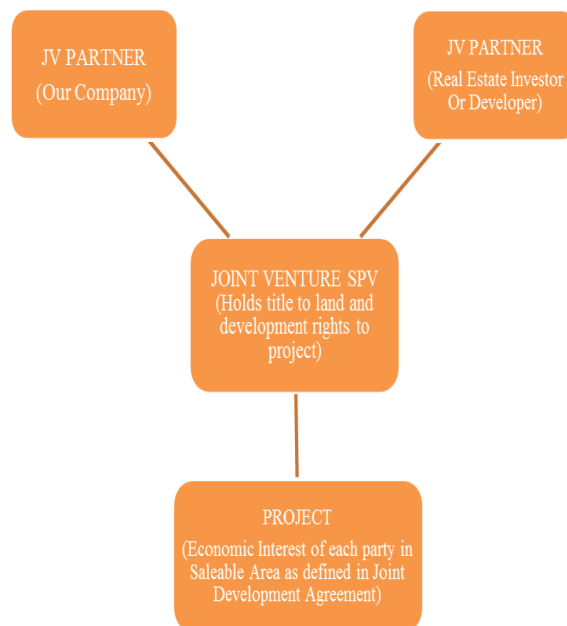


***Typical Joint Venture Model***

The diagram illustrates typical joint venture model followed by our Company

Each party's economic interest, or share in the joint development, is based on a number of parameters which vary dependent on the project being developed, but which typically include factors such as the size of the land being developed, its location and the total achievable floor space index for the project.

When developing a project through a joint venture, we typically enter into a joint venture agreement with a partner for the development of one or more projects. In terms of each joint venture agreement we conclude with a partner, an SPV is incorporated in which each party to the joint venture invests a stipulated amount of equity capital. The acquisition of land for the project and the development costs are borne by the SPV, which holds the development rights to the land, and the project is typically sold and marketed under the "Company's or Joint Developers" name .



The equity investment constitutes each party's economic interest in the project, and which translates to a percentage of the total Developable Area in respect of which each party is entitled to the sale proceeds or rental income, as the case may be, which are distributed to the joint venture partners in the form of a profit or dividend distribution. Accordingly, our economic interest in a given project developed pursuant to a joint venture represents the percentage of sale proceeds from the Developable Area that we are entitled to receive as a distribution from the SPV company in which we are a shareholder.

We also undertake projects through joint venture SPVs which may enter into joint development agreements, as described in "Typical Joint Development Model", above. In such cases, our economic interest is represented by our share of the joint venture SPV's economic interest in the joint development.-

## **2. Real Estate Services Business**

While our real estate development business continues to be our primary focus, we also offer a variety of services through our real estate services business which includes land acquisition, project development and advisory services. Our project & construction management team provides the following services such as project managing the development by acting as the single point contact for the client in completing the project with an emphasis on ensuring completion of the project on time and within budget; procuring all requisite statutory approvals for the project and managing the entire construction process, including consulting with the client on the design and specifications of the project, etc. In conducting such a 'contractual' project for a client, we typically enter into an agreement with the client which set out our responsibilities and the fee structure. Our Company has entered into a Development Management Agreement with **Dewa Projects Private Limited** on October 29, 2010 to provide development and project management services.

We generate revenues from our project and construction management services through these professional fees.

### **Our Real Estate Project Development and Execution Methodology**

#### ***• Identification Process, Land Acquisition and Development Arrangements***

One of the key factors in land acquisition is the ability to assess the development potential of a location after evaluating the demographic, economic, third-party reports, customer feedback and regulatory factors. We rely on the experience and abilities of our senior management to identify and evaluate potential locations. We also have a dedicated team of professionals who are continuously seeking to acquire developable land in desirable locations on which to construct projects.

This team closely works with the various property consultants, advisory bodies, local architects, liaising with consultants who provide information regarding the availability of land, development restrictions, planned developments and market trends specific to the location. Our legal team examines the applicability of the various regulations. The team also evaluates the land title through independent lawyers. Based on this information, a preliminary feasibility proposal is made. Once the title clearance is obtained, based on the feasibility figures, we either acquire the land on an outright basis or enter into a development agreement with the owners. The final decision on the location, nature, financial feasibility and scale of each property is made by our senior management.

Once the feasibility of a project has been ascertained, our team begins negotiations with the land owner. Negotiations with the land owner centre on total consideration, the form of contract through which we will acquire title to the land or development rights on the land, and the fulfillment of other conditions such as the clearing of all encumbrances and pending litigation related to the property.

#### ***• Project Planning, Regulatory Approvals and Execution***

We have an integrated in-house project management and execution process team, which focuses on effective supervision of development activities to ensure efficient and timely project execution. The project planning and execution process commences with obtaining the requisite regulatory approvals, environmental clearances and location specific approvals. While evaluating the feasibility of an area for the implementation of a project, it is critical to understand and comply with the legal regime governing land development at the location.

We develop the project concept based on market studies and customer surveys to identify the area's marketability and target customers. An architectural brief is prepared based on the project concept which is subsequently finalized with selected architects and other external consultants. Our operations and project management team, along with external consultants, closely monitor the development process, construction quality, actual and estimated project costs and construction schedules. We endeavor to maintain high health and safety standards in all of our real estate developments.

We issue tenders with relevant specifications and requirements to invite interested contractors for various activities including civil, interior, electrical, plumbing and related services. The contractors are primarily evaluated based on their competency levels, which is a function of their technical capabilities and experience at executing high quality projects.

- ***Quality***

We follow the systems and processes laid down as standard operating procedures, work instructions and quality checklists with the aim of continually improving the quality of project execution.

- ***Sales and Marketing***

We maintain a database consisting of our existing customers, referrals and leads that we have generated through various advertising and awareness campaigns. Our direct sales efforts are a combination of telephonic marketing, tours of our model homes, our sales displays at domestic and international property exhibitions and digital marketing, all of which is handled jointly by the head office and our business representatives.

We employ various marketing approaches depending on the project. These include launch events, corporate presentations, internet marketing, direct and indirect marketing, as well as print advertising, site branding and outdoor advertising. Most of our enquiries are handled and processed by the respective sales offices, although sales are also made at our head office. We usually enter into agreements to sell a substantial portion of each project prior to completion. We liaise with various banks and housing finance companies to provide our customers with convenient access to finance in order to facilitate their purchase.

We follow the "build and sell" model for our residential developments. While we anticipate continuing our operations in this manner, we may continue to evaluate other options, such as retaining ownership and leasing out property, particularly on our retail and commercial projects, based on the project in question and the prevailing market conditions.

- ***Completion and Hand-over of the Property***

Our client service team provides comprehensive assistance beginning from the booking process through to the project's completion. The buyers are kept informed during the various stages of construction and the buyers will receive advance notice in anticipation of final possession. We register the sale documents and transfer title to the customer upon the completion of the project and the receipt of the building completion certificate from the appropriate authorities.

### **Our Competitive Strengths**

We believe that our competitive strengths are as follows:

#### ***Diversified portfolio of real estate projects***

We believe that our ongoing projects are diversified across each of the residential, commercial and retail segments of the real estate development market in India, and to which segments our real estate development business corresponds. We believe that this diversity in our portfolio of projects, created by our range of offerings, cities in India (and variety of locations within such cities) and price ranges will help us cater to different segments of the market and diversify our risk of dependence on a particular segment.

#### ***Land Identification at Attractive Pricing and Strategic Locations***

One of our key strengths is our ability to identify suitable tracts of land in different cities mainly, Bangalore and Gurgaon. Land identification at attractive pricing and strategic locations is a key factor for one of the success of our business and replenishing our inventory for future developments. We hold development rights either directly, or through subsidiaries, associates, partnership firms or joint venture companies.

***Access to Land Reserves through Joint Development / Joint Venture Model***

We believe that our Land Reserves forms an important asset of our real estate development business. In line with our asset-light business, we acquire access to Land Reserves either through entering into a joint development agreement with the land-owner, in terms of which the land-owner contributes the land upon which our projects are developed; or pursuant to a joint venture, in terms of which we jointly acquire the land upon which our projects are to be developed with our joint venture partner. We believe that this approach has allowed us to gain access to premium and strategic locations with minimal initial cash investments. Further, we leverage on our joint development and joint venture arrangements to scale up and diversify our portfolio.

***Our Development Capabilities and Project Execution Skills***

Our Company brings together a team of 29 employees who are highly qualified and experienced professionals. The team includes experts in Land acquisitions, Design and Construction, Finance, Marketing, Property Management, Legal and Technology, who bring in-depth understanding of target markets and the expertise essential to delivering successful real estate projects. Our in-house project management and execution process teams are involved in gathering relevant market data, assessing the potential of a location after evaluating its demographic trends and identifying relevant government schemes and incentives. We believe that our project management team facilitates efficient operations and ensures consistent quality across all of our projects, thereby shortening project timelines and allowing us to successfully execute complex projects. Our execution process team has developed relationships with third-party contractors and suppliers through working on multiple projects, and has experience in working with regulatory authorities.

***Experienced and Professional Management***

We believe that the experience of our management team and its in-depth understanding of the real estate industry in India will enable us to continue to take advantage of both current and future market opportunities.

***Good Relationships with Investors, Leading Banks and Financial Institutions, Contractors and Architects***

We believe that the transparency and efficiency in our operations have helped us in developing good relationships with our customers as well as investors, leading national and international financial institutions, business partners, contractors and architects involved in the real estate industry. Our relationships with financial institutions and banks such as IL& FS, Axis Bank, State Bank of India will enhance our ability to raise funding for our capital-intensive projects. We rely on third-party contractors for the construction of all of our projects and have good working relationships with third-party contractors which provide us with advantages in the development of projects.

**Ongoing / Upcoming Projects:**

**Ongoing Projects**

***1. International City***

The project named “**International City**” is a 153 acre integrated township project having independent single family homes, retail space and other support amenities, located in Sector 106 – 109 of Gurgaon in close proximity to Dwarka and Delhi International Airport. The project is being jointly developed with Sobha Developers Limited and Chintels India Limited. Our Company has entered into a joint development agreement dated March 28, 2008 with Sobha Developers Limited and Chintels India Limited for developing of this project wherein Chintels India Limited represent the owners and QVC & Sobha are the developers.



The project consists of super luxury villas and row houses development across the township with complete social infrastructure- schools, healthcare & shopping centers, Secured living with high quality maintenance, dedicated play zones and ample green spaces throughout the township. A grand club house of 1.0 lac sq. ft. with five-star facilities and amenities.

QVC has 16.32% share of the built-up space (i.e. approx. 598,000 sq.ft residential and approx. 70,165 sq.ft commercial) with zero cost obligation. The project was launched in the year 2011.

## 2. *G-99 Project:*

The project “G-99” is a Colonization project over land measuring 106.25 Acres in Sector 99, Gurgaon. The Project involves development of plotted colony and is duly approved by the Director Town and Country Planning, Haryana (DTCP) with relevant zoning plans and other approvals in place. **The project is a 50:50 Joint Venture between QVC Realty Co & Uppal Group.** The Company has entered into a Joint Development Agreement dated April 17, 2007 with



Uppal QVC Realty Private Limited and Uppal Housing Limited for jointly developing the project. Uppal QVC Realty Private Limited has entered into a Business Transfer Agreement dated December 31, 2010 with Spark Town Planners Private Limited and has been merged with Spark Town Planners Private Limited upon the approval of the Hon’able High Court of Delhi on May 2, 2013 with retrospective effect from 01.04.2012. **Subsequently it is now developed by Spark Town Planners Private Limited.**

Inspired by Spain, with its beautiful cities and towns and its traditional as well as futuristic architecture comes G99, an exclusive private township. It has six exclusive gated residential communities built around a mile of green spaces and parks. The communities – Madrid, Seville, Barcelona, Valencia, Granada and Cordoba – are interspersed with schools, nursing home, commercial area and recreational facilities. Plots inside these secure gated communities are available in sizes ranging from 258 to 700 sq. yards. Out of 106 acres around 45 percent of the land has been utilized for lush landscaping. Other amenities offered here include Soccer field and clubhouse. Gurgaon 99 is located in Sector 99 of Gurgaon, on the upcoming 150m wide Dwarka Expressway (Northern Peripheral Expressway) and the Dwarka Gurgaon Metro Corridor, which will connect it to the Delhi International Airport and to NH8. The project neighbours the upcoming Reliance SEZ, and will be minutes away from the Indira Gandhi International Airport, the proposed Inter State Bus Terminus and the KMP expressway.

**Amenities:** Amenities includes reserved parking, tennis court, saucer field, clubhouse, basketball court, swimming pool, skating rink, themed gardens and play parks. Beauty of the complex is enhanced by water bodies and manicured landscapes. In order to ensure safety of residents various security measures have been used at G99. CCTV surveillance system has been used in different parts of the residential complex.

## 3. *The Hills - Chikballapur:*

Our Company is currently undertaking high-end real estate project of 95 luxury Villas set against a scenic backdrop of Nandi Hills in Chikballapur District, Karnataka named as “**The Hills**”. The project is expected to provide high quality of life environment to its customers and would be spread over an area of 26 acres of land.



Our Company has plans to construct 95 Luxury Villas in an area of about 26 acres. The Plot area is about 1,126,000 Sq.ft with a built-up area of 400,000 sq.ft. The project is located in close proximity to the International Airport in North Bangalore - an area poised to be developed as tomorrow's commercial hub

The project has 18m wide roads, walkways, well-manicured lawns and landscaped parks. Cul-de-sacs have been designed to minimize through traffic and facilitate social interaction. Added to this, features like rain water harvesting and solar panel powered street lights and heaters help maintain the eco-friendly nature of this community.

The following table summarises details of our ongoing projects, our share of developable area in the ongoing projects and land reserves held by the Company.

Project Name	Project Location	Nature of Agreement	Land Area (in Acres)	QVC's share in the proposed Developable Area/Saleable Area	Land Reserves owned by QVC
International City	Sector 106-109 Babupur and Pawala Khusropur, Gurgaon, Haryana	Joint Development	153.04 acres	Residential – 598000 sq.ft Commercial – 70165 sq.ft Others – 1427. Sq. yards.	Nil
G-99	Sector 99, Kherki Majra & Dhankot, Gurgaon, Haryana	Joint Venture	106.25 acres	Residential - 119305 sq.yards. Commercial –157796 sq.ft	50% i.e. 53.125 acres is owned by QVC; the project development is carried out by the JV company Spark Town Planners Private Limited and the possession has been accordingly handed over.
The Hills	Angatta Village, Nandi Hobli, Chikkaballpur, Tk & Dt. Near Nandi Hills	Self-Venture	26 acres	Residential - 400000 Sq.ft	100% i.e. approx. 26 acres for phase 1 and 30 acres for phase 2

### **Upcoming Project**

The details of our forthcoming project are as follows:

#### ***Chikmagalur***

Our Company has plans to launch a second home community in the coffee town of Chikmagalur located in the foothills of the Western Ghats, a 4 hour drive from Bangalore. The community, set around a nine-hole golf course, will provide a get-away from the hustle bustle of the city to homes amidst lush green forest and calm and serene surroundings. Our Company has already started acquisition of land reserves for development of the said project



### **Competition**

The real estate market is highly competitive and fragmented, and we face competition from various domestic real estate developers. Some of our competitors have greater financial, marketing, sales and other resources than we do. Moreover, as

we seek to diversify into new geographies, we face the risk that some of our competitors who have a pan-India presence while our other competitors have a strong presence in the regional markets. Competitive overbuilding in certain markets may have a material adverse effect on our operations in that market.

### **Information Technology**

Our Company is in the process of implementing an ERP package to integrate and effectively manage our financial & procurement systems.

### **Insurance**

Our operations are subject to hazards inherent to the real estate industry, such as work accidents, fires, earthquakes, floods and other force majeure events, acts of terrorism and explosions, including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. We obtain standard fire and special perils policies for the construction of buildings to cover construction risks and third party liabilities for the duration of the property development. We generally maintain insurance covering our assets and operations at levels that we believe to be appropriate.

### **Intellectual Property**

We have registered our trademark “QVC Realty Co” under Class 19, Class 36 and Class 37 of the Trademarks Act, 1999 and following are the details as follows:.

Sr. No	Name of the Trademark	Class No	Trade Mark No	Validity
1.	QVC+QVC Realty CO (B/W)	19	1995390	10 Years from July 19, 2010
2	QVC+QVC Realty CO (B/W)	36	1995391	10 Years from July 19, 2010
3	QVC+QVC Realty Co (Colour)	37	1995392	10 Years from July 19, 2010
4	QVC+QVC Realty Co (Colour)	19	1995393	10 Years from July 19, 2010
5	QVC+QVC Realty Co (Colour)	36	1995394	10 Years from July 19, 2010
6	QVC+QVC Realty CO (B/W)	37	1995395	10 Years from July 19, 2010

### **Approvals to carry on the business:**

Sr. No	Nature of Registration/License	Registration/License No.	Issuing Authority	Date of Issue	Date of Expiry
1	Certificate of Incorporation	U45208KA2007PTC041581	Registrar of Companies, Karnataka	January 25, 2007	Perpetual
2	Fresh Certificate of Incorporation consequent upon change of name	U45208KA2007PTC041581	Registrar of Companies, Karnataka	March 02, 2009	Perpetual
3.	Fresh Certificate of Incorporation consequent upon change of name on conversion to Public Limited Company	U45208KA2007PLC041581	Registrar of Companies, Karnataka	June 04, 2014	Perpetual



4	Permanent Account No	AAACQ1477G	Income Tax Department	March 24, 2009	Perpetual
5.	Tax Deduction Account No	BLRQ00216G	Income Tax Department	July 28,2007	Perpetual
6.	Service Tax Registration	AAACQ1477GST001	Central Excise Officer, Bangalore	October 18, 2007	Till the business is discontinued
7.	Karnataka Value Added Tax	29170793718	Sales Tax Officer, Registration Branch, Bangalore	March 26,2008	Perpetual
8.	Importer Exporter Code (IEC)	0707001897	Foreign Trade Development Officer	April 25, 2007	Perpetual

***Approvals for Projects:***

We require various approvals to carry on our construction and development activities. We have undertaken and/or are in the process of developing various projects and these projects are being developed on freehold land owned by us or by our Subsidiaries or our joint venture companies. Also, some of our projects are being developed under development and/or joint development agreements.

In relation to the projects undertaken, the Company has obtained and in some cases are in the process of obtaining the various approvals such as layout plan approval, building plan approval, commencement certificate, no objection from Chief Fire Officer, environmental clearance. Further as some of our projects are being developed under joint development agreement, obtaining of licenses & necessary governmental approvals is the responsibility of the joint development partner i.e. Sobha Developers & Spark Town Planners Private Limited are responsible to obtain the necessary permissions for International City and G-99 respectively. They have obtained the necessary approvals from the concerned authorities.

***Approvals obtained by us for one of the ongoing project named “The Hills” are as follows:***

Sr. No.	Particulars	Reference No.	Issuing Authority	Date of Issue
1.	Layout Approval	DTP No. TP(22):JD(BD):PLAN:11:2008-09	Director of Town Planning	December 15, 2008
2.	Environmental Clearance	PCB/331/CNP/08/2365	State Pollution Control Board	September 01, 2008

***Approvals to be applied for at various stages of the projects***

We will require certain additional approvals from various Governmental and local bodies in relation to all the projects executed or to be executed by us. We will apply for necessary approvals when required at various stages of construction. These approvals will be granted by the relevant authorities subject to the compliance with the requirements of the local laws. These approvals, inter alia, may include no objection certificates from various government agencies, sanction of plans, commencement certificates and occupancy certificates from the relevant sanctioning/ local authorities. Additionally, we may also require approvals under various environmental legislations for some of our projects and shall apply for these at the relevant stages of the construction. We may also apply for renewal of various operational permissions, approvals and licenses from time to time for the completed projects from appropriate statutory and governmental authorities.

**Franchisee/ concessions:**

As on date we do not have any franchisee. We have not entered in to any concession agreements.

**Research & developments:**

Not applicable for our Industry

**Human Resources:**

The details of manpower employed as on date are as under:

Sr. No	Category	No. Of Employees
1	Top Management	4
2	Management Staff	13
3	Administrative & Support Staff	12
	<b>TOTAL</b>	<b>29</b>

**Working Capital:**

As on March 31, 2013, our working capital comprised of followings:

(In Rupees)

Particulars	Financial Year 2012 - 13
Current Investments	99,627,962
Inventories	2,761,500,090
Cash and Bank Balance	120,623,683
Trade Receivables	80,006,466
Short- term Loans & Advances	1,618,346,277
Other Current Assets	1,246,051,292
<b>Total (A)</b>	<b>5,926,155,770</b>
Less:	
Trade Payables	11,728,867
Short- term borrowings	146,000,000
Short –term provisions	2,468,490
Other Current Liabilities	4,071,525,948
<b>Total (B)</b>	<b>4,231,723,305</b>
<b>Net Working Capital (A) – (B)</b>	<b>1,694,432,465</b>

[Our working capital requirements are mostly funded through own funds as well as borrowed funds from banks and financial institutions. Company is engaged in industry in which we operate, finance its working capital through borrowed funds (Mainly Banks and Financial Institutions) as well as through its own funds.]

