Condensed Consolidated Financial Statements

Puravankara Projects Limited

30 June 2011

Puravankara Projects Limited

Contents

Independent Auditors' Report

The Board of Directors
Puravankara Projects Limited

1. We have audited the accompanying condensed consolidated financial statements of **Puravankara Projects Limited** (the 'Company'), its subsidiaries and associates (collectively referred to as 'the Group'), which comprise the Condensed Consolidated Balance Sheet as at 30 June 2011, the Condensed Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these condensed consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards 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.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

6. We did not audit the financial statements of certain consolidated entities, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 2,199,773,064 as at 30 June 2011, the total revenue (after eliminating intra-group transactions) of ₹ 54,703,432 for the quarter ended on that date and cash flows amounting to ₹ 10,782,680 for the quarter ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors. We did not audit the financial statements of associates whose financial statements reflect the Company's share of loss of ₹ 3,895,925 for the quarter ended on that date included in these condensed consolidated financial statements. These financial statements have not been audited by other auditors.

7. We report that the condensed consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard ('AS') 21, Consolidated Financial Statements, AS 23, Accounting for Investments in Associates in Consolidated Financial Statements and AS 25, Interim Financial Reporting notified pursuant to the Companies (Accounting Standards) Rules, 2006.

8. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, the condensed consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   i) in the case of the condensed consolidated Balance Sheet, of the state of affairs of the Company as at 30 June, 2011;

   ii) in the case of the condensed consolidated Profit and Loss Statement, of the profit for the quarter ended on that date; and

   iii) in the case of the condensed consolidated Cash Flow Statement, of the cash flows for the quarter ended on that date.

For **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No: 001076N

per **Aashish Arjun Singh**
Partner
Membership No.

Bangalore
11 Aug 2011

Puravankara Projects Limited

Condensed Consolidated Balance Sheet

	Note	30 Jun 2011 ₹	30 Jun 2010 ₹	31 Mar 2011 ₹
Sources of Funds				
Shareholders' Funds				
Share capital	3	1,067,121,675	1,067,121,675	1,067,121,675
Reserves and surplus	4	15,008,048,702	14,133,400,910	14,696,697,124
		16,075,170,377	**15,200,522,585**	**15,763,818,799**
Loans	5	**12,273,816,357**	**9,167,613,012**	**11,587,125,210**
Deferred Tax Liability (net)	6	-	**8,912,402**	**3,214,007**
		28,348,986,734	**24,377,047,999**	**27,354,158,016**
Application of Funds				
Fixed Assets				
Cost	7	755,577,801	644,429,648	743,790,151
Less: Accumulated depreciation/amortization		328,931,556	289,154,384	316,553,089
Net book value		**426,646,245**	**355,275,264**	**427,237,062**
Capital work-in-progress including capital advances		**67,836,440**	-	**34,121,976**
Investments	8	**1,196,156,372**	**1,198,862,