## OUR SUBSIDIARIES

### 1. Shakti Buildwell Private Limited

Shakti Buildwell Private Limited was incorporated on August 19, 2006 under the provisions of Companies Act, 1956. The Corporate Identification Number of the Company is U70109DL2006PTC152225. The Registered Office of the Company is situated at C -346, LGF, Defence Colony, New Delhi- 110024. The Company is engaged business of real estate development.

**Board of Directors:** The Directors of Shakti Buildwell Private Limited as on the date of this Draft Information Document are as follows:

- a. Mr. Sanjay Mitra
- b. Mr. Prakash Gurbaxani

#### Share Holding Pattern

As on the date of filing of this Draft Information Document is as under:

Particulars	No of Equity Shares	% of Equity Shares
QVC Realty Co. Ltd	9,999	99.99%
Prakash Gurbaxani (Held as Nominee)	1	0.1%
<b>Total</b>	<b>10,000</b>	<b>100%</b>

#### Financial Information:

Highlights of the Financial Position of the Company for last two years are as under:

(In Rupees)

Particulars	March 31, 2013	March 31, 2012
Equity Capital	100,000	100,000
Reserves ( Excluding Revaluation Reserves)	(846,015)	66,580
Total Income	128,272	132,919
Profit After Tax	(912,596)	70,271
Earnings Per Share (Basic)( Rs.)	(91.26)	7.03

### 2. Niwas Realtech Private Limited

Niwas Realtech Private Limited was incorporated on May 8, 2007 under the provisions of Companies Act, 1956. The Corporate Identification Number of the Company is U45400DL2007PTC163099. The Registered Office of the Company is situated at C – 346, Lower Ground Floor, Defence Colony, New Delhi – 110024. The Company is engaged in business of real estate development.

**Board of Directors:** The Directors of Niwas Realtech Private Limited as on the date of this Draft Information Document are as follows:

- a. Mr. Sivakumar Rajagopalan
- b. Mr. Prakash Gurbaxani

#### Share Holding Pattern

As on the date of filing of this Draft Information Document is as under:

Particulars	No of Equity Shares	% of Equity Shares
QVC Realty Co. Ltd	9,999	99.99%
Prakash Gurbaxani ( Held as Nominee)	1	0.1%
<b>Total</b>	<b>10,000</b>	<b>100%</b>

**Financial Information:**

Highlights of the Financial Position of the Company for last two years are as under:

(In Rupees)

Particulars	March 31, 2013	March 31, 2012
Equity Capital	100,000	100,000
Reserves ( Excluding Revaluation Reserves)	79,809	(1,05,625)
Total Income	274,102	195,000
Profit After Tax	185,434	105,554
Earnings Per Share (Basic) (Rs.)	18.54	10.56

**3. Agrim Realtech Private Limited**

Agrim Realtech Private Limited was incorporated on May 8, 2007 under the provisions of Companies Act, 1956. The Corporate Identification Number of the Company is U45400DL2007PTC163097. The Registered Office of the Company is situated at C – 346, Lower Ground Floor, Defence Colony, New Delhi – 110024. The Company is engaged in real estate development business.

**Board of Directors:** The Directors of Agrim Realtech Private Limited as on the date of this Draft Information Document are as follows:

- a. Mr. Sivakumar Rajagopalan
- b. Mr. Prakash Gurbaxani

**Share Holding Pattern**

As on the date of filing of this Draft Information Document is as under:

Particulars	No of Equity Shares	% of Equity Shares
QVC Realty Co. Ltd	9,999	99.99%
Prakash Gurbaxani ( Held as Nominee)	1	0.1%
<b>Total</b>	<b>10,000</b>	<b>100%</b>

**Financial Information:**

Highlights of the Financial Position of the Company for last two years are as under:

(In Rupees)

Particulars	March 31, 2013	March 31, 2012
Equity Capital	100,000	100,000
Reserves ( Excluding Revaluation Reserves)	(313,879)	(269,227)
Total Income	-	-
Profit After Tax	(44,652)	(58,094)
Earnings Per Share (Basic) (Rs.)	(4.47)	(5.81)

## FINANCIAL INFORMATION

### INDEPENDENT AUDITOR'S REPORT

To,  
The Members of  
QVC Realty Co. Private Limited

#### **Report on the Financials Statement**

We have audited the accompanying financial statements of QVC Realty Co. Private Limited (“ the Company”), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit & Loss and the Cash Flow statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management’s Responsibility for the Financial Statements**

The Company’s Management is responsible for the preparation of the financial statement that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 (“the Act”) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standard on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risks assessment , the auditor considers internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances , but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control . An audit also includes evaluating the appropriateness used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit process.

#### ***Opinion***

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

1. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
2. In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
3. In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
  
2. As required by Section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit & Loss, and the Cash Flow Statement dealt with by this Report are in agreement with books of account.
  - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of Section 274(1) (g) of the Act.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm Registration No.008072S)

Sd/-

**V. Balaji**

Partner

(Membership No: 203685)

Bangalore, September 30, 2013

## ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Having regard to the nature of the Company's business/ activities/ results during the year, clauses iii (f), iii (g), vi, viii, ix (b), xii, xiii, xiv, xix and xx of paragraph 4 of the Order are not applicable to the Company.

(i). In respect of its fixed assets:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(ii). The investors held by the Company comprise of stock of units of work in progress of projects under development. In respect of its inventories:

- a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
- b) In our opinion and according to the information and explanations given to us, having regard to the nature of the inventory, the procedures of physical verification, by way of verification of title deeds, site visits by Management, and certification of the extent of work completion by competent persons are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iii). In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act 1956, according to the information and explanation given to us:

- a. The Company has granted loans aggregating Rs. 285,110,000 to one party during the previous year. At the year end, the outstanding balances of such loans granted aggregated to Rs.285,110,000 and the maximum amount involved during the year was Rs.285,110,000(due from one party)
- b. According to the information and explanation given to us, the loan is granted to a wholly owned subsidiary, which is strategic in nature and is interest free. The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interest of the Company.
- c. The Principal amounts were not due during the year.
- d. There is no overdue amount in respect of such loan.

- (iv). In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v). In respect of contracts or arrangements entered in the Register maintained in pursuance of section 301 of the Companies Act, 1956 to the best of our knowledge and belief according to the information and explanation given to us:
- (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said section have been so entered.
  - (b) Where each of such transaction is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi). In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountant appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (vii). According to the information and explanation given to us, in respect of statutory dues:
- (a) The Company has been generally been regular in depositing undisputed statutory dues, including Provident Fund, Income – Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. As explained to us, the requirement of the Investor Education and Protection Fund and Employees’ State Insurance did not apply to the Company during the year.
  - (b) There was no undisputed amounts payable in respect of Provident Fund, Income - Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2013 or a period of more than six months from the date they become payable, except for interest on delayed remittance of taxes deducted at source amounting to Rs.53,211/-
- (viii). The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix). In our opinion and according to the information and explanation given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.
- (x). In our opinion and according to the information and explanation given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, prima facie, prejudicial to the interest of the Company.
- (xi). In our opinion and according to the information and explanation given to us, the terms loans have been applied by the Company during the year for the purpose for which they were obtained, other than temporary deployment pending application.
- (xii). In our opinion and according to the information and explanation given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short term basis have, prima facie, not been used during the year for long - term investment.



- (xiii). The Company has not made any preferential allotment of Shares to parties and companies covered in the Register maintained under section 301 of the Act.
- (xiv). To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fund on the Company has been noticed or report during the year.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm Registration No.008072S)

Sd/-  
**V. Balaji**  
Partner  
(Membership No: 203685)

Bangalore, September 30, 2013

**Balance Sheet as at March 31, 2013**

(In Rupees)

Particulars		Note No.	As at March 31, 2013	As at March 31, 2012
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	3	103,742,860	115,414,390
	(b) Reserves and surplus	4	1,682,037,040	2,929,209,081
			<b>1,785,779,900</b>	<b>3,044,623,471</b>
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	5	-	300,000,000
	(b) Deferred tax liabilities (net)	28.8	-	370,000
	(c) Long-term provisions	6	1,141,267	10,933,005
			<b>1,141,267</b>	<b>311,303,005</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	7	146,000,000	222,710,934
	(b) Trade payables	8	11,728,867	8,319,751
	(c) Other current liabilities	9	4,071,525,948	2,631,069,160
	(d) Short-term provisions	10	2,468,490	4,530,499
			<b>4,231,723,305</b>	<b>2,866,630,344</b>
	<b>TOTAL</b>		<b>6,018,644,472</b>	<b>6,222,556,820</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets	11		
	(i) Tangible assets		13,749,603	20,469,143
	(ii) Intangible assets		148,975	311,075
			<b>13,898,578</b>	<b>20,780,218</b>
	(b) Non-current investments	12	1,342,397	1,342,397
	(c) Deferred tax assets (net)	28.8	135,000	-
	(d) Other non-current assets	13	46,486,413	-
	(e) Long-term loans and advances	14	30,626,314	300,598,115
			<b>78,590,124</b>	<b>301,940,512</b>
<b>2</b>	<b>Current assets</b>			
	(a) Current investments	15	99,627,962	187,452,385
	(b) Inventories	16	2,761,500,090	2,841,331,349
	(c) Trade receivables	17	80,006,466	45,366,390
	(d) Cash and cash equivalents	18	120,623,683	64,247,919
	(e) Short-term loans and advances	19	1,618,346,277	1,502,541,678
	(f) Other current assets	20	1,246,051,292	1,258,896,369
			<b>5,926,155,770</b>	<b>5,899,836,090</b>
	<b>TOTAL</b>		<b>6,018,644,472</b>	<b>6,222,556,820</b>

See accompanying notes forming part of the financial statements

**Statement of Profit and Loss for the year ended March 31, 2013**
**(In Rupees)**

Particulars		Note No.	For the year ended March 31, 2013	For the year ended March 31, 2012
<b>1</b>	Revenue from operations	21	360,538,805	341,272,933
<b>2</b>	Other income	22	24,321,626	10,104,922
<b>3</b>	<b>Total revenue (1+2)</b>		<b>384,860,431</b>	<b>351,377,855</b>
<b>4</b>	<b>Expenses</b>			
	(a) (Increase) / Decrease in inventories of work-in-progress	23	198,400,594	177,466,837
	(b) Cost of Sales		26,218,742	
	(c) Employee benefits expense	24	20,204,523	9,009,006
	(d) Finance costs	25	44,166,827	9,600,427
	(e) Depreciation and amortisation expense	11	2,750,054	2,954,292
	(f) Other expenses	26	54,645,501	58,722,485
	<b>Total expenses</b>		<b>346,386,241</b>	<b>257,753,047</b>
<b>5</b>	<b>Profit before tax (3 - 4)</b>		<b>38,474,190</b>	<b>93,624,808</b>
<b>6</b>	<b>Tax expense:</b>			
	(a) Current tax expense for current year		9,340,200	17,000,430
	(b) (Less): MAT credit		-	(5,879,975)
	(c) Excess provision for tax relating to prior years		(152,038)	-
	(d) Net current tax expense		9,188,162	11,120,455
	(e) Deferred tax	28.8	(505,000)	370,000
			<b>8,683,162</b>	<b>11,490,455</b>
<b>7</b>	<b>Profit for the year (5 - 6)</b>		<b>29,791,028</b>	<b>82,134,353</b>
<b>8.i</b>	<b>Earnings per share (of Rs.10/- each):</b>			
	(a) Basic		31.45	76.92
	(b) Diluted		2.70	6.69

## Cash Flow Statement for the year ended March 31, 2013

(In Rupees)

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
<b>A. Cash flow from operating activities</b>				
Net Profit before tax		38,474,190		93,624,808
Adjustments for:				
Depreciation and amortisation expense	2,750,054		2,954,292	
(Profit) / loss on sale / write off of assets	4,509,525		979,394	
Finance costs	44,166,827		8,873,191	
Interest income	(6,105,085)		(716,804)	
Interest in Income tax refund	(149,798)		-	
Net gain on sale of current investments	(120,376)		(298,852)	
Dividend income	(13,555,269)		(8,655,579)	
Liabilities / provisions no longer required written back	(3,463,028)		(401,038)	
		<b>28,032,850</b>		<b>2,734,604</b>
<b>Operating profit / (loss) before working capital changes</b>		<b>66,507,040</b>		<b>96,359,412</b>
Changes in working capital:				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	79,831,259		192,117,525	
Trade receivables	(34,640,076)		(39,483,190)	
Short-term loans and advances	(115,804,599)		(462,866,403)	
Long-term loans and advances	285,166,000		(285,598,000)	
Other current assets	14,249,256		(210,451)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	6,872,144		2,108,378	
Other current liabilities	1,141,712,542		1,399,852,617	
Short-term provisions	(2,061,890)		584,829	
Long-term provisions	364,645		(5,364)	
		<b>1,375,689,281</b>		<b>806,499,941</b>
Cash generated from operations		1,442,196,321		902,859,353
Net income tax (paid) / refunds		(34,667,246)		(6,844,047)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>1,407,529,075</b>		<b>896,015,306</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(377,939)		(3,863,963)	
Margin money deposits	(42,426,000)			
Proceeds from sale of fixed asset	-		1,034,255	
Purchase of long-term investments	-		-	
Interest received	640,493		130,030	
Net gain on sale of current investments	120,376		298,852	

Dividend received	13,555,269		8,655,579	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(28,487,801)</b>		<b>6,254,753</b>
<b>C. Cash flow from financing activities</b>				
Redemption of preference shares	(1,199,893,870)		(1,115,654,475)	
Buyback of equity shares	(88,739,625)		(76,245,000)	
Proceeds from long-term borrowings	-		410,000,000	
Repayment of long-term borrowings	-		(5,916,066)	
Repayment of short-term borrowings	(76,710,934)		(4,076)	
Dividends paid (including tax thereon)	(1,223)		(32,253,978)	
Finance cost	(45,144,281)			
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(1,410,489,933)</b>		<b>(820,073,595)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(31,448,659)</b>		<b>82,196,464</b>
Cash and cash equivalents at the beginning of the year		251,700,304		169,503,840
<b>Cash and cash equivalents at the end of the year</b>		<b>220,251,645</b>		<b>251,700,304</b>

**QVC Realty Company Pvt Ltd**  
**Cash Flow Statement for the year ended March 31, 2013**  
**Reconciliation of Cash and cash equivalents with the Balance Sheet:**

Cash and cash equivalents as per Balance Sheet (Refer Note 18)		120,623,683		64,247,919
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer Note (i) of Note 15 Current investments)		99,627,962		187,452,385
<b>Cash and cash equivalents at the end of the year *</b>		<b>220,251,645</b>		<b>251,700,304</b>
* Comprises:				
(a) Cash on hand		2,392,627		87,600
(b) Cheques, drafts on hand		-		9,772,121
(c) Balances with banks				
(i) In current accounts		79,359,788		20,460,122
(ii) In deposit accounts		38,871,233		33,926,568
(iii) In earmarked accounts (give details) (Refer Note (i) below)				
- Unpaid Dividend Accounts		35		1,508
(d) Current investments considered as part of Cash and cash equivalents (Refer Note (i) of Note 15 Current investments)		99,627,962		187,452,385
		<b>220,251,645</b>		<b>251,700,304</b>

## Additional Information to the Financial Statements

### 1. Corporate information

QVC Realty Co. Private Limited is engaged in the business of development, sale, advisory and other real estate development related activities.

### 2. Significant accounting policies

#### 2.1. Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### 2.2. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### 2.3. Inventories

Inventories comprise real estate project development Work In Progress undertaken by the Company. These are valued at cost or Net Realizable Value whichever is lower. Cost includes land cost, materials, direct expenditure incurred during project period, borrowing costs and other indirect costs of the project attributable to the development work.

#### 2.4. Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### 2.5. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### 2.6. Depreciation and amortisation

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

Leasehold improvements are depreciated over the duration of the lease

Assets costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation

Computer software is amortized @ 16.21% per annum in line with the depreciation rate fixed for computers. The estimated useful life of other intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

#### 2.7. Revenue recognition

- a. Revenues from real estate project development are recognized based on proportionate completion method of the concerned project. The proportion of completion is determined based on the proportion of costs incurred to the estimated total costs to be incurred in completing the project.
- b. Revenue from property advisory services are recognized based on terms of the contract either on proportionate work or on completion of milestone of service.
- c. Revenue from transfer of Development Rights are recognized in the year of such transfer to the extent consideration is determined in the Joint Development Agreements. Contingent income on transfer of Development Rights is recognized when the contingencies no longer exist.

## **2.8. Other income**

Interest on investments and deposits are recognized on a time proportion basis. Dividend income is recognized when the right to receive dividend is established.

## **2.9. Tangible fixed assets**

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

## **2.10. Foreign currency transactions and translations**

### Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

### Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

### Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

### Accounting of forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

## **2.11. Investments**

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

## **2.12. Employee benefits**

Employee benefits include provident fund, gratuity, and compensated absences.

### Defined contribution plans

The Company's contribution to provident fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

### Defined benefit plans

For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

#### Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- a. In case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- b. In case of non-accumulating compensated absences, when the absences occur.

#### Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

#### **2.13. Employee share based payments**

The Company has constituted an Employee Stock Option Scheme 2007. Employee Stock Options granted on or after 1 April, 2005 are accounted under the 'Intrinsic Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

#### **2.14. Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

#### **2.15. Segment reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities.

#### **2.16. Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

#### **2.17. Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing



ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### **2.18. Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred taxes relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

### **2.19. Impairment of assets**

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

### **2.20. Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

### **2.21. Operating cycle and basis of classification of assets and liabilities**

- a. The operating cycle for the real estate development projects undertaken by the Company is generally upto 5 years. Operating assets and liabilities relating to such projects are classified as current based on an operating cycle of 5 years. Borrowings in connection with such projects that are repayable within the operating cycle of 5 years are classified as short-term.
- b. Assets and liabilities, other than those discussed in paragraph (a) above, are classified as current to the extent they are expected to be realized / are contractually repayable within 12 months from the Balance sheet date and as non-current, in other cases.

**Note 3: Share capital**
**(In Rupees)**

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number of shares	Rs.	Number of shares	Rs.
<b>(a) Authorised</b>				
Equity shares of Rs.10/- each	5,000,000	50,000,000	5,000,000	50,000,000
Compulsorily Convertible Preference Shares of Rs.10 each	5,000,000	50,000,000	5,000,000	50,000,000
Redeemable Cumulative Convertible Preference Shares of Rs.10 each	5,000,000	50,000,000	5,000,000	50,000,000
Optionally Redeemable Preference Shares of Rs. 10 each	5,000,000	50,000,000	5,000,000	50,000,000
	20,000,000	200,000,000	20,000,000	200,000,000
<b>(b) Issued, Subscribed and fully paid up</b>				
Equity shares of Rs.10/- each	930,785	9,307,850	1,021,800	10,218,000
Compulsorily convertible preference shares of Rs.10 each	3,259,800	32,598,000	3,259,800	32,598,000
Redeemable Cumulative Convertible Preference shares of Rs.10 each	5,000,000	50,000,000	5,000,000	50,000,000
Optionally Redeemable Preference Shares of Rs. 10 each	1,183,701	11,837,010	2,259,839	22,598,390
<b>Total</b>	<b>10,374,286</b>	<b>103,742,860</b>	<b>11,541,439</b>	<b>115,414,390</b>

**Notes:**

- i. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

**(In Rupees)**

Particulars	Opening Balance	Redemption	Buy back	Closing Balance
<b>Equity shares</b>				
Year ended March 31, 2013				
- Number of shares	1,021,800	-	91,015	930,785
- Amount (in Rs.)	10,218,000	-	910,150	9,307,850
Year ended March 31, 2012				
- Number of shares	1,100,000	-	(78,200)	1,021,800
- Amount (in Rs.)	11,000,000	-	(782,000)	10,218,000
<b>Compulsorily convertible preference shares</b>				
Year ended March 31, 2013				
- Number of shares	3,259,800	-	-	3,259,800
- Amount (in Rs.)	32,598,000	-	-	32,598,000
Year ended March 31, 2012				
- Number of shares	3,259,800	-	-	3,259,800
- Amount (in Rs.)	32,598,000	-	-	32,598,000
<b>Redeemable Cumulative Convertible Preference Shares</b>				
Year ended March 31, 2013				
- Number of shares	5,000,000	-	-	5,000,000
- Amount (in Rs.)	50,000,000	-	-	50,000,000
Year ended March 31, 2012				
- Number of shares	5,000,000	-	-	5,000,000
- Amount (in Rs.)	50,000,000	-	-	50,000,000

<b>Optionally Redeemable Preference Shares</b>				
Year ended March 31, 2013				
- Number of shares	2,259,839	(1,076,138)	-	1,183,701
- Amount (in Rs.)	22,598,390	(10,761,380)	-	11,837,010
Year ended March 31, 2012				
- Number of shares	3,404,100	(1,144,261)	-	2,259,839
- Amount (in Rs.)	34,041,000	(11,442,610)	-	22,598,390

**ii. Details of the rights, preferences and restrictions attaching to each class of shares**

**Equity Shares**

The Company has only one class of equity shares, having par value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of preferential allotment. The distribution will be in proportion to number of equity shares held by equity shareholders

**Compulsorily Convertible Preference Shares ("CCPS")**

The shares carry a fixed return of 0.001% per annum payable annually or in the event there is a dividend on equity shares, such dividend on as if converted basis of the preference shares, whichever is higher. Any unpaid dividend shall be carried forward and become an obligation for subsequent year(s) net of any dividend paid. Each CCPS may be convertible into one equity shares of Rs. 10/- each by the CCPS holder. The CCPS holder would also have an option to convert such CCPS to equity shares at any time by giving a notice ("Conversion Notice") of such conversion to the Company.

**Redeemable Cumulative Convertible Preference Shares ("RCCPS")**

The shares carry a fixed return of 0.001% per annum payable annually or in the event there is a dividend on equity shares, such dividend on as if converted basis of the preference shares, whichever is higher. Each RCCPS shall be convertible into such number of equity shares of Rs.10/- each by the RCCPS holder giving notice ("conversion notice") of such conversion to the company. Such conversion shall be at a price as may be decided by the Board.

**Optionally Redeemable Preference Shares ("ORPS")**

The shares carry a fixed return of 0.001% per annum payable annually or in the event there is a dividend on equity share, such dividend on as if converted basis of the preference shares, whichever is higher. Any unpaid dividend shall be carried forward and become an obligation for subsequent year(s) net of any dividend paid. At the option of the ORPS holder, all ORPSs then outstanding shall be redeemable by the Company within 60 days from the completion of such period. Such redemption shall be at a redemption price per ORPS as may be decided by the Board from time to time.

iii. Details of shares held by each shareholder holding more than 5% shares:

(In Rupees)

Class of shares / Name of shareholder	As at March 31, 2013		As at March 31, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares</b>				
- Mr. Prakash Gurbaxani	766,317	82.33%	850,269	83.21%
- IIRF Holdings IV Limited, Mauritius	86,900	9.34%	86,900	8.50%
- Avendus Capital Pvt Ltd	64,468	6.93%	71,531	7.00%
<b>Compulsorily convertible preference shares</b>				
- IL&FS Trust Company Limited	237,400	7.28%	237,400	7.28%
- IIRF Holdings IV Limited, Mauritius	3,022,400	92.72%	3,022,400	92.72%
<b>Optionally Redeemable Preference shares</b>				
- IL&FS Trust Company Limited	218,425	18.45%	329,493	14.58%
- IIRF Holdings IV Limited, Mauritius	965,276	81.55%	1,930,346	85.42%
<b>Redeemable Cumulative Convertible Preference Shares</b>				
- Mr. Prakash Gurbaxani	5,000,000	100.00%	5,000,000	100.00%

iv. As at March 31, 2013, 8,307,800 shares (As at March 31, 2012: 8,322,900 Shares) were reserved for issuance as follows:

- 48,000 shares (As at March 31, 2013: 63,100 shares) of Rs.10/- each towards outstanding employee stock options granted / available for grant. (Refer Note 28)
  - 3,259,800 Shares (As at March 31, 2012: 3,259,800 Shares) of Rs. 10/- Each towards Compulsorily Convertible Preference Shares (refer (ii) above)
  - 5,000,000 Shares (As at March 31, 2012: 5,000,000 Shares) of Rs. 10/- Each towards Redeemable Cumulative Convertible Preference Shares
- v. Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

(In Rupees)

Particulars	Aggregate number of shares	
	As at March 31, 2013	As at March 31, 2012
<b>Equity shares</b>		
- Fully paid up by way of bonus shares	1,089,000	1,089,000
- Shares bought back	91,015	78,200
<b>Compulsorily convertible preference shares</b>		
- Fully paid up by way of bonus shares	855,261	855,261
- Shares redeemed	-	-
<b>Optionally Redeemable Preference shares</b>		
- Fully paid up by way of bonus shares	3,370,059	3,370,059
- Shares redeemed	1,076,138	1,144,261
<b>Redeemable Cumulative Convertible Preference Shares</b>		

- Fully paid up by way of bonus shares	4,950,000	4,950,000
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**Note 4: Reserves and Surplus**

(In Rupees)

Particulars	As at March 31, 2013	As at March 31, 2012
	Rs.	Rs.
(a) Capital redemption reserve		
Opening balance	12,224,610	-
Add: Additions during the year		
Transferred from surplus in Statement of Profit and Loss	10,761,380	11,442,610
Others (transferred from securities premium on buyback of equity shares)	910,150	782,000
Closing balance	<b>23,896,140</b>	<b>12,224,610</b>
(b) Securities premium account		
Opening balance	2,834,778,582	4,015,235,447
Less : Utilised during the year for:		
Premium on redemption of redeemable preference shares	1,189,132,490	1,104,211,865
Buy back of equity shares	87,829,475	75,463,000
Transfer to Capital Redemption Reserve	910,150	782,000
Closing balance	<b>1,556,906,467</b>	<b>2,834,778,582</b>
(c) Surplus in Statement of Profit and Loss		
Opening balance	82,205,889	11,515,369
Add: Profit for the year	29,791,028	82,134,353
Less: Transferred to Capital redemption reserve	10,761,380	11,442,610
Dividends proposed to be distributed to preference shareholders	944	1,052
Tax on dividend	160	171
Closing balance	<b>101,234,433</b>	<b>82,205,889</b>
<b>Total</b>	<b>1,682,037,040</b>	<b>2,929,209,081</b>

**Note 5: Long-term borrowings**

(In Rupees)

Particulars	As at March 31, 2013	As at March 31, 2012
	Rs.	Rs.
a) Term loans		
From other parties		
Secured	-	300,000,000
<b>Total</b>	<b>-</b>	<b>300,000,000</b>

**Notes:**

- i. Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

(In Rupees)

Particulars	Terms of repayment and security	As at March 31, 2013	As at March 31, 2012
		Secured	Secured
<b>Term loans from other parties:</b>			
IL&FS Financial Services Ltd		-	300,000,000
Security	i. Exclusive Mortgage / charge on land parcel at Chikmagalur ii. Second charge on the cash-flows of the QVC Hills project iii. Demand promissory note		
Repayment Terms	The entire Facility shall be repaid at the end of the Tenor which has been fixed at 2 years		
Rate of interest per annum	13.50%		
<b>Total - Term loans from other parties</b>		<b>-</b>	<b>300,000,000</b>

- ii. For the current maturities of long-term borrowings, refer item (a) in Note 9 Other current liabilities.

**Note 6: Long-term provisions**

(In Rupees)

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Provision for employee benefits:		
(i) Provision for gratuity (Refer Note 28.1)	1,141,267	776,622
	<b>1,141,267</b>	<b>776,622</b>
(b) Provision - Others:		
(i) Provision for tax (Net of advances - As at March 31, 2013 - Rs.23,754,959, March 31, 2012 -Rs.6,844,047)	-	10,156,383
	-	<b>10,156,383</b>
<b>Total</b>	<b>1,141,267</b>	<b>10,933,005</b>

**Note 7: Short Term Borrowings**

(In Rupees)

Particulars	As at March 31, 2013	As at March 31, 2012
<b>From banks:</b>		
Secured	146,000,000	222,710,934
<b>Total</b>	<b>146,000,000</b>	<b>222,710,934</b>

**Notes:**

- i. Details of terms of repayment for the other short-term borrowings and security provided in respect of the secured other short-term borrowings:

(In Rupees)

Particulars	Terms of repayment and security	As at March 31, 2013	As at March 31, 2012
		Secured	Secured
<b>Term loans from banks:</b>			
Axis Bank Limited	<b>PRIMARY:</b> i. Exclusive first charge on all assets of QVC Hills project being implemented by the Company	146,000,000	222,710,934
	ii. Exclusive equitable mortgage of the project land located at Anaghatta Village, Nandi Hoblli, Chikballapur Taluk, Bangalore, measuring 23 acres and 11 guntas, standing in the name of the Company valued at Rs. 325.9 Million		
	iii. Escrow of receivables / sale proceeds of the project through designated account maintained with the bank		
	<b>COLLATERAL:</b> Exclusive Equitable Mortgage of land located at Anaghatta Village, Nandi Hoblli, Chikballapur Taluk, Bangalore, standing in the name of the Company and valued at Rs. 36.24 Crores		
Repayment Terms	The tenor of the term loan is 39 months, including a moratorium period of 24 months. The term loan will be repaid in 6 equal quarterly repayments of Rs. 50.00 million each starting from 24th month from the date of first disbursement. However, revenues from the project above Rs. 1,250.00 Million should be used towards mandatory prepayment of the loan		
Rate of interest per annum	Base rate + 4.5%		
<b>Total - Term loans from banks</b>		<b>146,000,000</b>	<b>222,710,934</b>

**Note 8: Trade payables**

(In Rupees)

Particulars	As at March 31, 2013	As at March 31, 2012
Trade payables:		
Other than Acceptances	11,728,867	8,319,751
<b>Total</b>	<b>11,728,867</b>	<b>8,319,751</b>

**Note 9: Other current liabilities**
**(In Rupees)**

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Current maturities of long-term debt (Refer Note (i) below)	300,000,000	-
(b) Interest accrued but not due on borrowings	1,736,000	2,991,754
(c) Unpaid dividends	3	1,508
(d) Other payables		
(i) Statutory dues	2,314,497	7,443,179
(ii) Trade / security deposits received	838,726,898	836,864,000
(iii) Advances from customers	2,928,748,550	1,783,768,719
<b>Total</b>	<b>4,071,525,948</b>	<b>2,631,069,160</b>

Note (i): Current maturities of long-term debt (Refer Notes (i) in Note 5 - Long-term borrowings for details of security and guarantee):

**Note 10: Short-term provisions**
**(In Rupees)**

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Provision for employee benefits:		
(i) Provision for compensated absences	2,435,024	4,494,997
(ii) Provision for gratuity (Refer Note 28.1)	32,362	34,279
	<b>2,467,386</b>	<b>4,529,276</b>
(b) Provision - Others:		
(i) Provision for proposed preference dividend	944	1,052
(ii) Provision for tax on proposed dividends	160	171
	1,104	1,223
<b>Total</b>	<b>2,468,490</b>	<b>4,530,499</b>



**Note 11: Fixed assets**

Figures in brackets represent previous year's figures

(In Rupees)

	Particulars of assets	Gross block				Accumulated Depreciation				Net Block	
		As at April 1, 2012	Additions	Disposals	As at March 31, 2013	Upto March 31, 2012	Depreciation / Amortization expense for the Year	Eliminated on Disposal of assets	Upto March 31, 2013	As at March 31, 2013	As at March 31, 2012
<b>A</b>	<b>TANGIBLE ASSETS (Owned)</b>										
	(a) Plant and Equipment	523,704	-	-	523,704	13,252	24,826		38,078	485,626	510,452
		(47,185)	(476,519)	-	(523,704)	(2,314)	(10,938)		(13,252)	(510,452)	
	(b) Furniture and Fixtures	7,247,391	110,414	1,305,094	6,052,711	2,133,815	380,940	320,167	2,194,588	3,858,123	5,113,576
		(7,148,921)	(98,470)	-	(7,247,391)	(1,676,048)	(457,767)	-	(2,133,815)	(5,113,576)	
	(c) Vehicles	3,176,397	-	25,000	3,151,397	287,456	299,271	2,573	584,154	2,567,243	2,888,941
		(3,441,183)	(2,843,229)	(3,108,015)	(3,176,397)	(1,069,766)	(312,056)	(1,094,366)	(287,456)	(2,888,941)	
	(d) Office equipment	17,465,336	267,525	2,123,241	15,609,620	8,011,307	1,869,318	475,611	9,405,014	6,204,606	9,454,029
		(17,273,846)	(191,490)	-	(17,465,336)	(6,050,674)	(1,960,633)		(8,011,307)	(9,454,029)	
	(e) Leasehold improvements	3,116,378	-	2,282,104	834,274	614,233	13,599	427,563	200,269	634,005	2,502,145
		(3,116,378)	-	-	(3,116,378)	(563,435)	(50,798.0)	-	(614,233)	(2,502,145)	
	<b>SUBTOTAL - A</b>	<b>31,529,206</b>	<b>377,939</b>	<b>5,735,439</b>	<b>26,171,706</b>	<b>11,060,063</b>	<b>2,587,954</b>	<b>1,225,914</b>	<b>12,422,103</b>	<b>13,749,603</b>	<b>20,469,143</b>
	<i>Previous year</i>	<i>(31,027,513)</i>	<i>(3,609,708)</i>	<i>(3,108,015)</i>	<i>(31,529,206)</i>	<i>(9,362,237)</i>	<i>(2,792,192)</i>	<i>(1,094,366)</i>	<i>(11,060,063)</i>	<i>(20,469,143)</i>	-
<b>B</b>	<b>INTANGIBLE ASSETS (Owned)</b>										
	Computer Software	1,000,000	-	-	1,000,000	688,925	162,100	-	851,025	148,975	311,075
		(1,000,000)	-	-	(1,000,000)	(526,825)	(162,100)		(688,925)	(311,075)	
	<b>SUBTOTAL - B</b>	<b>1,000,000</b>	<b>-</b>	<b>-</b>	<b>1,000,000</b>	<b>688,925</b>	<b>162,100</b>	<b>-</b>	<b>851,025</b>	<b>148,975</b>	<b>311,075</b>
	<i>Previous year</i>	<i>(1,000,000)</i>	<i>-</i>	<i>-</i>	<i>(1,000,000)</i>	<i>(526,825)</i>	<i>(162,100)</i>	<i>-</i>	<i>(688,925)</i>	<i>(311,075)</i>	
	<b>GRAND TOTAL (A+B)</b>	<b>32,529,206</b>	<b>377,939</b>	<b>5,735,439</b>	<b>27,171,706</b>	<b>11,748,988</b>	<b>2,750,054</b>	<b>1,225,914</b>	<b>13,273,128</b>	<b>13,898,578</b>	<b>20,780,218</b>
		<b>(320,027,513)</b>	<b>(3,609,708)</b>	<b>(3,108,015)</b>	<b>(32,529,206)</b>	<b>(9,889,062)</b>	<b>(2,954,292)</b>	<b>(1,094,366)</b>	<b>(11,748,988)</b>	<b>(20,780,218)</b>	<b>(-)</b>

<b>C. Depreciation and amortization</b>	<b>As at March 31, 2013</b>	<b>Upto March 31, 2012</b>
Depreciation and amortisation for the year on tangible assets as per Note 11 A	2,587,954	2,792,192
Depreciation and amortisation for the year on intangible assets as per Note 11 B	162,100	162,100
	<b>2,750,054</b>	<b>2,954,292</b>

**Note 12: Non-current investments**

**(In Rupees)**

Particulars		As at March 31, 2013	As at March 31, 2012
<b>Investments (At cost):</b>			
<b>A.</b>	<b><u>Trade (Unquoted)</u></b>		
(a)	Investment in equity instruments		
	(i) of wholly owned subsidiaries		
	9,999 (As at March 31, 2012: 9,999) shares of Rs. 10/- each fully paid up in Shakti Buildwell Private Limited.	340,000	340,000
	9,999 (As at March 31, 2012: 9,999) shares of Rs. 10/- each fully paid up in Agrim Realtech Private Limited.	250,000	250,000
	9,999 (As at March 31, 2012: 9,999) shares of Rs. 10/- each fully paid up in Niwas Realtech Private Limited.	650,000	650,000
	(ii) of joint venture companies		
	Nil (As at March 31, 2012: 5,000) shares of Rs. 10/- each fully paid up in Uppal QVC Realty Private Limited. - Refer Note 28.4	-	50,000
	5,050 (As at March 31, 2012: 5,000) shares of Rs. 10/- each fully paid up in Spark Town Planners Private Limited - Refer note 28.4	100,000	50,000
		<b>1,340,000</b>	<b>1,340,000</b>
	<b>Total - Trade (A)</b>	<b>1,340,000</b>	<b>1,340,000</b>
<b>B.</b>	<b><u>Other investments - Non-Trade (Quoted) (at lower of cost and market value)</u></b>		
(a)	Investment in equity instruments		
	(i) of other entities		
	Ansal Properties & Infrastructures Ltd	32	32
	B L Kashyap & Sons Limited	245	245
	Brigade Enterprises Limited	42	42
	D S Kulkarni Developers Limited	20	20
	DLF Limited	210	210
	Housing Development And Infrastructure Ltd	87	87
	India Bulls Real Estate Ltd	93	93
	IVRCL Assets & Holdings Ltd	37	37
	Kolte Patil Developers Ltd	24	24
	Lanco Infratech Ltd	111	111
	Larsen & Toubro Ltd	711	711
	IL&FS Engineering and Construction Company Ltd (formerly known as "Maytas Infrastructure Limited")	480	480
	NCC Limited	55	55
	Omaxe Limited	49	49
	Parsvnath Developer Ltd	35	35
	Puravankara Projects Ltd	44	44
	Sobha Developers Ltd	86	86
	Unitech Ltd	36	36
		<b>2,397</b>	<b>2,397</b>

<b>Total - Other investments (B)</b>	<b>2,397</b>	<b>2,397</b>
<b>Total (A+B)</b>	<b>1,342,397</b>	<b>1,342,397</b>
Aggregate book value of quoted investments	2,397	2,396.66
Aggregate market value of listed and quoted investments	2,397	2,998
Aggregate amount of unquoted investments	1,340,000	1,340,000

**Note 13: Long-term loans and advances**

**(In Rupees)**

<b>Particulars</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
<b>Balances with Banks</b>		
- In Deposit Accounts	42,426,000	-
- Interest Accrued on Deposits	4,060,413	-
<b>Total</b>	<b>46,486,413</b>	<b>-</b>

**Note 14: Long-term loans and advances  
(Unsecured, considered good)**

**(In Rupees)**

<b>Particulars</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
(a) Security deposits	2,790,580	2,846,580
	<b>2,790,580</b>	<b>2,846,580</b>
(b) Loans and advances to related parties (Refer Note 28.4)	-	285,110,000
	-	<b>285,110,000</b>
(c) Advance income tax (net of provisions Rs.23,754,959; As at March 31, 2012: Rs.1,334,619 )	22,053,126	5,426,941
(d) MAT credit entitlement	5,782,608	7,214,594
<b>Total</b>	<b>30,626,314</b>	<b>300,598,115</b>

Note: Long-term loans and advances include amounts due from:

**(In Rupees)**

<b>Particulars</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
Private companies in which any director is a director or member		
- Niwas Realtech Pvt Ltd	-	285,110,000
	-	<b>285,110,000</b>

**Note 15: Current investments**
**(In Rupees)**

Particulars		As at March 31, 2013	As at March 31, 2012
<b>A.</b>	Other Current Investments (At lower of cost and fair value)		
(a)	Investment in mutual funds - Non-trade (Unquoted)		
	ICICI Prudential Money Market Fund - Cash Option Daily Dividend	30,365,552	58,139,814
	HSBC Floating Rate -Long Term -Inst.Plan -Weekly Dividend	20,105,989	-
	Axis Treasury Advantage Fund	13,283,928	129,312,571
	Templeton India Ultra Short Fund Bond	5,258,241	-
	Birla Sunlife - Short Term Opportunities Fund	10,256,866	-
	Reliance Liquid Funds	10,051,870	-
	TATA Floater Fund	10,305,516	-
	<b>Total - Current investments</b>	<b>99,627,962</b>	<b>187,452,385</b>
	Aggregate amount of unquoted investments	99,627,962	187,452,385
(i) Current investments includes investments in the nature of "Cash and cash equivalents" (as defined in AS 3 <i>Cash Flow Statements</i> ) amounting to Rs. 99,627,962 (As at March 31, 2012: Rs. 187,452,385), considered as part of Cash and cash equivalents in the Cash Flow Statement.			

**Note 16: Inventories**

(At lower of cost and net realizable value)

**(In Rupees)**

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Real estate projects under development	2,761,500,090	2,841,331,349
<b>Total</b>	<b>2,761,500,090</b>	<b>2,841,331,349</b>

**Note 17: Trade receivables**
**(In Rupees)**

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Trade receivables outstanding for a period exceeding six months from the date they were due for payment</b>		
Unsecured, considered good	-	-
<b>Other Trade receivables</b>		
Unsecured, considered good	80,006,466	45,366,390
	<b>80,006,466</b>	<b>45,366,390</b>
<b>Total</b>	<b>80,006,466</b>	<b>45,366,390</b>
<b>Note: Trade receivables include debts due from:</b>		
Particulars	As at 31 March, 2013	As at 31 March, 2012
Note: Trade receivables include debts due from:		
Private Company in which any director is a director or member		
Spark Town Planners Private Limited	<b>80,006,466</b>	-

**Note 18: Cash and cash equivalents**
**(In Rupees)**

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Cash on hand	2,392,627	87,600
(b) Cheques, drafts on hand	-	9,772,121
(c) Balances with banks		
(i) In current accounts	79,359,788	20,460,122
(ii) In deposit accounts	38,871,233	33,926,568
(iii) In earmarked accounts		
- Unpaid dividend accounts	35	1,508
(d) Others	-	-
<b>Total</b>	<b>120,623,683</b>	<b>64,247,919</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 <i>Cash Flow Statements</i> is	120,623,683	64,247,919

**Note 19: Short-term loans and advances  
(Unsecured, considered good)**
**(In Rupees)**

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Loans and advances to related parties		
Unsecured, considered good (Refer Note 28.4)		
Towards plot development	1,264,142,509	1,436,849,694
Others	285,110,000	-
	<b>1,549,252,509</b>	<b>1,436,849,694</b>
(b) Security deposits	81,465	108,465
	<b>81,465</b>	<b>108,465</b>
(c) Loans and advances to employees	3,065,267	1,774,023
	<b>3,065,267</b>	<b>1,774,023</b>
(d) Prepaid expenses	498,164	376,836
(f) Others		
- Advance for purchase of land	32,501,441	32,501,441
- Travel advance	729,245	71,534
- Advance for short-term investments	-	7,500,000
- Other Advances	32,218,186	23,359,685
	<b>65,448,872</b>	<b>63,432,660</b>
<b>Total</b>	<b>1,618,346,277</b>	<b>1,502,541,678</b>

**Note: Short-term loans and advances include amounts due from:**
**(In Rupees)**

Particulars	As at March 31, 2013	As at March 31, 2012
Private companies in which any director is a director or member		
- Spark Town Planners Private Limited	1,260,662,814	1,431,086,103
- Uppal QVC Realty Private Limited	-	5,756,091
- QVC Star Realty Private Limited	16,500	7,500

- Agrim Realtech Pvt Ltd	201,655	-
- Niwas Realtech Pvt Ltd	285,264,679	-
- Shakti Buildwell Pvt Ltd	3,106,861	-
	<b>1,549,252,509</b>	<b>1,436,849,694</b>

**Note 20: Other current assets**

(In Rupees)

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Accruals		
(i) Interest accrued on deposits	1,990,952	586,773
(b) Others		
- Recoverable Project Expenditure	1,244,060,340	1,258,309,596
<b>Total</b>	<b>1,246,051,292</b>	<b>1,258,896,369</b>

**Note 21: Revenue from operations**

(In Rupees)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
(a) Sale of land	-	4,356,000
(b) Sale of services (Refer Note (i) below)	3,269,125	61,400,000
(c) Project development income	319,265,864	223,016,933
(d) Other operating revenues	38,003,816	52,500,000
<b>Total</b>	<b>360,538,805</b>	<b>341,272,933</b>

(In Rupees)

Note	Particulars	March 31, 2013	March 31, 2012
(i)	Sale of services comprises:		
	- Property advisory services	3,269,125	61,400,000
	<b>Total - Sale of services</b>	<b>3,269,125</b>	<b>61,400,000</b>

**Note 22: Other income**

(In Rupees)

Particulars	March 31, 2013	March 31, 2012
(a) Interest income from deposits with banks	6,105,085	716,804
(b) Dividend income: from current investments	13,555,269	8,655,579
(c) Net gain on sale of: - current investments	120,376	298,852
(d) Net gain on foreign currency transactions and translation	-	2,613
(e) Other non-operating income (Refer Note (i) below)	4,391,098	431,074
(f) Interest on Income tax refund	149,798	-
<b>Total</b>	<b>24,321,626</b>	<b>10,104,922</b>

Note	Particulars	March 31, 2013	March 31, 2012
(i)	Other non-operating income comprises:		
	Liabilities / provisions no longer required written back	3,463,028	401,038
	Miscellaneous income	928,070	30,036
	<b>Total - Other non-operating income</b>	<b>4,391,098</b>	<b>431,074</b>

**Note 23: Changes in inventories of finished goods and work-in-progress**

		(In Rupees)	
Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012	
<b><u>Inventories at the end of the year:</u></b>			
Work-in-progress	2,761,500,090	2,841,331,349	
	<b>2,761,500,090</b>	<b>2,841,331,349</b>	
<b><u>Inventories at the beginning of the year:</u></b>			
Work-in-progress	2,841,331,349	3,008,366,329	
Add: Project Development expenses			
- Expenses directly attributable to projects	57,501,206	63,012,532	
- Other expenses allocated to projects (Refer Notes 24, 25 and 26)	61,068,129	69,966,624	
Less: Reimbursements towards project expenses	-	(22,547,299)	
Less: Non refundable deposits received towards projects	-	(100,000,000)	
Less: Proportionate Project Expenses of QVC The Hills	-	-	
	<b>2,959,900,684</b>	<b>3,018,798,186</b>	
<b>Net (increase) / decrease in inventories</b>	<b>198,400,594</b>	<b>177,466,837</b>	

**Note 24: Employee benefits expense**
**(In Rupees)**

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Salaries and wages	45,085,813	38,375,391
Contributions to provident and other funds	1,807,583	1,682,709
Staff welfare expenses	776,391	819,069
	<b>47,669,787</b>	<b>40,877,169</b>
Less: Allocated to projects	(27,465,264)	(31,868,163)
<b>Total</b>	<b>20,204,523</b>	<b>9,009,006</b>

**Note 25: Finance costs**
**(In Rupees)**

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
(a) Interest expense on:		
(i) Borrowings	67,416,443	31,455,285
(ii) Others	787,580	727,236
(b) Other borrowing costs	2,435,229	2,500,451
(c) Interest on delayed payments of Income tax	331,511	-
	<b>70,970,763</b>	<b>34,682,972</b>
Less: Allocated to projects	(26,803,936)	(25,082,545)
<b>Total</b>	<b>44,166,827</b>	<b>9,600,427</b>

**Note 26: Other expenses**
**(In Rupees)**

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Power and fuel	891,978	869,983
Rent including lease rentals (Refer Note 28.3)	4,579,273	5,263,948
Repairs and maintenance		
- Buildings	1,240,864	913,301
- Others	545,079	473,105
- Vehicles	396,834	221,191
Insurance	1,179,150	1,367,349
Rates and taxes	539,434	120,095
Communication	923,016	900,189
Travelling and conveyance	4,585,453	3,721,039
Printing, Postage and stationery	1,244,705	1,213,569
Sales commission	24,739,624	46,348,197
Business promotion	9,798,777	4,988,441
Donations and contributions	40,000	31,000



Legal and professional	4,330,557	2,909,727
Payments to auditors (Refer Note (i) below)	650,000	650,000
Loss on fixed assets sold / scrapped / written off	4,509,525	979,394
Directors sitting fees	40,000	-
Membership and subscription	587,104	464,446
Miscellaneous expenses	623,057	303,427
	<b>61,444,430</b>	<b>71,738,401</b>
Less: Transferred to project expenses	(6,798,929)	(13,015,916)
<b>Total</b>	<b>54,645,501</b>	<b>58,722,485</b>

**Note (i):**

Particulars	(In Rupees)	
	For the year ended 31 March, 2013	For the year ended 31 March, 2012
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	650,000	650,000
Reimbursement of expenses	-	-
<b>Total</b>	650,000	650,000

**Note 27: Additional information to the financial statements**

Note	Particulars	(In Rupees)	
		As at March 31, 2013	As at March 31, 2012
27.1	<b>Contingent liabilities and commitments (to the extent not provided for)</b>		
(i)	Contingent liabilities		
	(a) Claims against the Company not acknowledged as debt	-	-
	(b) Guarantees		
	- Corporate Guarantee provided to Punjab and Sind Bank to secure the credit facilities sanctioned to Uppal QVC Realty Company Limited	-	31,500,000
	- Guarantee provided to Axis Bank to secure the guarantee facilities provided on behalf of Spark Town Planners Private Limited	42,426,000	15,734,000
27.2	There are no dues to Micro and Small Enterprises as determined by the Management. This has been relied upon by the auditors		

27.3	Expenditure in foreign currency:	(In Rupees)	
		For the year ended March 31, 2013	For the year ended March 31, 2012
	Travel	640,238	629,960
	Salaries / Perquisites	1,000,000	1,000,000

27.4	Amounts remitted in foreign currency during the year on account of dividend	For the year ended March 31, 2013	For the year ended March 31, 2012
	Amount of dividend remitted in foreign currency		
	- on Optionally Redeemable Preference Shares	193	890
	- on Compulsorily Convertible Preference Shares	303	907
	Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	1	1
	Total number of shares held by them on which dividend was due		
	- on Optionally Redeemable Preference Shares	1,930,346	2956500
	- on Compulsorily Convertible Preference Shares	3,022,400	3022400
	Year to which the dividend relates	2011-12	2007-08 to 2010-11

**Note 28: Disclosures under Accounting Standards**

Note:	Particulars
<b>28.1</b>	<b>Employee benefit plans</b>
<b>28.1.i)</b>	Defined contribution plans The Company makes Provident Fund to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 1,646,096 (Year ended March 31, 2012 Rs. 1,682,709) for Provident Fund contributions. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.
<b>28.1.ii)</b>	Defined benefit plans The Company offers the following employee benefit schemes to its employees: i. Gratuity

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

(In Rupees)

Particulars	For the year ended	
	March 31, 2013	March 31, 2012
Components of employer expense		
Current service cost	194,474	208,369
Interest cost	104,076	91,194
Expected return on plan assets	-	-
Curtailement cost / (credit)	-	-
Settlement cost / (credit)	-	-
Past service cost	114,516	114,516
Actuarial losses/(gains)	163,124	(191,569)
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>576,190</b>	<b>222,510</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	213,462	-
Actual contributions	-	-
<b>Net asset / (liability) recognised in the Balance Sheet</b>		

Present value of defined benefit obligation	1,288,145	1,039,933
Fair value of plan assets	-	-
Funded status [Surplus / (Deficit)]	(1,288,145)	(1,039,933)
Unrecognised past service costs	114,516	229,032
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(1,173,629)</b>	<b>(810,901)</b>
Current	(32,362)	(34,279)
Non -Current	(1,141,267)	(776,622)

(In Rupees)

Particulars	For the year ended	
	March 31, 2013	March 31, 2012
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	1,039,933	931,939
Current service cost	194,474	208,369
Interest cost	104,076	91,194
Actuarial (gains) / losses	163,124	(191,569)
Past service cost	-	-
Benefits paid	(213,462)	-
Present value of DBO at the end of the year	1,288,145	1,039,933
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	-	-
Acquisition adjustment	-	-
Expected return on plan assets	-	-
Actual company contributions	213,462	-
Actuarial gain / (loss)	-	-
Benefits paid	(213,462)	-
Plan assets at the end of the year	-	-
<b>Actual return on plan assets</b>	-	-
<b>Actuarial assumptions</b>		
Discount rate	8.55%	8.55%
Expected return on plan assets	0.00%	0.00%
Salary escalation	7.00%	7.00%
Attrition	Age 21-30: 5%	Age 21-30: 5%
	Age 31-40: 3%	Age 31-40: 3%
	Age 41-50: 2%	Age 41-50: 2%
	Age 51-59: 1%	Age 51-59: 1%
Mortality tables	Indian Assured Lives Mortality (2006-08) ult Table	LIC Mortality (1994-96) Table

Note 28	Disclosures under Accounting Standards (contd.)
	<p>The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.</p> <p>The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.</p>

(In Rupees)

Experience adjustments	Period Ended				
Gratuity	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
Present value of DBO	1,288,145	1,039,933	931,939	737,667	678,243
Fair value of plan assets	-	-	-	-	-
Funded status [Surplus / (Deficit)]	(1,288,145)	(1,039,933)	(931,939)	(737,667)	(678,243)
Experience gain / (loss) adjustments on plan liabilities	(102,963)	(153,674)	(435,246)	(196,409)	(66,030)
Experience gain / (loss) adjustments on plan assets	-	-	-	-	-

(In Rupees)

Note	Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
<b>28.2</b>	<b>Details of borrowing costs capitalised</b>		
	Borrowing costs capitalised during the year - as inventory	26,803,936	25,082,545
		<b>26,803,936</b>	<b>25,082,545</b>

(In Rupees)

Note	Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
<b>28.3</b>	<b>Details of leasing arrangements</b>		
	The Company has entered into leasing arrangements for office and other premises with options of renewal against increased rent and premature termination of agreement through notice. These lease arrangements do not prescribe non-cancellable periods		
	<u>As Lessee</u>		
	Lease payments recognised in the Statement of Profit and Loss	4,579,273	5,263,948

## 28.4: Related party transactions

### 28.4 a: Details of related parties:

Description of relationship	Names of related parties
Subsidiaries	Shakti Buildwell Private Limited
	Agrim Realtech Private Limited
	Niwas Realtech Private Limited
Key Management Personnel (KMP)	Mr. Prakash Gurbaxani, Managing Director
Joint Ventures	*Uppal QVC Realty Private Limited
	Spark Town Planners Private Limited

Note: Related parties are as identified by the Management and relied upon by the auditors.

\*Uppal QVC Realty Private Limited has been merged with Spark Town Planners Private Limited upon the approval of the Hon'ble High Court of Delhi on 2nd May 2013 with retrospective effect from 01.04.2012. As per the Scheme of Amalgamation, the Company has received 50 shares of Spark Town Planners Private Limited in exchange of 5000 shares of Uppal QVC Realty Private Limited

### Details of related party transactions during the year ended March 31, 2013 and balances outstanding as at March 31, 2013

(In Rupees)

28.4.b	Particulars of transaction	Subsidiaries	Joint Ventures	KMP	Total
<b>A</b>	<b>Expenses incurred by the Company</b>				
	Shakti Buildwell Private Limited	2,105	-	-	2,105
		(70,162)	-	-	(70,162)
	Agrim Realtech Private Limited	50,308	-	-	50,308
		(70,144)	-	-	(70,144)
	Niwas Realtech Private Limited	658	-	-	658
		(70,144)	-	-	(70,144)
	*Uppal QVC Realty Private Limited	-	-	-	-
		-	(85,273)	-	(85,273)
<b>B</b>	<b>Advances made by the Company</b>				
	Niwas Realtech Private Limited	-	-	-	-
		(285,110,000)	-	-	(285,110,000)
	*Uppal QVC Realty Private Limited	-	-	-	-
		-	(2,256,091)	-	(2,256,091)
	Spark Town Planners Private Limited	-	46,261,231	-	46,261,231
		-	(431,086,103)	-	(431,086,103)
<b>C</b>	<b>Share of Revenue earned by the Company</b>				
	Spark Town Planners Private Limited	-	86,735,608	-	86,735,608
		-	(71,475,960)	-	(71,475,960)
<b>D</b>	<b>Advances received</b>				
	Spark Town Planners Private Limited	-	135,110,101	-	135,110,101
		-	(81,574,419)	-	(81,574,419)

	<b>Uppal QVC Realty Private Limited</b>	-	2,220,818	-	2,220,818
		-	-	-	-
<b>E</b>	<b>Managerial Remuneration</b>	-	-	27,483,530	27,483,530
	Mr. Prakash Gurbaxani, Managing Director	-	-	(21,114,618)	(21,114,618)
<b>F</b>	<b>Balances outstanding at the end of the year</b>				
	<b>Receivables</b>				
	Shakti Buildwell Private Limited	3,106,861	-	-	-
		(3,104,756)	(-)	(-)	(-)
	Agrim Realtech Private Limited	201,655	-	-	-
		(131,511)	(-)	(-)	(-)
	Niwas Realtech Private Limited	285,264,679	-	-	-
		(285,264,021)	(-)	(-)	(-)
	*Uppal QVC Realty Private Limited	-	-	-	-
		(-)	(5,756,091)	(-)	0
	Spark Town Planners Private Limited	-	1,545,699,520	-	1,545,699,520
		(-)	(1,431,086,103)	(-)	0
	<b>Payables</b>				
	Spark Town Planners Private Limited	-	205,154,895	-	205,154,895
		(-)	(81,574,419)	(-)	(-)
	<b>Guarantees / Collaterals</b>				
	Uppal QVC Realty Private Limited	-	-	-	-
		(-)	(31,500,000)	(-)	(31,500,000)
	Spark Town Planners Private Limited	-	42,426,000	-	42,426,000
		(-)	(15,734,000)	(-)	(-)

**Note: Figures in brackets relate to the previous year**

**(In Rupees)**

Note	Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
<b>28.5</b>	<b>Earnings per share</b>		
	<u>Basic</u>		
	Net profit / (loss) for the year	29,791,028	82,134,353
	Less: Preference dividend and tax thereon	1,104	1,223
	Net profit / (loss) for the year attributable to the equity shareholders, excluding extraordinary items	29,789,924	82,133,130
	Weighted average number of equity shares	947,198	1,067,737
	Par value per share	10.00	10.00
	Earnings per share, excluding extraordinary items - Basic	31.45	76.92
	<u>Diluted</u>		
	The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity Shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Stock Options and Convertible Preference shares for the respective periods.		

	Net profit / (loss) for the year	29,791,028	82,134,353
	(Add) / Less: Extraordinary items (net of tax)	-	-
	Less: Preference dividend and tax thereon	1,104	1,223
	Net profit / (loss) for the year attributable to the equity shareholders, excluding extraordinary items	29,789,924	82,133,130
	Add: Dividend and Tax on dividends	960	960
	Profit / (loss) attributable to equity shareholders (on dilution)	29,790,884	82,134,090
	Weighted average number of equity shares for Basic EPS	10,971,293	12,214,514
	Add: Effect of Warrants, ESOPs and Convertible bonds which are dilutive	48,000	63,100
	Weighted average number of equity shares - for diluted EPS	11,019,293	12,277,614
	Par value per share	10	10
	Earnings per share, excluding extraordinary items - Diluted	2.70	6.69

<b>28.6</b>	The Company is in the business of development, sale, advisory and other real estate development-related activities. The same represent a single business segment and no separate segmentation or reporting is required as per Accounting Standard - 17 "Segment Reporting". Further no separate geographical segment disclosure has been made since the business is concentrated only in India
<b>28.7</b>	The Company did not have any derivatives or foreign currency receivables or payables at the end of the year

(In Rupees)			
	Particulars	As at March 31, 2013	As at March 31, 2012
<b>28.8</b>	<b>Deferred tax (liability)/asset</b>		
	<b>Tax effect of items constituting deferred tax liability</b>		
	On difference between book balance and tax balance of fixed assets	(1,035,827)	(2,110,607)
	<b>Tax effect of items constituting deferred tax assets</b>		
	Provision for compensated absences, gratuity and other employee benefits	1,170,827	1,740,607
	<b>Net deferred tax (liability) / asset</b>	<b>135,000</b>	<b>(370,000)</b>

**Note 29: Disclosures on Employee share based payments**

(In Rupees)	
Note	Particulars
<b>29</b>	<b>Employee Stock Option Scheme</b>
29 a)	<p>In the extraordinary general meeting held on Feb 18, 2008, the shareholders approved the issue of 240,120 options under the Scheme titled "Employees Stock Option Scheme 2007" ("ESOP 2007").</p> <p>The ESOP 2007 allows the issue of options to employees of the Company. Each option comprises one underlying equity share.</p> <p>As per the Scheme, the Compensation Committee grants the options to the employees deemed eligible. The exercise price of each option shall be lower of Rs. 614/- or the "Market Price" as defined in the Scheme. The options granted vest over a period of 4 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 4 years of vesting or upon termination as defined in the Scheme.</p> <p>The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period.</p>

**Note 29 b): Employee stock options details as on the Balance Sheet date are as follows:**

Particulars	During the year ended March 31, 2013		During the year ended March 31, 2012	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:	63,100	614.00	76,000	614.00
Granted during the year:	-	614.00	-	614.00
Vested during the year:	-	614.00	-	614.00
Exercised during the year:	-	614.00	-	614.00
Lapsed during the year:	15,100	614.00	12,900	614.00
Options outstanding at the end of the year:	48,000	614.00	63,100	614.00
Options available for grant:	192,120	614.00	177,020	614.00

**Note 29 c): The impact on Earnings per Share if the 'fair value' of the options (on the date of the grant) were considered instead of the 'intrinsic value' is as under:**

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Net Profit / (loss) (as reported)	29,789,924	82,133,130
Add / (Less): stock based employee compensation (intrinsic value)	-	-
Add / (Less): stock based compensation expenses determined under fair value method for the grants issued	-	-
Net Profit / (loss) (proforma)	29,789,924	82,133,130
Basic earnings per share (as reported)	31.45	76.92
Basic earnings per share (proforma)	31.45	76.92
Diluted earnings per share (as reported)	2.70	6.69
Diluted earnings per share (proforma)	2.70	6.69

Note 30	Previous year's figures
	Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.



## CAPITAL STRUCTURE

The share capital of our Company as on date of this Draft Information Document is set forth below:

*(In Rupees)*

Particulars	Aggregate Nominal Value
<b>(A) Authorised Share Capital</b>	
5,000,000 Equity Shares of Rs 10/- each	50,000,000
5,000,000 Compulsory Convertible Preference Shares of Rs 10/- each	50,000,000
5,000,000 Redeemable Cumulative Convertible Preference Share of Rs.10/- each	50,000,000
5,000,000 Optionally Redeemable Preference Shares of Rs.10/- each	50,000,000
<b>Total</b>	<b>200,000,000</b>
<b>(B) Issued, Subscribed and Paid-Up Equity Capital</b>	
771,695 Equity Shares of Rs. 10 /-each	7,716,950
3,259,800 Compulsory Convertible Preference Shares of Rs 10/- each	32,598,000
5,000,000 Redeemable Cumulative Convertible Preference Share of Rs.10/- each	50,000,000
341,986 Optionally Redeemable Preference Shares of Rs.10/- each	3,419,860
<b>Total</b>	<b>93,734,810</b>
<b>( C ) Security Premium</b>	<b>253,213,917</b>

- (1) All Equity shares of the Company are fully paid-up.
- (2) The Listing of the shares is being made in terms of Chapter XC of SEBI ICDR Regulations.
- (3) The Listing, in terms of this Draft Information Document, has been authorized pursuant to the resolution of Board of Directors dated June 27,2014 and approved by the shareholders vide resolution passed at the Extra-Ordinary General Meeting of the Company held on July 14,2014

### Changes in the Authorised Capital:

1. The Initial Authorized share capital of Rs 100,000 divided into 10,000 Equity Shares was increased to Rs 5,000,000 divided into 200,000 Equity Shares of Rs 10/- each, 100,000 RCCPS of Rs 10/- each, 100,000 ORPS of Rs 10/- each and 100,000 CCPS of Rs 10/- each pursuant to a resolution of the shareholders passed on January 29, 2007.
2. The Authorised Share Capital of Rs 5,000,000 divided into 200,000 Equity Shares of Rs 10/- each, 100,000 RCCPS of Rs 10/- each, 100,000 ORPS of Rs 10/- each and 100,000 CCPS of Rs 10/- was increased to Rs 200,000,000 divided into 5,000,000 Equity Shares of Rs 10/- each, 5,000,000 RCCPS of Rs 10/- each,5,000,000 ORPS of Rs 10/- each and 5,000,000 CCPS of Rs 10/- each pursuant to a resolution of the shareholders passed on February 18, 2008.

**Notes to the Capital Structure:**

**1. Share Capital History Of Our Company**

**(a.) The following is the history of the equity share capital of our Company:**

*(Amount in Rs, except share data)*

Date of Allotment/ Buyback	No. of Equity Shares	Face Value (in Rs)	Issue Price (in Rs)	Consideration	Reasons for Allotment	Cumulative No of Equity Shares	Cumulative Paid Up Equity Share Capital (in Rs)	Cumulative Equity Share Premium (in Rs)
January 25, 2007	10,000	10	10	Cash	Initial Subscription	10,000	100,000	Nil
August 09, 2007	1,000	10	61,355.14	Cash	Further Allotment	11,000	110,000	61,345,135
May 07, 2008	1,089,000	10	-	Bonus Issue	Bonus Issue in the ratio of 99:1	1,100,000	11,000,000	50,345,135
November 02, 2011	(78,200)	10	975	Cash	Buyback of Equity Shares	1,021,800	10,218,000	Nil
June 05, 2012	(91,015)	10	975	Cash	Buyback of Equity Shares	930,785	9,307,850	Nil
May 29, 2013	(159,090)	10	1,115	Cash	Buyback of Equity Shares	771,695	7,716,950	Nil

**(b.) Equity Shares Allotted for consideration other than cash**

Date of Allotment of the Equity Shares	No. of Equity Shares	Face Value (in Rs)	Issue Price (in Rs)	Nature of Consideration	Reason for Allotment	Persons to whom Equity Shares Allotted	
						Name of the Allottee	Shares Allotted
May 07, 2008	1,089,000	10	-	-	Bonus Issue of Equity Shares in the ratio 99:1	Prakash Gurbaxani	913,176
						Avendus Capital Pvt Ltd	76,824
						IL&FS Trust Co Ltd, A/c IL&FS Private Equity Trust – Infrastructure Leasing and Financial Services Realty Fund	12,969
						IIRF Holdings IV Ltd, Mauritius	86,031

(c.) The following is the history of the preference share capital of our Company:

**i. COMPULSORY CONVERTIBLE PREFERENC SHARES (CCPS)**

A) The following is the history of the compulsory convertible preference share capital and share premium account of our Company:

(Amount in Rs, except share data)

Date of Allotment	No. of CCPS allotted	Face Value (in Rs)	Issue Price (in Rs)	Consideration	Reasons for Allotment	Cumulative No of CCPS	Cumulative Paid Up CCPS Share Capital (in Rs)	Cumulative CCPS Share Premium (in Rs)
August 09, 2007	1,042	10	61,355.14	Cash	Fresh Issue	1,042	10,420	63,921,636
August 09, 2007	3,522	10	61,355.14	Cash	Fresh Issue	4,564	45,640	279,979,219
February 08,2008	4,075	10	61,357	Cash	Fresh Issue	8,639	86,390	529,968,244
May 07, 2008	855,261	10	-	Bonus Issue	Bonus Issue in the ratio of 99:1	863,900	8,639,000	521,329,244
September 04, 2008	1,548,400	10	613.54	Cash	Fresh Issue	2,412,300	24,123,000	1,455,850,580
November 24, 2008	847,500	10	613.57	Cash	Fresh Issue	3,259,800	32,598,000	1,975,851,155

B) CCPS Allotted for consideration other than cash

Date of Allotment of the Equity Shares	No. of CCPS	Face Value (in Rs)	Issue Price (in Rs)	Nature of Consideration	Reason for Allotment	Persons to whom CCPS Allotted	
						Name of the Allottee	Shares Allotted
May 07, 2008	855,261	10	-	-	Bonus Issue of Equity Shares in the ratio 99:1	IL&FS Trust Co Ltd, A/c IL&FS Private Equity Trust – Infrastructure Leasing and Financial Services Realty Fund	112,464
						IIRF Holdings IV Ltd, Mauritius	742,797

C) In case the entire amount of CCPS is converted, the Company would have to allot 3,259,800 no of Equity Shares to the CCPS Holders.

D) The shares carry a fixed return of 0.001% per annum payable annually or in the event there is a dividend on equity shares, such dividend on as if converted basis of the preference shares, whichever is higher. Any unpaid dividend shall be carried forward and become an obligation for subsequent year(s) net of any dividend paid. Each CCPS may be convertible into one equity shares of Rs 10/- each by the CCPS holder. The CCPS holder would also have an option to convert such CCPS to equity shares at any time by giving a notice (“Conversion Notice”) of such conversion to the Company.

**ii. REDEEMABLE CUMMULATIVE CONVERTIBLE PREFERENCE SHARES: (RCCPS)**

A) The following is the history of the Redeemable Cumulative Convertible Preference Share Capital and Share Premium Account of our Company:

*(Amount in Rs, except share data)*

Date of Allotment	No. of RCCP	Face Value (in Rs)	Issue Price (in Rs)	Consideration	Reasons for Allotment	Cumulative No of RCCP	Cumulative Paid Up RCCPS Share Capital (in Rs)	Cumulative RCCPS Share Premium (in Rs)
January 29, 2007	50,000	10	10	Cash	Further Allotment	50,000	500,000	Nil
May 07, 2008	4,950,000	10	Bonus Issue	Bonus Issue	Bonus Issue of Equity Shares in the ratio 99:1	5,000,000	50,000,000	Nil

B) RCCPS Allotted for consideration other than cash

Date of Allotment of the Equity Shares	No. of CCPS	Face Value (in Rs)	Issue Price (in Rs)	Nature of Consideration	Reason for Allotment	Persons to whom RCCPS Allotted	
						Name of the Allottee	Shares Allotted
May 07, 2008	4,950,000	10	-	-	Bonus Issue of Equity Shares in the ratio 99:1	Mr. Prakash Gurbaxani	4,950,000

C) Each RCCPS shall be convertible into such number of equity shares of Rs 10/- each by the RCCPS holder giving a notice (“Conversion Notice”) of such conversion to the Company. Such conversion shall be at a price as may be decided by the Board from time to time.

D) The shares carry a fixed return of 0.001% per annum payable annually or in the event there is a dividend on equity shares, such dividend on as if converted basis of the preference shares, whichever is higher.

### iii. Optionally Redeemable Preference Shares: (ORPS)

A) The following is the history of the Optionally Redeemable Preference Share Capital and Share Premium Account of our Company:

Date of Allotment/ Redemption	No. of ORPS	Face Value (in Rs)	Issue Price (in Rs)	Consideration	Reasons for Allotment	Cumulative No of ORPS	Cumulative Paid Up ORPS Share Capital (in Rs)	Cumulative ORPS Share Premium (in Rs)
August 9, 2007	34,041	10	61,355.14	Cash	Fresh allotment	34,041	340,410	2,088,249,911
May 07,2008	3,370,059	10	-	Bonus Issue	Bonus Issue of Equity Shares in the ratio 99:1	3,404,100	34,041,000	2,054,208,911
June 24, 2011	(257,322)	10	975	Cash	Redemption of ORPS	3,146,778	31,467,780	1,805,893,181
September 26, 2011	(271,643)	10	975	Cash	Redemption of ORPS	2,875,135	28,751,350	1,543,757,686
November 17,2011	(206,154)	10	975	Cash	Redemption of ORPS	2,668,981	26,689,810	1,344,819,076
November 29, 2011	(217,436)	10	975	Cash	Redemption of ORPS	2,451,545	24,515,450	1,134,993,336
December 1, 2011	(23,725)	10	975	Cash	Redemption of ORPS	2,427,820	24,278,200	1,112,098,711
December 1, 2011	(25,024)	10	975	Cash	Redemption of ORPS	2,402,796	24,027,960	1,087,950,551
February 17, 2012	(71,479)	10	975	Cash	Redemption of ORPS	2,331,317	23,313,170	1,018,973,316
March 7, 2012	(71,478)	10	975	Cash	Redemption of ORPS	2,259,839	22,598,390	949,997,046
June 25, 2012	(239,419)	10	1,115	Cash	Redemption of ORPS	2,020,420	20,204,200	685,439,051
September 12, 2012	(376,683)	10	1,115	Cash	Redemption of ORPS	1,643,737	16,437,370	269,204,336
December 7, 2012	(197,309)	10	1,115	Cash	Redemption of ORPS	1,446,428	14,464,280	51,177,891
December 10, 2012	(22,708)	10	1,115	Cash	Redemption of ORPS	1,423,720	14,237,200	26,085,551
December 27, 2012	(35,874)	10	1,115	Cash	Redemption of ORPS	1,387,846	13,878,460	Nil
January 2, 2013	(4,129)	10	1,115	Cash	Redemption of ORPS	1,383,717	13,837,170	Nil
March 7, 2013	(100,008)	10	1,115	Cash	Redemption of ORPS	1,283,709	12,837,090	Nil
March 22, 2013	(100,008)	10	1,115	Cash	Redemption of ORPS	1,183,701	11,837,010	Nil
June 21, 2013	(303,703)	10	1,350	Cash	Redemption of ORPS	879,998	8,799,980	Nil
June 24, 2013	(29,630)	10	1,350	Cash	Redemption of ORPS	850,368	8,503,680	Nil
August 14, 2013	(38,362)	10	1,350	Cash	Redemption of ORPS	812,006	8,120,060	Nil
February 20, 2014	(111,111)	10	1,350	Cash	Redemption of ORPS	700,895	7,008,950	Nil
February 21, 2014	(12,787)	10	1,350	Cash	Redemption of ORPS	688,108	6,881,080	Nil
April 16, 2014	(132,858)	10	1,350	Cash	Redemption of ORPS	555,250	5,552,500	Nil
April 21, 2014	(15,290)	10	1,350	Cash	Redemption of ORPS	539,960	5,399,600	Nil
April 29, 2014	(7,645)	10	1,350	Cash	Redemption of ORPS	532,315	5,323,150	Nil
May 05, 2014	(66,429)	10	1,350	Cash	Redemption of ORPS	465,886	4,658,860	Nil
June 24, 2014	(111,112)	10	1,350	Cash	Redemption of ORPS	354,774	3,547,740	Nil
July 01, 2014	(12,788)*	10	1,350	Cash	Redemption of ORPS	341,986	3,419,860	Nil

\* ROC Filing is pending

B) ORPS Allotted for consideration other than cash

Date of Allotment	No. of ORPS allotted	Face Value (in Rs)	Issue Price (in Rs)	Nature of Consideration	Reason for Allotment	Persons to whom ORPS Allotted	
						Name of the Allottee	Shares Allotted
May 07, 2008	3,370,059	10	-	-	Bonus Issue of Equity Shares in the ratio 99:1	IL&FS Trust Co Ltd, A/c IL&FS Private Equity Trust – Infrastructure Leasing and Financial Services Realty Fund	443,124
						IIRF Holdings IV Ltd, Mauritius	2,926,935

- C) At the option of the shareholder, all ORPSs then outstanding shall be redeemable by the Company within 60 days from the completion of such period. Such redemption shall be at a redemption price per ORPS as may be decided by the Board from time to time.
- D) The shares carry a fixed return of 0.01% per annum payable annually or in the event there is any dividend on equity shares, such dividend on as if converted basis of the preference shares, whichever is higher.

**d) Employee Stock Option Scheme 2007:**

The Company instituted the Employee Stock Option Scheme 2007 (“ESOP 2007”) on February 18, 2007 pursuant to shareholders resolution dated February 18, 2007. The purpose of ESOP 2007 is to encourage ownership of the Company’s equity shares by Employees and Directors of the Company on an ongoing basis and is intended to provide an incentive for maximum effort in the successful operation of the Company. The plan is intended to benefit the Company by enabling the Company to attract and retain the best available talent by enabling them to contribute and share in the growth of the Company. The plan came into effect from April 1, 2007 and is in force for 12 years from the effective date.

The ESOP 2007 allows the issue of options to employees of the company. Each option comprises one underlying equity share. As per the Scheme, the Compensation Committee grants the options to the employees deemed eligible. The options granted vest over a period of 4 years from the date of grant in proportions specified in the scheme. Options may be exercised within 4 years of vesting or upon termination as defined in the Scheme. The following table sets forth particulars of the options granted under the scheme and the Equity Shares allotted pursuant to the exercise of the options, as on the date of filing of this Draft Information Document.

Particulars	Details
Total Number of Options approved under the plan	240,120
Options Granted	37,700
Number of Options available for Grant	202,420
The Pricing Formula	The Exercise Price shall be lower of : a. Rs 614/- per Share b. Market Price: if and only if, the shares of the Company are Listed, Market Price on a given date means the average of the one week high and low price of the share preceding the date of grant, on the stock exchange on which shares of the Company are listed. If the share price is quoted on more than one stock exchange, then the stock exchange where there is trading volume on that date should be considered.
Exercise price of Option	614/- per share
Number of options vested and exercisable	37,700
Options Exercised	Nil
Total Number of shares arising as a result of full exercise of options already granted.	Nil
Money realized by exercise of options	Nil
Employee wise details of options granted to	Refer Note 1

**Note 1:**

Name of the Employee	Outstanding as on date of filing this Draft Information Document
Prasad B	12,500
G.S. Shivaprasad	11,000
Venkatesh	300
Gopi. R	100
Girish C. Balisavir	800
Devaiah C.T	2,500
Sivakumar R	9,000
Deepankar Dhingra	1,500
<b>Total</b>	<b>37,700</b>

**2. List of Top Seven Shareholders (Equity) of our Company:**

<b>Sr. No</b>	<b>Name of the Shareholder</b>	<b>No of Shares Held</b>	<b>Shareholding %</b>
1.	Mr. Prakash Gurbaxani	619,569	80.29
2	Avendus Capital Pvt Ltd	52,123	6.75
3	IL&FS Trust Co Ltd, A/c IL&FS Private Equity Trust – Infrastructure Leasing & Financial Services Realty Fund	13,100	1.70
4	IIRF Holdings IV Ltd	86,900	11.26
5	Kunaal Prakash Gurbaxani	1	-
6	Rohun Prakash Gurbaxani	1	-
7	QVC Star Realty Pvt Ltd	1	-
<b>TOTAL</b>		<b>771,695</b>	<b>100</b>

As on the date of this Draft Information Document, our Company has seven shareholders.



**3. Statement showing Shareholding Pattern of the Company as per Clause 34 of Listing Agreement on Institutional Trading Platform:**

**(I)(a)**

Sr. No. (I)	Category of Shareholders (II)	No. of Holders (III)	No. of Shares (IV)	No. of Shares held in Dematerialized form (V)	Total shareholding as a percentage of total number of shares % of (A+B) (VI)	Shares Pledged or otherwise encumbered	
						Number of shares (VII)	As a percentage (VIII) = (VII)/(IV)*100
<b>(A)</b>	<b>Promoter and Promoter Group</b>						
<b>1</b>	<b>Indian</b>						
a	Individual/HUF	3	619,571	-	80.29	-	-
b	Central Govt./ State Govt.		-	-	-	-	-
c	Bodies Corporate	1	1	-	-	-	-
d	Financial Institution/ Bank		-	-	-	-	-
e	Any Other		-	-	-	-	-
	<b>Sub-Total of (A)(1)</b>	<b>4</b>	<b>619,572</b>	<b>-</b>	<b>80.29</b>	<b>-</b>	<b>-</b>
<b>2</b>	<b>Foreign</b>						
a	Individuals (NRIs/Foreign)	-	-	-	-	-	-
b	Bodies Corporate	1	86,900	-	11.26	-	-
c	Institutions	-	-	-	-	-	-
d	Any Other	-	-	-	-	-	-
	<b>Sub-Total of (A)(2)</b>	<b>1</b>	<b>86,900</b>	<b>-</b>	<b>11.26</b>	<b>-</b>	<b>-</b>
	<b>Shareholding of Promoter &amp; Promoter Group (A) = A1+A2</b>	<b>5</b>	<b>706,472</b>	<b>-</b>	<b>91.55</b>	<b>-</b>	<b>-</b>
<b>(B)</b>	<b>Public Shareholding</b>						
<b>1</b>	<b>Institutions</b>						
a	Mutual Funds/ UTI	-	-	-	-	NA	NA
b	Financial Institution/ Bank	-	-	-	-	NA	NA
c	Central Govt./ State Govt.	-	-	-	-	NA	NA

d	Alternative Investment Fund/Venture Capital Funds	1	13,100	-	1.70	NA	NA
e	Insurance Companies	-	-	-	-	NA	NA
f	Foreign Institutional Investors	-	-	-	-	NA	NA
g	Foreign Venture Capital investors	-	-	-	-	NA	NA
h	Qualified Foreign investor	-	-	-	-	NA	NA
i	Any Other	-	-	-	-	NA	NA
	<b>Sub-Total of (B)(1)</b>	<b>1</b>	<b>13,100</b>	<b>-</b>	<b>1.70</b>	<b>NA</b>	<b>NA</b>
<b>2</b>	<b>Non - Institutions</b>						
a	Bodies Corporate	1	52,123	-	6.75	NA	NA
b	Individuals	-	-	-	-	NA	NA
c	Qualified Foreign Investor	-	-	-	-	NA	NA
d	Any Other	-	-	-	-	NA	NA
	<b>Sub-Total of (B)(2)</b>	<b>1</b>	<b>52,123</b>	<b>-</b>	<b>6.75</b>	<b>NA</b>	<b>NA</b>
	<b>Total Public Shareholding (B) = B(1) + B(2)</b>	<b>2</b>	<b>65,223</b>	<b>-</b>	<b>8.45</b>	<b>NA</b>	<b>NA</b>
	<b>Total (A) + (B)</b>	<b>7</b>	<b>771,695</b>	<b>-</b>	<b>100</b>	<b>0.00</b>	<b>0.00</b>

**(I)(b) Statement showing Shareholding of persons belonging to the category “Promoter and Promoter Group”**

Sr. no	Name of the Shareholder	Details of shares held		Shares pledged or otherwise encumbered			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		No of shares held	As a % of grand total (A) + (B) + (C)	No	As a %	As a % of grand total (A) + (B) + (C) of sub-clause (I)(a)	No of warrants held	As a %	No of convertible securities held	As a %	
1	IIRF Holdings IV Limited	86,900	11.26	-	-	-	-	-	3,232,833	39.27	75.25
2	Prakash Gurbaxani	619,569	80.28	-	-	-	-	-	5,000,000*	60.73	14.04*
3	Kunaal Prakash Gurbaxani	1	-	-	-	-	-	-	-	-	-
4	Rohun Prakash Gurbaxani	1	-	-	-	-	-	-	-	-	-
5	QVC Star Realty Private Limited	1	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>706,472</b>	<b>91.54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,232,833</b>	<b>100.00</b>	<b>89.29</b>

\* The no of equity shares to be allotted and price depends upon the decision of the board when option is exercised by the shareholder.

**(I)(c) Statement showing Shareholding of persons belonging to the category “Public” and holding more than 1 % of the total number of shares**

Sr No	Name of shareholder	No of shares	Shares as percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	Avendus Capital Pvt Ltd	52,123	6.75
2.	IL&FS Trust Company Limited, A/c. Infrastructure Leasing & Financial Services Realty Fund, a scheme of IL&FS Private Equity Trust, a SEBI Registered Venture Capital Fund	13,100	1.70

**(I)(d) Statement showing details of locked-in shares**

Sr no	Name of shareholder	No of locked-in shares	Shares as percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
	Nil	-	-

**(II) (a) Statement showing details of Depository Receipts (DRs)**

Sr no	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
	Nil	-	-	-

**(II) (b) Statement showing holding of Depository Receipts (DRs), where underlying shares are in excess of 1 % of the total number:**

Sr no	Name of DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
	Nil	-	-	-

## DESCRIPTION OF PROPERTY

**Descriptions of Properties of our Company are set forth below:**

We operate from our registered office situated at 89/1, Raja Ikon Building, 2nd Floor, Marathahalli Ring Road, Next to Sony World, Bangalore 560037, Karnataka. India.

**Leasehold Properties:**

Sr. No.	Location of property	Document and date	Lessor/ Licensor	Key Terms of the Agreement
1.	89/1,Raja Ikon Building, 2nd Floor, Marathahalli Ring Road, Next to Sony World, Banglore 560037, Karnataka. India	Lease deed made and executed on June 27, 2013	1. Mrs Seema M. Mysore & 2. Mr. Naveen Dasa Sanjeeva	Lease for a period of 6 Years, starting from March 15, 2013 and expiring on March 14, 2019.

Kindly refer page no 23 for the details of the intellectual property owned by the Company.

## **RISK FACTORS**

*The risks described below are relevant to the industries our Company is engaged in, our Company and our Equity Shares. If any one or more of the following risks as well as other risks and uncertainties discussed in this Draft Information Document were to occur, our business, financial condition and results of operation could suffer material adverse effects, and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in loss of all or part of investment.*

*These risks are not only ones that our Company faces. Our business operations could also be affected by additional factors that are not presently known to us or that we consider immaterial to our operations. Unless specified or quantified in the relevant risk factor below, we are not in the position to quantify financial or other implications of any risks mentioned herein.*

### **INTERNAL RISK FACTORS**

- 1. Our Company has entered into joint development agreement and any failure on the part of developer may impact the operations and profitability of the company.**

Our Company has entered into Joint Development Agreement for development of two ongoing projects i.e. International City & G-99 situated at Gurgaon, Haryana. Our revenues may get affected adversely in case the developer with whom our Company has entered into a Joint Development Agreement, do not complete the projects in time or is unable to attract customers for these projects.

- 2. We face substantial competition in the industry and our revenues could get affected if we are unable to complete the project on time or attract customers for the project.**

Our Company is operating in real estate sector. We face significant competition from existing players and potential entrants in the industry. Given the fragmented nature of the real estate development industry in India, we often do not have complete information about the projects our competitors are developing and accordingly we may underestimate supply in the market. Increasing competition in our businesses could result in price and supply volatility, which could adversely affect our results of operations. Competitors may, whether through consolidation or growth, present more credible integrated and/or lower cost alternatives to our projects. It may face significant competition mainly from large vertically integrated and diversified companies in the industry.

- 3. Our Contingent liabilities could adversely affect our financial condition and have not been provided for in the financial statements of the Company and could affect our financial condition.**

Our total contingent liabilities as disclosed in our financial statements as of March 31, 2013 were Rs. 424.26 lacs. In the event that any of our contingent liabilities becomes non-contingent, our financial condition and results of operations may be adversely affected. For further information, see the notes to our financial statements beginning on page 28

- 4. Our title to the freehold land held by us or other interests over land may be subject to legal uncertainties which may have adverse effect on our business, cash flows, financial conditions and results of operations.**

There may be various legal irregularities to the title to the lands that we own and which we may not be able to fully identify, resolve or assess. Prior to any agreement for purchase with respect to any land or any right

therein, we always verify the history and title of the land based on available documents and information by undertaking a due diligence process. However, there can be no assurance that such documents and information is accurate, authentic or complete. Additionally, property records in India have not been fully computerized and are generally maintained manually with physical records of all land related documents, which are also manually updated. This updating process can take a significant amount of time and can result in inaccuracies or errors and increase the difficulty of obtaining property records and/or materially impact our ability to rely on them. As a result, the title of the real property in which we may invest may not be clear or may be in doubt. Our rights or title in respect of these lands may be compromised by improperly executed, unregistered or insufficiently stamped conveyance instruments in the property's chain of title, unregistered encumbrances in favor of third parties, the absence of conveyance by all right holders, rights of adverse possessors, ownership claims of family members of prior owners or other irregularities that we may not be aware of.

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

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

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

**5. Our business is heavily dependent on the performance of, and the prevailing conditions affecting, the real estate market mainly in Bangalore & Gurgaon and in India generally.**

Our current projects are located primarily in Bangalore & Gurgaon. For details of our projects and land reserves, please see the section entitled "Our Business" on page 16. 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 the prevailing conditions affecting, the real estate market in Bangalore & Gurgaon and in India generally. The real estate market may be affected by various factors outside our control, including, among others:

- Prevailing local economic, income and demographic conditions;
- availability of consumer financing (interest rates and eligibility criteria for loans);
- availability of and demand for properties comparable to those we develop;
- changes in governmental policies relating to zoning and land use;
- changes in applicable regulatory schemes; and
- the cyclical nature of demand for and supply of real estate.

These factors may result in fluctuations in real estate prices and the availability of land, which may negatively affect the demand for and value of our projects, and may result in delays to or the cancellation of our projects, the cancellation of sales bookings.

**6. We are dependent on our management team for success whose loss could seriously impair the ability to continue to manage and expand business efficiently.**

Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. Further, the loss of any of the senior management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to implement new projects and expand our business.

**7. Our registered trademark “QVC Realty Co” may be infringed by third parties and we may be subject to intellectual property disputes.**

Our Company has registered “Trade Mark” & “Trade Name” in the name of “QVC Realty Co.” registered under Class 19, Class 36 & Class 37 of Trade Mark Act, 1999 which is subject to intellectual property disputes. Third parties or our Joint venture developer may misuse the trademark registered in the name of the Company causing damage to our Business Prospects, Reputation and Goodwill resulting in dilution of the value of the trade mark and trade name. If we are not successful in enforcing our “Intellectual Property Rights” for any reason, it may have material adverse effect on our Business and Competitive Position.

**8. We depend significantly on our residential business.**

Our primary focus is on the development of residential real estate projects for sale. We rely on our ability to understand the preferences of our residential customers and to develop projects that suit their needs. We aim to create aspirational developments that we believe have distinctive designs or functionalities with quality construction and finishing, as we believe that this enhances our brand and reputation, and enables us to sell our units quickly and at a premium to other competing developments. Our inability to provide customers with distinctive designs or functionalities and quality construction or our failure to continually anticipate and respond to customer needs may affect our business and prospects and could lead to some of our customers switching to our competitors, which could, in turn, materially and adversely affect our business prospects, financial condition and results of operations.

**9. Some of our Subsidiary Companies have incurred losses during the recent financial years.**

Some of our Subsidiary Companies have incurred losses in the recent fiscal years. The following are the Subsidiaries which have incurred losses in the recent years.

(In Rupees)

Sr. No	Name of the Company	FY 2012-13	FY 2011-12
1	Agrim Realtech Private Limited	(44,652)	(58,094)
2	Shakti Buildwell Private Limited	(912,596)	70,271

In the event that these Subsidiaries continue to incur losses, Our Company’s consolidated results of operations and financial condition may be adversely affected.



**10. We require high working capital for our smooth day to day operations of business and discontinuance or our ability to acquire adequate working capital timely and on favorable terms may have an adverse effect on our operations, profitability and growth prospects.**

Our business demands substantial funds towards working capital requirements. In case there are insufficient cash flows to meet our working capital requirement or we are unable to arrange the same from other sources or there are delays in disbursement of arranged funds, or we are unable to procure funds on favorable terms, it may result into our inability to finance our working capital needs on a timely basis which may have an adverse effect on our operations, profitability and growth prospects.

**11. Our lenders have charge over our movable assets and land parcels in respect of finance availed by us.**

We have secured our lenders by creating charge over our movable assets and land parcels. In the event of non-repayment of the loans availed by us and any interest thereon, our assets may be forfeited by lenders.

**12. Any penalty or action taken by any regulatory authorities in future for non-compliance with provisions of corporate law could impact the financial position of the Company to that extent.**

Our Company may have not complied with certain provisions of Companies Act, 1956 in the past. No show cause notice in respect of the same has been received by the Company till date. Any penalty imposed for such non-compliance in the future by any regulatory authority could affect our financial conditions to that extent.

**13. Business and growth plan could be adversely affected by the incidence and rate of property taxes and stamp duties, service and other value added taxes:**

As a property owning and development company, we are subject to the property tax regimes in jurisdictions in which we operate. Stamp duty is payable for the agreements entered into in respect of the properties we buy and sell. These taxes could increase in the future, and new types of property taxes, stamp duties and service and other value added taxes may be introduced which may increase our overall costs. If these property taxes, stamp duties and service or other value added taxes were to increase, our acquisition costs and sale values may be affected, resulting in a reduction of our profitability. Any such changes in the incidence or rates of property taxes or stamp duties or service and other value added taxes could have an adverse effect on our financial condition and results of operations.

**14. We require regulatory approvals in the ordinary course of business, and the failure to obtain them in timely manner or at all may adversely affect our operations.**

We must obtain statutory and regulatory approvals or permits at various stages in the development of our projects. For example, we are required to obtain requisite environmental consents, fire safety clearances and commencement, completion and occupation certificates from the relevant governmental authorities. We have applied for, or are in the process of applying for, such approvals or their renewal. We may not receive such approvals or renewals in the time frames anticipated by us or at all, which could adversely affect our business. If we fail to obtain, or experience material delays in obtaining or renewing approvals, the schedule of development could be substantially disrupted, which could have an adverse effect on our business, prospects, financial condition and results of operations.

**15. We may not be able to identify and acquire suitable sites at reasonable cost which may adversely affect our business and prospects.**

Our future performance is dependent on our ability to identify and acquire suitable sites at reasonable prices. Our ability to identify and acquire suitable sites is dependent on a number of factors that are beyond our control. These factors include the availability of suitable land, the willingness of landowners to sell land and/or assign development rights on terms attractive to us, the ability to obtain an agreement to sell from a number of land

owners where land has multiple owners, the availability and cost of financing, encumbrances on targeted land, government directives on land use and the obtaining of permits and approvals for land acquisition and development. The failure to acquire or obtain development rights over targeted or purchased land may cause us to modify, delay or abandon projects, which could adversely affect our business... If we are unable to compete effectively for the acquisition of suitable land, our business and prospects will be adversely affected.

**16. The grant of stock options under our employee stock option plan may result in a charge to our profit and loss account and may adversely impact our results of operations. In addition, the exercise of options to purchase Equity Shares may dilute existing shareholders.**

We have established our employee stock option scheme on February 18, 2007, in which certain employees of the Company may participate. If the exercise price of any option is lower than the fair value of the Equity Shares as certified by qualified accountants or market price at the time of grant, such grant will result in a charge to the Company's profit and loss account equal to the product of the number of Equity Shares granted and the difference between the exercise price and the fair value, which will be amortised over the vesting period of the stock option. Holders of the Equity Shares may experience dilution of their shareholding to the extent that we issue Equity Shares pursuant to any stock options.

**17. We depend on various third parties, including our joint venture partners, joint development partners, contractors and independent service providers, over whom we may have no control.**

We undertake projects in cooperation with other real estate development companies or third parties. Arrangements governing our joint ventures may provide us with only partial control over the operations of the joint ventures under certain circumstances. In addition, it may be necessary for us to obtain consent from a joint venture partner before we can cause the joint venture to make or implement a particular business development decision or to distribute profits to us or there may be disputes between us and our joint venture partners, among our joint venture partners or between our joint venture partners and the land owner or another third party. These and other factors may cause our joint venture partners to act in a way contrary or conflicting to our interests, or otherwise be unwilling to fulfil their obligations under our joint venture arrangements, which could have a material adverse effect on our business, financial condition and results of operation.

Further, we engage independent architects and construction contractors, who may in turn hire subcontractors and other third parties, for the design and construction of all our projects. The success of our projects therefore depends significantly on the performance of various third parties, including our contractors and service providers. As we do not control any of our contractors or service providers, we cannot ensure they perform their obligations and services satisfactorily, to a standard that meets our requirements or targeted quality levels or that they are not involved in corruption or other improper conduct in relation to our projects. We may also not be able to recover compensation for any resulting defective work or materials. We may therefore incur losses as a result of our projects being delayed or disrupted or having to fund the repair of defective work or pay damages to persons who have suffered loss as a result of such defective work. We may also be required to incur additional cost or time to develop our projects, which could adversely affect our business, financial condition and results of operations.

Our joint venture partners, contractors and service providers may also face financial, legal or other difficulties which may affect their ability to continue with a project. We may therefore be required to make additional investments in the joint venture, provide extra funding or become liable for other obligations, which could result in delays to our projects, reduced profits or, in some cases, significant losses.

**18. We face labour risks, including potential increases in labour costs.**

We operate in a labour-intensive industry and we or our contractors hire casual labour to work on our projects. In the event of a labour dispute, if our contractors are unable to successfully negotiate with the workmen or sub-contractors, it could result in work stoppages or increased operating costs as a result of higher than anticipated wages or benefits. It may also be difficult to procure the required skilled workers for existing or future projects. Either of these factors could adversely affect our business, financial condition, results of operations and cash

flows. In addition, we may be liable for or exposed to sanctions, penalties or losses arising from accidents or damages caused by our workers or contractors.

**19. We have in the past entered into related party transactions and may continue to do so in the future.**

We have entered into, and may in the future enter into, certain transactions with our Subsidiaries, joint ventures, directors, employees and their relatives, Promoter and companies controlled by our Promoter, including companies engaged in our line of business or in related areas. For details of our related party transactions, please see the section entitled “Related Party Transactions” on page 103. While we believe that such transactions have been conducted on arm’s length basis, it is difficult to ascertain whether more favourable terms would have been achieved had such transactions been entered into with unrelated parties. Such related party transactions may give rise to potential conflicts of interest with respect to dealings between us and the related parties. Furthermore, it is likely that we will continue to enter into related party transactions in the future. There cannot be assurance that such transactions, individually or in the aggregate, may have an adverse effect on our financial condition and results of operations

**20. We have not paid dividends to equity shareholders in the past and any material adverse effect on our future earnings, financial condition, cash flows will affect our ability to pay dividends in the future.**

Our Company has never paid dividends to its equity shareholders in the past. Our ability to pay dividends in the future will depend on the earnings, financial condition and capital requirements and that of our Subsidiaries and the dividends they distribute to us. Our business is capital intensive and we may plan to make additional capital expenditure to complete various real estate projects that we are developing. Our ability to pay dividends is also restricted under certain financing arrangements. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our real estate projects, financial condition and results of operations.

**23. The Government proposes to enact the Real Estate (Regulation and Development) Bill, 2013 (the “Real Estate Bill”) with respect to real estate projects. Pending the Real Estate Bill becoming a statute, our Company is currently not in a position to analyze the requirements that our Company may have to comply with in accordance with the Real Estate Bill and accordingly predict the impact it may have on our business, prospects, financial condition and results of operations.**

The Government of India proposes to enact the Real Estate Bill which is expected to include, inter alia, requirements to register real estate projects and obtain a certificate of registration and other approvals from the relevant authority constituted thereunder. Failure to comply with such provisions may attract penalties from the relevant authorities and/ or cause delays in the completion of a project. The Real Estate Bill is yet to be approved by the Parliament of India and will require publication in the Official Gazette before becoming a law. There is no certainty that the Real Estate Bill will be passed in its current form, or at all, and our Company is accordingly not in a position to analyze the requirements that our Company may have to comply with and the implications of the same on our business and results of operations. At this stage, we cannot predict with certainty the impact of the Real Estate Bill on our business and operations, if enacted.

**EXTERNAL RISK FACTORS**

**1. Our Company’s growth depends on domestic and regional economic growth.**

The real estate and infrastructure development business is dependent on the level of domestic, regional and global economic growth, international trade and consumer spending. The rate of growth of India’s economy and of the demand for real estate and infrastructure services in India may fluctuate over the years. During periods of strong economic growth, demand for such services may grow at a rate equal to, or even greater than, that of the GDP. Conversely, during periods of slow GDP growth, such demand may exhibit slow or even negative growth. Global economic developments have adversely affected the Indian economy. There can be no assurance that future fluctuations in economic or business cycles, or other events that could influence GDP growth, will not have a material adverse effect on our business, cash flows and results of operations.

**2. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our operations.**

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude.

**3. Natural calamities and changing weather conditions caused as a result of global warming could have a negative impact on the Indian economy and consequently impact our business and profitability.**

Natural calamities such as draughts, floods, and earthquakes could have a negative impact on the Indian economy and may cause suspension, delays or damage to our current projects and operations, which may adversely impact our business and our operating results. India's being a monsoon driven economy, climate change caused due to global warming bringing deficient / untimely monsoons could impact Government policy which in turn would adversely affect our business.

**4. Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact our business.**

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or 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 is available. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of our Equity Shares.

**5. Active trading markets for our Equity Shares may not develop**

We propose to list our Equity Shares on Equity Shares on Institution Trading Platform (ITP) of NSE Emerge. There will be no active trading market of our Equity Shares or for securities convertible into Equity Shares. Trading on ITP is subject to certain restrictions viz minimum trading lot on institutional trading platform is Rs. 10 Lacs. Further the securities listed on ITP will be mandatorily exited on triggering of various events such as completion of ten years on listing of ITP or attaining paid up capital of Rs. 25 Crores or attaining revenue of Rs. 300 Crores or attaining market capitalization of Rs. 500 Crores.

**6. The new Companies Act, 2013 is in the process of being implemented and any developments in the near future may be material with respect to the disclosures to be made in this Draft Information Document.**

The Companies Act, 2013 has been published on August 29, 2013. Section 1 of the said Act was notified on August 30, 2013, while 98 more sections were notified as on September 12, 2013, section 135 and rules thereunder on 27/02/2014. The Ministry of Company Affairs has further notified 183 sections of the Act and Rules thereunder to be made effective from 01.04.2014. Though we have incorporated the relevant details pertaining to the new Companies Act, 2013 (to the extent notified) in this Draft Information Document, any further notifications by the MCA after our filing of this Draft Information Document may be material with respect to the disclosures to be made in the Draft Information Document as well as other rules and formalities for completing the Issue. The Companies Act, 2013 is expected to replace the existing Companies Act, 1956. The Companies Act, 2013 is expected to be complemented by a set of rules that shall set out the procedure for compliance with the substantive provisions of the Companies Act, 2013. In the absence of such rules, it is difficult to predict with any degree of certainty the impact, adverse or otherwise, of the Companies Act, 2013 on the Issue, and on the business, prospects and results of operations of the Company.

### SECTION III: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

#### 1. Information with respect to the shareholding of a Beneficial Owner

The following table sets forth certain information concerning the beneficial ownership of our shares by each person known by us to be the beneficial owner (in case different from registered owner) of the issued and subscribed capital.

Sr. No	Class/ type of securities	Name and address of beneficial owner	Amount and nature of beneficial ownership	Percent
1.	Equity Shares	Infrastructure Leasing & Financial Services Realty Fund, a scheme of IL&FS Private Equity Trust, a SEBI Registered Venture Capital Fund <b>Address:</b> The IL&FS Financial Centre, Plot No. C-22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	Rs 131,000/-* Through its trustee IL&FS Trust Company Limited	1.70
2.	Compulsory Convertible Preference Shares	Infrastructure Leasing & Financial Services Realty Fund, a scheme of IL&FS Private Equity Trust, a SEBI Registered Venture Capital Fund <b>Address:</b> The IL&FS Financial Centre, Plot No. C-22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	Rs 2,374,000/-** Through its trustee IL&FS Trust Company Limited	7.28
3	Optionally Redeemable Preference Shares	Infrastructure Leasing & Financial Services Realty Fund, a scheme of IL&FS Private Equity Trust, a SEBI Registered Venture Capital Fund <b>Address:</b> The IL&FS Financial Centre, Plot No. C-22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	Rs 1,315,530/-*** Through its trustee IL&FS Trust Company Limited	38.47

\*Infrastructure Leasing & Financial Services Realty Fund, a scheme of IL&FS Private Equity Trust through its trustee is holding 13,100 equity shares of Rs 10/- each (face value).

\*\*Infrastructure Leasing & Financial Services Realty Fund, a scheme of IL&FS Private Equity Trust through its trustee is holding 237,400 CCPS of Rs 10/- each (face value).

\*\*\*Infrastructure Leasing & Financial Services Realty Fund, a scheme of IL&FS Private Equity Trust through its trustee is holding 131,553 ORPS of Rs 10/- each (face value).

## 2. Information with respect to the shareholding of Management

The following table details the shareholding of the Directors in their personal capacity and either as sole or first holder, as on the date of this Draft Information Document.

Name of Director	No. of Shares held
Shahzaad Siraj Dalal	-
Prakash Gurbaxani	619,569 equity shares and 5,000,000 RCCPS
Archana Niranjani Hingorani	-
Anantkumar Srinivasrao Kulkarni	-
Anand Sadashiv Kapre	-
Shaeshagiri Kulkarni	-

### 3. SHAREHOLDERS AGREEMENTS

We have executed a Share Subscription cum Shareholders Agreement (hereinafter referred to as the Agreement) dated April 10, 2007 with Mr. Prakash Gurbaxani (for purpose of this section, the “**Promoter**”), IL&FS India Realty Fund LLC, Mauritius and IL&FS Trust Company Limited (for purpose of this section, the “**Investors**”). Pursuant to the Agreement, the investors have subscribed to the equity shares of the Company and the parties have reached certain mutual covenants and agreements on the capital structure, scope, management and operations of the Company. The salient features of the agreement are as follows:

- The Investors has infused a sum of Rs 4150 million and has subscribed to the following equity/preference shares in compliance with conditions contained in the Agreement :

- 1000 Equity shares of Rs 10/- each;
- 34, 041 ORPS each convertible into one equity shares at face value of Rs 10/- each;
- 2,404,539 CCPS each convertible into one equity share at face value of Rs 10/- each.

Pursuant to the Agreement, the parties have agreed that the Promoter will be entitled to such stake in the Company as mentioned in the Agreement. The Parties agree that the Promoter shall have the same rights to exit as Investors in case of an IPO or sale of Company or any other exit scenario including cash distributions. For all investments into the Company, in excess of the threshold limit by the Investor, the Promoter would have a right to maintain his stake in the Company in the manner provided in the Agreement.

- **Subscription to RCCPS by Promoter**

The Promoter has invested in the Company in the form of 50,000 RCCPS, which carry preferred return of 0.001% p.a., payable annually or in the event there is a dividend on equity shares such dividend on as if converted basis of the preference shares, whichever is higher. These RCCPS cannot be transferred without the consent of the Investors. Each RCCPS shall be convertible into such number of Equity Shares of Rs 10 each by the RCCPS holder giving a notice to the Company of such conversion as shall result in the equity shareholding of the Company as mentioned in this agreement on infusion of funds in excess of the threshold limit, at any time after the period of one year.

- **Subscription to ORPS by Investor**

IL&FS India Realty Fund LLC and IL&FS Trust Company Limited has invested in the Company by subscribing 29,565 ORPS and 4,476 ORPS of Rs 10/- each respectively, which carry preferred return of 0.001% per annum, payable annually or in the event there is a dividend on equity shares such dividend on as if converted basis of the preference shares, whichever is higher. At the option of the Investors, all ORPSs then outstanding shall be redeemable by the Company within 60 days from completion of such period.

- **Subscription to CCPS by Investor**

Pursuant to the Agreement and the amendment agreement thereto, IL&FS India Realty Fund LLC, IIRF Holdings IV Limited and IL&FS Trust Company Limited has invested in the Company by subscribing 3,964 CCPS, 2,275,639 and 124,936 CCPS of Rs 10/- each respectively, which carry preferred return of 0.001% per annum, payable annually or in the event there is a dividend on equity shares such dividend on as if converted basis of the preference shares, whichever is higher. Each CCPS may be convertible into one Equity Share of Rs 10/- each by the CCPS Holder. The Investor would also have an option to convert CCPS to equity shares at any time, by giving a notice (“Conversion Notice”) to the Company of such conversion within the specified period agreed pursuant to the agreement. The conversion shares so allotted and issued will rank pari passu in all respects with the existing shares of the Company and the dividend/voting rights as referred in the Agreement would remain the same.

- **Board of Directors**

The Company has agreed that it shall have a Board of Directors comprising not less than four members and not more than five members, which shall include the Promoter, two Nominee Directors of the Investors and one/two independent directors as the case may be. In terms of the agreement, the parties have agreed that the Promoter shall be a director of the Company as long as he holds at least 1% stake in the Company. The Chairman shall be nominee of the Investors and no business shall be transacted at a meeting of the Board without the consent of the Investor's Nominee. All the provisions of the Composition of the Board and the provisions for the Board and Shareholders Meeting will be applicable to any subsidiary of the Company and also any SPV of the Company implementing any project of the Company. Further, the Investors have the right to nominate its representative on each committee appointed by the Board in the same proportion as their entitlement to nominate directors as stated above.

- **Share Transfer Procedure**

Pursuant to this Agreement, no transfer of any shares shall be made to any third party unless such third party have agreed in writing to be bound by provisions of this Agreement.

- **Right of First Offer:**

The Promoter in case he or any affiliate of the Promoter intends to transfer their holding in the Company not exceeding 3% of the shares of the Company directly or indirectly, he will make a first offer to the Investors for acquiring such shares in the manner prescribed in the Agreement. In case the Promoter or Affiliates of the Promoter intends to transfer part of their holding exceeding 3% of the shares directly or indirectly, the Promoter will locate an outside buyer for the said shares and then make a first offer to the Investors for acquiring such shares. Further in case of sale of shares by the Promoter is without the consent of the Investor as required under the Agreement, the shares held by the Promoter will be bought back by the investor at cost price of shares. This clause on right of first offer shall be applicable only in cases where the Promoter desires to sell the shares and not to any other exit scenarios, termination without cause, IPO, etc.

- **Co-operation and Non- Compete Covenants**

The Promoter shall not enter directly or indirectly whether by itself or in collaboration and association with any third party set up an entity for development of real estate project, while he is in employment of the Company. In case he resigns then one year from the date of resignation, the Promoter shall not set up/promote an entity for development of real estate projects.

- **Amendment Agreements**

This Agreement was amended vide Addendum to the Share Subscription Agreement dated July 05, 2008 and accordingly the investor had agreed to invest in the Company or SPVs in the form of CCPS as mentioned in the Agreement, which will carry preferred return of 0.001% p.a., payable annually or in the event there is dividend on equity shares such dividend on as if converted basis of the preference shares, whichever is higher. Further this agreement was amended vide Second Addendum to the Share Subscription Agreement dated February 03, 2009 and accordingly the parties had agreed that in the event the Company does not raise funds in excess of the threshold limit within a period of 20 years, all RCCPS then outstanding shall be redeemable by the Company within 60 days from the completion of such period. The redemption shall be at a price agreed pursuant to this agreement.

The terms and conditions of this Agreement have not been incorporated in our Articles of Association as amended.



Pursuant to a deed of assignment and adherence deed dated October 5, 2007 between IL&FS India Realty Fund LLC and IIRF Holdings IV Limited, along with other parties to the Agreement, IL&FS India Realty Fund LLC transferred its entire shareholding, along with all rights and benefits arising thereunder and under the Agreement, in favour of IIRF Holdings IV Limited for a consideration.

## SECTION IV: OUR MANAGEMENT

### BOARD OF DIRECTORS

Under our Articles of Association, our Company is required to have not less than three directors and not more than twelve directors. Our Company currently has Six Directors out of which three are Independent Directors. We confirm that the composition of our Board of Directors complies with Clause 42 of the ITP Listing Agreement of NSE EMERGE-ITP.

The following table sets forth the details regarding our Board of Directors as on the date of filing this Draft Information Document:

Name, Father's Name, Address, Occupation, Nationality, Date of Appointment, Tenure & DIN	Designation	Other Directorships
<p><b>1. Shahzaad Siraj Dalal</b></p> <p><i>Fathers Name</i> : Siraj Ali Mohammed Dalal</p> <p><i>Age</i>: 55 years</p> <p><i>Address</i>: Emirates Crown, Apartment No. 4102, Al Sufouh Road, Dubai Marina, P.O. Box 191588, Dubai, U.A.E.</p> <p><i>Occupation</i>: Service</p> <p><i>Nationality</i>: Indian</p> <p><i>DIN</i>: 00011375</p> <p><i>Date of Appointment</i>: February 22,2007</p> <p><i>Tenure</i> : Retire by Rotation</p>	<p>Chairman and Non- Executive Director &amp; Non-Independent Director</p>	<ol style="list-style-type: none"> <li>1. IL&amp;FS Investment Managers Limited</li> <li>2. IL&amp;FS Financial Services Limited</li> <li>3. Shoppers Stop Limited</li> <li>4. Datamatics Global Services Limited</li> <li>5. IG3 Infra Limited</li> <li>6. IL&amp;FS Milestone Realty Advisors Private Limited</li> <li>7. Den Networks Limited</li> <li>8. Corporate Business Academy Private Limited</li> <li>9. Ramky Enviro Engineers Limited</li> <li>10. Marconi Realty LLP</li> <li>11. AIG Indian Equity Sectoral Fund LLC, Mauritius</li> <li>12. IL&amp;FS Investment Advisors LLC, Mauritius</li> <li>13. IL&amp;FS India Realty Fund LLC, Mauritius</li> <li>14. IL&amp;FS India Realty Fund II LLC, Mauritius</li> <li>15. IL&amp;FS Singapore Asset Management Co Pte Ltd, Singapore</li> <li>16. India Project Development Fund – II LLC, Mauritius</li> <li>17. UOB IL&amp;FS India Opportunities Fund Ltd, Mauritius</li> <li>18. UOB IL&amp;FS Management Limited, Mauritius</li> <li>19. Green Grid Group Pte. Ltd., Singapore (formerly known as Greater India Infrastructure Co. Pte. Ltd.)</li> <li>20. Tara India Fund III LLC, Mauritius</li> <li>21. Tara India Holdings A Ltd, Mauritius</li> <li>22. Tara India Holdings B Ltd, Mauritius</li> <li>23. IIRF Holdings I Limited, Mauritius</li> <li>24. IIRF Holdings II Limited, Mauritius</li> <li>25. IIRF Holdings III Limited, Mauritius</li> <li>26. IIRF Holdings IV Limited, Mauritius</li> <li>27. IIRF Holdings V Limited, Mauritius</li> <li>28. IIRF Holdings VI Limited, Mauritius</li> <li>29. IIRF Holdings VII Limited, Mauritius</li> <li>30. IIRF Holdings VIII Limited, Mauritius</li> <li>31. IIRF Holdings IX Limited, Mauritius</li> <li>32. IIRF Holdings X Limited, Mauritius</li> <li>33. IIRF Holdings XI Limited, Mauritius</li> <li>34. IIRF Holdings XII Limited, Mauritius</li> </ol>

		<ol style="list-style-type: none"> <li>35. IIRF Holdings XIII Limited, Mauritius</li> <li>36. IIRF Holdings XIV Limited, Mauritius</li> <li>37. IIRF Holdings XV Limited, Mauritius</li> <li>38. IIRF Holdings XVI Limited, Mauritius</li> <li>39. IIRF Holdings XVII Limited, Mauritius</li> <li>40. IIRF India Realty I Limited, Mauritius</li> <li>41. IIRF India Realty II Limited, Mauritius</li> <li>42. IIRF India Realty III Limited, Mauritius</li> <li>43. IIRF India Realty IV Limited, Mauritius</li> <li>44. IIRF India Realty V Limited, Mauritius</li> <li>45. IIRF India Realty VI Limited, Mauritius</li> <li>46. IIRF India Realty VII Limited, Mauritius</li> <li>47. IIRF India Realty VIII Limited, Mauritius</li> <li>48. IIRF India Realty IX Limited, Mauritius</li> <li>49. IIRF India Realty X Limited, Mauritius</li> <li>50. IIRF India Realty XI Limited, Mauritius</li> <li>51. IIRF India Realty XII Limited, Mauritius</li> <li>52. IIRF India Realty XIII Limited, Mauritius</li> <li>53. IIRF India Realty XIV Limited, Mauritius</li> <li>54. IIRF India Realty XV Limited, Mauritius</li> <li>55. IIRF India Realty XVI Limited, Mauritius</li> <li>56. IIRF India Realty XVII Limited, Mauritius</li> <li>57. IIRF India Realty XVIII Limited, Mauritius</li> <li>58. IIRF India Realty XIX Limited, Mauritius</li> <li>59. IIRF India Realty XX Limited, Mauritius</li> <li>60. IIRF India Realty XXI Limited, Mauritius</li> <li>61. IIRF India Realty XXII Limited, Mauritius</li> <li>62. IIRF India Realty XXIII Limited, Mauritius</li> <li>63. IIRF India Realty XXIV Limited, Mauritius</li> <li>64. IIRF India Realty XXV Limited, Mauritius</li> <li>65. IIRF India Realty XXVI Limited, Mauritius</li> <li>66. IIRF India Realty XXVII Limited, Mauritius</li> <li>67. IIRF India Realty XXVIII Limited, Mauritius</li> <li>68. Sunshine Holdings (Mauritius) Limited, Mauritius</li> <li>69. IL&amp;FS Milestone Fund III LLC</li> <li>70. IL&amp;FS Milestone Capital Management LLC</li> <li>71. K2 Property Limited, Mauritius</li> <li>72. Jubilant Energy NV, The Netherlands</li> <li>73. Yatra Capital Limited, Mauritius</li> <li>74. Saffron India Real Estate Fund I, Mauritius</li> <li>75. SOUQ Capital Limited, Cayman Islands</li> <li>76. IL&amp;FS Global Financial Services (ME) Limited, Dubai</li> </ol>
<p><b>2. Prakash Gurbaxani</b></p> <p><i>Fathers Name</i> :Dwarkadas Gurbaxani</p> <p><i>Address</i> : 249, Adarsh Palm Meadows, Phase-I, Ramagondanahalli, Whitefield, Bangalore-560066, India</p>	<p>Managing Director And Chief Executive officer</p>	<ol style="list-style-type: none"> <li>1. Shakti Buildwell Private Limited</li> <li>2. QVC Star Realty Private Limited</li> <li>3. Agrim Realtech Private Limited</li> <li>4. Niwas Realtech Private Limited</li> <li>5. YPO Bangalore Chapter</li> <li>6. Spark Town Planners Private Limited</li> </ol>

<p><b>Age:</b> 53 years</p> <p><b>Occupation:</b> Service</p> <p><b>Nationality:</b> US Citizen</p> <p><b>DIN:</b> 00255401</p> <p><b>Date of Appointment:</b> January 25, 2007</p> <p><b>Tenure:</b> Non- Rotational</p>		
<p><b>3. Archana Niranjana Hingorani</b></p> <p><b>Fathers Name :</b>D/O Niranjana Lilaram Hingorani</p> <p><b>Address</b> 10, Jeevan Dhara, Dr. Ambedkar Road, Bandra (W), Mumbai-400050, India</p> <p><b>Age:</b> 49 years</p> <p><b>Occupation:</b> Service</p> <p><b>Nationality:</b> Indian</p> <p><b>DIN:</b> 00028037</p> <p><b>Date of Appointment:</b> February 22, 2007</p> <p><b>Tenure:</b> : Retire by Rotation</p>	<p>Non- Executive and Non- Independent Director</p>	<ol style="list-style-type: none"> <li>1. IL&amp;FS Urban Infrastructure Managers Limited.</li> <li>2. IL&amp;FS Trust Company Limited.</li> <li>3. IL&amp;FS Investment Managers Limited</li> <li>4. IL&amp;FS Portfolio Management Services Limited.</li> <li>5. Pan India Motors Private Limited</li> <li>6. Ramky Infrastructure Limited.</li> <li>7. Ramky Enviro Engineers Limited</li> <li>8. IIML Asset Advisors Limited</li> <li>9. IL&amp;FS Energy Development Company Limited.</li> <li>10. Yatra Capital Limited, Mauritius</li> </ol>
<p><b>4. Anant Kumar Srinivasrao Kulkarni</b></p> <p><b>Fathers Name:</b>Srinivasrao Kulkarni</p> <p><b>Address :</b>10AS, Parijath, 1<sup>st</sup> Cross, Srividyanagar, BSK, 3<sup>rd</sup> Stage, 4<sup>th</sup> Phase, Near Srividyanagar Bus Stand, Bangalore – 560085, India.</p> <p><b>Age:</b> 47 years</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p>	<p>Non- Executive and Independent Director</p>	<ol style="list-style-type: none"> <li>1. Premier Chennai Properties Limited</li> <li>2. Ginde Lifesciences Private Limited</li> <li>3. Virtual Simutech Private Limited</li> </ol>

<p><b>DIN:</b> 02078034</p> <p><b>Date of Appointment:</b> June 27,2014</p> <p><b>Tenure:</b> Non- Rotational</p>		
<p><b>5. Anand Sadashiv Kapre</b></p> <p><b>Fathers Name:</b> Sadashiv Kapre</p> <p><b>Address:</b> A-805, Harshvardhan CHS Ltd, Saki-Vihar Road, Andheri(E), Mumbai 400072 India</p> <p><b>Age:</b> 65 years</p> <p><b>Occupation:</b> Professional</p> <p><b>Nationality:</b> Indian</p> <p><b>DIN:</b> 00019530</p> <p><b>Date of Appointment:</b> June 27,2014</p> <p><b>Tenure:</b> Non- Rotational</p>	<p>Non- Executive and Independent Director</p>	<ol style="list-style-type: none"> <li>1. Ferro Alloys Corporation Ltd.</li> <li>2. Facor Steels Ltd</li> <li>3. Facor Alloys Ltd</li> <li>4. Facor Power Ltd</li> </ol>
<p><b>6. Sheshagiri Kulkarni</b></p> <p><b>Fathers Name:</b> Srinivasrao Kulkarni</p> <p><b>Address:</b> No. 14, 1<sup>st</sup> Cross, D'Costa layout, Cooke Town, Bangalore – 560084, India</p> <p><b>Age:</b> 52 years</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>DIN:</b> 00364116</p> <p><b>Date of Appointment:</b> June 27,2014</p> <p><b>Tenure:</b> Non- Rotational</p>	<p>Non- Executive and Independent Director</p>	<ol style="list-style-type: none"> <li>1. Universal Freight Management (India) Private Limited</li> <li>2. Amarjyot India Private Limited</li> <li>3. Altissimo Consulting and Services Private Limited</li> </ol>

## DETAILS OF DIRECTORS:

### 1. **Mr. Shahzaad Siraj Dalal:**

Mr. Shahzaad Dalal is a Management Graduate from the Northeast Louisiana University with over 28 years of experience. Mr. Shahzaad Dalal has wide experience in Private Equity Business across sectors such as telecom, transport, power and oil and gas, real estate, technology, retail, life sciences and consumer services. Mr. Dalal is also on the Board of various companies to guide their growth plans and other strategic developments.

Presently, Mr. Shahzaad Dalal is the Chairman and Chief Executive Officer of IL&FS Investment Advisors LLC and also Vice Chairman of IL&FS Investment Managers Limited (IIML).

Prior to joining IIML, Mr. Shahzaad Dalal was in charge of the asset management business of IL&FS Group. He was responsible also for overall planning and raising of resources for IL&FS and other group companies and project finance for IL&FS sponsored infrastructure projects. Prior to joining IL&FS, Mr. Dalal was responsible for structured leasing and hire purchase products, marketing and credit evaluation with ICICI Limited.

### 2. **Mr. Prakash Gurbaxani:**

Mr. Prakash Gurbaxani is the Managing Director and Chief Executive Officer of our Company. He founded QVC in January 2007. As the MD and CEO of the Company, he directs all the aspects of the Business. Mr. Prakash brings with him over two decades of experience in a wide variety of industries including real estate, construction and technology in India & United States. Prior to setting up QVC Realty Co., Prakash was the CEO of TSI Ventures, a joint venture between Tishman Speyer and ICICI Venture. Before TSI Ventures, he was the CEO of TransWorks Information Services, one of India's leading BPO companies with almost 4,000 employees.

In December 1997, Mr. Prakash successfully launched India's first Internet media company, Micromedia, co-founding 24/7 Customer a leading outsourced CRM Services. In April 2000, he co-founded 24/7 Customer, a leading outsourced CRM services company based in Bangalore. Between 1984 and 1997, he worked in various senior management positions in the construction industry in the United States.

Mr. Gurbaxani was one of the finalists for the Ernst & Young India Entrepreneur of the Year 2001 awards. He is currently a charter member of TiE (The Indus Entrepreneurs) Bangalore Chapter and holds a Master's degree in Construction Management from the New Jersey Institute of Technology (NJIT), Newark, NJ, and a B.S. (Major in Civil Engineering) from Regional Engineering College (REC), Nagpur, India.

### 3. **Dr. Archana Niranjan Hingorani:**

Dr Archana Hingorani : Dr Hingorani is Chief Executive Officer and Executive Director of the Investment Advisor, and has been with the IL&FS Group for 21 years. She has over 28 years of experience in the financial services industry, teaching and in academic research, of which 18 years has been in private equity business and has overseen investments with an aggregate capitalization value in excess of US\$ 15 billion. Marquee investments have included natural gas, waste management, logistics and healthcare sectors. In her present role as CEO, she leads an investment team of about 75 professionals. She represents the Investment Advisor on the boards of a number of Indian companies, including Ramky Enviro, QVC and IL&FS Energy Development Company Limited

Prior to joining IL&FS in 1994, Dr Hingorani conducted research and taught subjects in corporate finance and the financial markets at the University of Pittsburgh (United States). She has published a number of

articles in the Journal of Financial Economics, the Journal of Business and Finance and the Journal of Economies of Business. Dr Hingorani is a member of the India CEO Forum, affiliated with International Market Assessment, Asia (IMA), Young Presidents Organization (Mumbai Chapter), and of the United Nations Environment Programme, Finance Initiative and the Finance Commission, Asia representative. She also serves on the Advisory Council of EMPEA for Asia. Recently, Dr Hingorani was selected among the top 25 most influential women in Asia Asset Management by Asian Investor

Dr Hingorani holds a Bachelor of Arts (Economics) degree from the Mumbai University (India), as well as an MBA and a Ph.D. in Corporate Finance from the University of Pittsburgh (United States).

#### **4. Anant Kumar Kulkarni:**

Mr. Anant is a graduate in Mechanical Engineering and has done a one year Special Management Programme from Indian Institute of Management, Calcutta. He has over 20 years of work experience in the field of Private Equity, Investment Banking, Project Appraisals, Manufacturing and teaching experience. Anant has evaluated, invested and exited a number of transactions in varied sectors such as manufacturing, auto components, outsourcing, media and entertainment, engineering, Life Sciences etc. He has worked on multiple stages of investment such as start-ups, early stage, growth stage and PIPE

Mr. Anant was working with Milestone Religare Investment Advisors as Managing Partner and co-managing India Buildout Fund, a Rs. 430 crores Healthcare and Education fund. He was actively involved in Healthcare Global, largest private sector oncology chain, Resonance Eduventures, a leading IIT JEE test preparation company, Capricorn Foods, one of the largest fruit processing company. Prior to Milestone Religare, Anant was Executive Director at JM Financial Private Equity, managing a USD 225 mn Fund invested across industries. Prior to JM Financial, Anant was a founding member of Motilal Oswal Venture Capital Advisors Private Limited and set up a US\$ 125 mn Fund to invest in Indian SMEs. Prior to Motilal Oswal, Anant was an Associate Director with IL&FS Investment Managers Limited, India's leading Private Equity Investment Management Company.

Prior to joining IIML, Anant was with UTI Securities, a wholly owned subsidiary of Unit Trust of India, India's largest mutual fund. At UTI Securities, Anant was part of the Investment Banking Team and was responsible for various capital issue management, debt syndication. Anant initiated the Private Equity placement cell at UTI Securities. He was with UTI Securities during 1995 to 1999. Anant has also worked for BOI Finance, a wholly owned subsidiary of Bank of India in its project appraisals division during 1994-95. Prior to joining BOI Finance, Anant was with Bharat Forge, India's largest automobile component manufacturers and worked one of the world's largest auto components, as Engineer in its Quality Systems Department.

#### **5. Anand Sadashiv Kapre**

Mr Anand Kapre, aged 65 years, is the Independent Director of our Company. He is a graduate in B.Tech (Elec) from IIT Madras. He also holds LLB degree from Mumbai University. He has over 30 years of long and illustrious career in various industries as well as financial services and has been associated with companies like ACC, Indian Oxygen & ICICI Ltd. He has been working as a management consultant for the last 10 years. His specialization has been in Risk management.

He is also Independent Director in Ferro Alloys Corporation Ltd., Facor Steels Ltd., Facor Alloys Ltd. & Facor Power Ltd.

## 6. Sheshagiri Kulkarni

Mr. Sheshagiri Kulkarni, aged 52 years, Founder President & CEO of UFMI (Universal Freight Management India) has been part of Freight and Logistics industry for over 25 years. Mr. Kulkarni founded and co-promoted UFMI in 2010 and within 2 years UFMI became PAN India Organization with over 10mn USD revenue. UFMI is an Asset-Light Company, a concept which is new to logistics industry in India. Prior to UFMI he has been founding member of India organization for two large American companies, which were the market leader's viz. BAX Global India & UTI Worldwide (India).

Mr. Sheshagiri did his schooling and college from Delhi University and is a commerce graduate and he has done leadership programme from YPD / Harvard Business School, Boston. He was also Chairman of AMCHAM for Karnataka Chapter (American Chambers of Commerce organization run by USA Consulate) and has served on National Board of AMCHAM for over 3 years.

### NATURE OF FAMILY RELATIONSHIP AMONG DIRECTORS

None of the Directors are having family relations with each other.

### SERVICE AGREEMENT WITH MANAGING DIRECTOR AND THE REMUNERATION OF MANAGING DIRECTOR

The Company and Mr. Prakash Gurbaxani have entered into an Executive Service Agreement dated April 27, 2007 for the appointment of Mr. Prakash Gurbaxani (**henceforth referred as 'Executive'**) as the Managing Director and Chief Executive Officer of the Company. The Agreement is effective from January 15, 2007. The Executive Service Agreement, inter alia, provides that the Managing Director and CEO shall have power and duties as imposed by the Board of Directors from time to time and that he shall perform his duties with efficiency, diligence and conscientiousness, subject to overall supervision of the Board of Directors. The Executive's performance of this Agreement will be monitored on an ongoing basis and will be reviewed annually. The Executive is also entitled to 30 working days leave in each financial year at full salary, in addition to public holidays and such holidays as proclaimed by the Company from time to time. The Executive Service Agreement may be terminated by either parties by giving three months' notice to the other party.

Particulars	Terms
Name	Mr. Prakash Gurbaxani
Designation	Managing Director and Chief Executive Officer
Date of Appointment	January 15, 2007
Remuneration	Rs 2,53,00,000/- p.a. for first two years
Perquisites	<ol style="list-style-type: none"> <li>1. Company Car with driver</li> <li>2. All car related expenses like maintenance, insurance etc.</li> <li>3. Term life insurance up to 5 crores on the life of the Executive.</li> <li>4. YPO annual membership dues + other expenses.</li> <li>5. Medical Insurance</li> <li>6. Company provided accommodation or fair rental value in case of self-owned accommodation.</li> <li>7. Golf Club Membership</li> <li>8. The Company will also purchase furniture/fixtures from the existing employer of Mr. Prakash Gurbaxani up to approx. Rs 2. Lakhs or compensate to that extent.</li> </ol>
Remuneration paid in last fiscal year 2012-13	Rs 27,483,530

At the end of two years, the remuneration and perquisites shall be as may be mutually decided by the parties. In addition to the minimum bonus, he shall also be entitled to an additional bonus of 10% of the profits as a result of fees received for development of projects and for the advisory mandates undertaken by the Company.



## NON- EXECUTIVE DIRECTORS

Currently, non-executive Directors are not being paid sitting fees or any other kind of remuneration. However the sitting fees may be paid as may be determined by the Board of Directors from time to time.

## CORPORATE GOVERNANCE

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, including the Listing Agreement to be executed with the Stock Exchange and the SEBI Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board constituted in compliance with the Companies Act and the Listing Agreement in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically. Currently our Board has six Directors. The constitution of our Board is in compliance with the requirement of Clause 42 of the Listing Agreement.

### The following committees have been formed in compliance with the corporate governance norms:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Shareholders Grievance Committee

### Details of the various committees are as follows:

#### 1. Audit Committee

Our Company has constituted an audit committee ("Audit Committee"), as per the provisions of Clause 42 of the Listing Agreement to be entered with Stock Exchange, vide resolution passed in the meeting of the Board of Directors held on June 27, 2014.

The terms of reference of the Audit Committee complies with the requirements of Clause 42 of the Listing Agreement, proposed to be entered with the Stock Exchange in due course. The Committee presently comprises of three directors. Mr. Sheshagiri Kulkarni is the Chairman of the Audit Committee and the company secretary shall act as the secretary to the Audit Committee.

#### Composition of Audit Committee:

Name of the Member	Designation	Nature of Directorship
Sheshagiri Kulkarni	Chairman	Non- Executive and Independent Director
Anantkumar Srinivasrao Kulkarni	Member	Non- Executive and Independent Director
Archana Niranjana Hingorani	Member	Non- Executive Director

**Role of Audit Committee:**

**The terms of reference of our Audit Committee are includes the following:**

- Recommendation for appointment, remuneration and terms of appointment of internal and statutory auditors of the Company;
- To investigate any activity within the terms of reference
- To seek information from employee
- To obtain outside legal or other professional advice
- Review and monitor the auditor’s independence and performance , and effectiveness of audit process;
- Examination of the financial statement and the auditor’s report
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter- corporate loans and investments;
- Valuation of undertakings or assets of the Company
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;

To look in to the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholder (in case of non - payment of declared dividends) and creditors

**2. Nomination and Remuneration Committee**

Our Company has constituted a Nomination and Remuneration committee ("Nomination and Remuneration Committee"), as per the provisions of Clause 42 of the Listing Agreement to be entered with Stock Exchange, vide resolution passed in the meeting of the Board of Directors held on June 27, 2014.

The present Remuneration Committee consists of the following Directors:

Name of the Member	Designation	Nature of Directorship
Anantkumar Srinivasrao Kulkarni	Chairman	Non- Executive and Independent Director
Sheshagiri Kulkarni	Member	Non- Executive and Independent Director
Archana Niranjana Hingorani	Member	Non- Executive Director

The terms of reference of Nomination and Remuneration Committee

- The Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommended to the Board their appointment and removal and shall carry out evaluation of every director’s performance.
- The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

**3. Shareholders Grievance Committee**

Our Company has constituted a Shareholders Grievance Committee (“Shareholders/Investors Grievance Committee”) as per the provisions of Clause 42 of the Listing Agreement to be entered with Stock Exchange, vide resolution passed in the meeting of the Board of Directors held on June 27, 2014. The composition of the committee is as under:

Name of the Member	Designation	Nature of Directorship
Anantkumar Srinivasrao Kulkarni	Chairman	Non- Executive and Independent Director
Anand Sadashiv Kapre	Member	Non- Executive and Independent Director

The terms of reference of the Investors' Grievance Committee shall be as follows:

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares ;
- Redressal of shareholder and investor complaints in relation to transfer of shares, allotment of shares, non-receipt of refund orders, right entitlement, non-receipt of Annual Reports and other entitlements; non-receipt of declared dividends etc;
- Monitoring transfers, transmissions, demat, rematerialisation, splitting, duplicate issue and consolidation of shares or other securities issued by our Company;
- Reference to statutory and regulatory authorities regarding investor grievances;
- Ensure proper and timely attendance and redressal of investor queries and grievances.
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

**Mr. R Sivakumar is the Compliance Officer of the Company.**

**CONFIRMATIONS:**

Except for Mr. Shahzaad Siraj Dalal and Dr. Archana Hingorani , there is no arrangement or understanding between any Director and any other person (s) naming pursuant to which he was or is to be selected as a director or nominee.


## SECTION V: OUR PROMOTERS

The following are the Promoters of our Company:

1. Mr. Prakash Gurbaxani and
2. IIRF Holdings IV Limited

### DETAILS OF OUR PROMOTERS ARE AS UNDER:

#### 1. Mr. Prakash Gurbaxani.

	Particulars	Details
	<b>Age</b>	53 years
	<b>Permanent Account Number</b>	AAUPG9363Q
	<b>Passport Number</b>	P USA 447625235
	<b>Address</b>	249, Adarsh Palm, Ramagondana Halli, Whitefield Road, Bangalore – 560066, Karnataka, India
<b>Other Ventures promoted by him</b>	1. QVC Star Realty Private Ltd (For further details please refer page no 102)	

Mr. Prakash Gurbaxani is the founder and Managing Director of the Company. He founded QVC in January 2007. As the MD and CEO of the Company, he directs all the aspects of the Business. Mr. Prakash brings with him over two decades of experience in a wide variety of industries including real estate, construction and technology in India & United States. Prior to setting up QVC Realty Co., Prakash was the CEO of TSI Ventures, a joint venture between Tishman Speyer and ICICI Venture. Before TSI Ventures, he was the CEO of TransWorks Information Services, one of India's leading BPO companies with almost 4,000 employees.

In December 1997, Mr. Prakash successfully launched India's first Internet media company, Micromedia, co-founding 24/7 Customer a leading outsourced CRM Services. In April 2000, he co-founded 24/7 Customer, a leading outsourced CRM services company based in Bangalore. Between 1984 and 1997, he worked in various senior management positions in the construction industry in the United States.

Mr. Gurbaxani was one of the finalists for the Ernst & Young India Entrepreneur of the Year 2001 awards. He is currently a charter member of TiE (The Indus Entrepreneurs) Bangalore Chapter and holds a Master's degree in Construction Management from the New Jersey Institute of Technology (NJIT), Newark, NJ, and a B.S. (Major in Civil Engineering) from Regional Engineering College (REC), Nagpur, India.

2. **IIRF Holdings IV Limited (“IIRF”)** was incorporated in Mauritius under the Mauritius Companies Act, 2001 as a private company with limited liability by shares (Company Number C074061) on September 3, 2007 by Registrar of Companies, Mauritius. IIRF also holds a Category I Global Business License issued by Financial Service Commission, Mauritius. The prime object of the company is to act as an investment holding company. The Company is also engaged in global business as permitted under the Financial Services Act, 2007 or any other law from the time being in force in the Republic of Mauritius. IIRF is having its registered Office and principal place of business at IFS Court, Twenty Eight, Cyber city, Ebene, Mauritius.

### Change in the Management of the Company

There has been no change in the management of the Company in the last three years.

### The Board of Directors of our Promoter Company as on the date of this Draft Information Document is as stated below:

- Shahzaad Shiraz Dalal
- Sudesh Basanta Lala
- Sateeta Jeewoolall - Jessoo

### Shareholding Pattern of the Company:

As on date of filing, the shareholding pattern of IIRF Holdings IV Limited is as follows:

Sr. No.	Name of Shareholder	No. of ordinary shares of USD 1 each	% to paid up capital
1.	IL & FS India Realty Fund LLC*	10,000	100.00
	<b>Total</b>	<b>10,000</b>	<b>100.00</b>

\*IIRF Holdings IV Limited is a 100% subsidiary of IL & FS India Realty Fund LLC.

### Financial Information of IIRF Holdings IV Limited:

Highlights of the financials of IIRF Holdings IV Limited for the past two years are as under:

(in USD)

Particulars	FY 2013	FY 2012
Share Capital	10,000	10,000
Capital Contribution	39,244,301	64,233,950
Retained Earnings	50,112,695	46,773,002
Income	4,320,524	23,055,042
Profit / (Loss) after Tax	3,339,693	23,037,170

### Promoter of IIRF Holdings IV Limited:

#### IL&FS India Realty Fund LLC

IL&FS India Realty Fund LLC (“Fund”) was incorporated in Mauritius under the Mauritius Companies Act on February 14, 2006 as a limited life private equity fund with liability limited by shares and having its registered office at International Financial Services Limited, IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius. The fund holds Category I Global Business License issued by the Financial Services Commission and is registered as a closed end fund.

The principal activity of the fund is to invest in the real - estate sector in India such as office, retail and for sale residential real estate project. The funds objective is to make investments in equity or equity linked securities of Indian Companies created for holding commercial real estate located in India, primarily consisting of offices, retail and for sale residential real estate projects.

IL&FS India Realty Fund LLC is one of the largest real estate focus fund in India, with over US \$ 455 mn as its corpus. The Fund was closed in June 2006 after an exhaustive due diligence process, spanning over 6 months, undertaken by marquee international investors. The Fund contributors include reputed limited partners including financial institutions, pension funds and endowments. The Fund has been successful in attracting high quality investors as well as large commitments; with individual investors committing US\$

100 mn in certain instances. The Fund has attained a liquidity event, with one of its portfolio company going public. The fund is currently in exit mode.

**Financial Position**

Highlights of the standalone financials of IL&FS India Realty Fund LLC for the past two years are as under:

(in USD)`		
Particulars	FY 2013	FY 2012
<b>Share Capital</b>	46,580	46,580
<b>Capital Contribution</b>	455,754,420	455,754,420
<b>Retained Earnings</b>	33,06,163	(8,682,086)
<b>Income</b>	29,815,676	44,50,263
<b>Profit / (Loss) after Tax</b>	11,988,249	(77,577,269)

## OTHER VENTURES OF OUR PROMOTER- MR. PRAKASH GURBAXANI

### 1. QVC Star Realty Private Limited

QVC Star Realty Private Limited was incorporated on March 26, 2008 under the provisions of Companies Act, 1956. The Corporate Identification Number of the Company is U45200KA2008PTC045781. The Registered Office of the Company is situated at 249, Phase 1 Palm Meadows, Old Airport Whitefield Road, Ramagondanahalli, Bangalore- 560066.

#### Board of Directors

The Directors of QVC Star Realty Private Limited as on the date of this Draft Information Document are as follows:

- Mr. Prakash Gurbaxani
- Mr. Sivakumar Rajagopalan

#### Shareholding Pattern of the Company:

As on the date of filing this Draft Information Document, the shareholding pattern of QVC Star Realty Private Limited is as follows:

Particulars	No of Equity Shares	% of Equity Shares
Prakash Gurbaxani	9,999	99.99
Kunal Gurbaxani	1	0.01
<b>Total</b>	<b>10,000</b>	<b>100.00</b>

#### Financial Information of QVC Star Realty Private Limited:

Highlights of the Company for the past two years are as follows:

Particulars	(In Rs)	
	March 31, 2013	March 31, 2012
Equity Capital	100,000	100,000
Reserves ( Excluding Revaluation Reserves)	(73,290)	(64,290)
Profit After Tax	(9,000)	(10,500)
Earnings Per Share (Basic) (Rs.)	-0.90	-1.05

## SECTION VI - RELATED PARTY TRANSACTIONS

### Details of Related Parties:

Description of relationship	Names of the related parties
<b>Subsidiaries</b>	Shakti Buildwell Private Limited
	Agrim Realtech Private Limited
	Niwas Realtech Private Limited
<b>Key Managerial Personnel (KMP)</b>	Mr. Prakash Gurbaxani (Managing Director)
<b>Joint Ventures</b>	*Uppal QVC Realty Private Limited
	Spark Town Planners Private Limited

Note: Related parties are as identified by the Management and relied upon by the auditors.

\*Uppal QVC Realty Private Limited has been merged with Spark Town Planners Private Limited upon the approval of the Hon'ble High Court of Delhi on May 2, 2013 with the retrospective effect from 01.04.2012. As per the Scheme of Amalgamation, the Company has received 50 shares of Spark Town Planners Private Limited in exchange of 5000 shares of Uppal QVC Realty Private Limited.

### Details of related party transactions during the year ended March 31, 2013 and the balances outstanding as at March 31, 2013.

Particulars of transactions	Subsidiaries	Joint Ventures	KMP	Total
<b>A. Expenses incurred by the Company</b>				
Shakti Buildwell Private Limited	2105 (70162)	-	-	2105 (70162)
Agrim Realtech Private Limited	50,308 (70,144)	-	-	50,308 (70,144)
Niwas Realtech Private Limited	658 (70,144)	-	-	658 (70,144)
Uppal QVC Realty Private Limited	-	-	-	-
	-	(85273)	-	(85273)
<b>B. Advances made by the Company</b>				
Niwas Realtech Private Limited	-	-	-	-
	(285,110,000)	-	-	(285,110,000)
Uppal QVC Realty Private Limited	-	-	-	-
	-	(2,256,091)	-	(2,256,091)
Spark Town Planners Private Limited	-	46,261,231	-	46,261,231
	-	(431,086,103)	-	(431,086,103)
<b>C. Share of Revenue earned by the Company</b>				
Spark Town Planners Private Limited	-	86,735,608	-	86,735,608
	-	(71,475,960)	-	(71,475,960)
<b>D. Advances received</b>				
Spark Town Planners Private Limited	-	135,110,101	-	135,110,101
	-	(81,574,419)	-	(81,574,419)
Uppal QVC Realty Private Limited	-	2,220,818	-	2,220,818
	-	-	-	-
<b>E. Managerial Remuneration</b>				
Mr. Prakash Gurbaxani, Managing Director	-	-	27,483,530	27,483,530
	-	-	(21,114,618)	(21,114,618)
<b>F. Balances outstanding at the end of the year Receivables</b>				
Shakti Buildwell Private Limited	3,106,861 (3,104,756)	-	-	-
Agrim Realtech Private Limited	201,655 (131,511)	-	-	-
Niwas Realtech Private Limited	285,264,679 (285,264,021)	-	-	-



Uppal QVC Realty Private Limited	-	-	-	-
	-	(5,756,091)	-	-
Spark Town Planners Private Limited	-	1,545,699,520	-	1,545,699,520
	-	(1,431,086,103)	-	-
<b>Payables</b>				
Spark Town Planners Private Limited	-	205,154,895	-	205,154,895
	-	(81,574,419)	-	(-)
<b>Guarantees/Collaterals</b>				
Uppal QVC Realty Private Limited	-	-	-	-
	-	(31,500,000)	-	(31,500,000)
Spark Town Planners Private Limited	-	42,426,000	-	42,426,000
	-	(15,734,000)	-	-

Note: Figures in brackets relate to the previous year.

## **SECTION VII: LEGAL PROCEEDINGS**

Except as stated herein, there are no outstanding or pending litigation, suits, civil prosecution, criminal proceeding or tax liabilities against our Company and its subsidiaries and there are no defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions. No proceedings initiated for economic or other offences, and no disciplinary action has been taken by SEBI or any stock exchanges against our Company and its subsidiaries.

### **I. CASES FILED BY OUR COMPANY**

#### *Civil Cases*

There are no civil proceedings filed by our Company.

#### *Criminal Cases-*

There are no criminal proceedings filed by our Company.

### **II. CASES FILED AGAINST OUR COMPANY**

#### *Civil proceedings*

There are no civil proceedings filed against our Company.

#### *Criminal Proceedings*

There are no criminal proceedings filed against our Company.

### **III. CASES FILED BY OUR SUBSIDIARY COMPANIES**

#### *Civil proceedings*

NIL

#### *Criminal Proceedings*

NIL

### **IV. CASES FILED AGAINST OUR SUBSIDIARY COMPANIES**

#### *Civil proceedings*

NIL

#### *Criminal Proceedings*

NIL

### **V. INDIRECT TAX PROCEEDINGS INVOLVING OUR COMPANY**

NIL

**SECTION VIII – DECLARATION**

We, the Directors, hereby certify and declare that, all relevant provisions of the Companies Act, 1956, notified sections of Companies Act, 2013 and the guidelines issued by the Government of India or the regulations / guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Draft Information Document is contrary to the provisions of the Companies Act, 1956, notified sections of Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Information Document are true and correct.

**SIGNED BY ALL THE DIRECTORS**

<b>Name</b>	<b>DIN</b>	<b>Designation</b>	<b>Signature</b>
Prakash Gurbaxani	00255401	Managing Director and Chief Executive Officer	Sd/-
Shahzaad Siraj Dala	00011375	Chairman and Non- Executive Director	Sd/-
Archana Niranjani Hingorani	00028037	Non- Executive and Non- Independent Director	Sd/-
Anantkumar Srinivasrao Kulkarni	02078034	Non- Executive and Independent Director	Sd/-
Anand Sadashiv Kapre	00019530	Non- Executive and Independent Director	Sd/-
Sheshagiri Kulkarni	00364116	Non- Executive and Independent Director	Sd/-

**SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER AND HEAD OF FINANCE**

Sd/-

R. Sivakumar

**Date: July 18, 2014**

**Place: Bangalore**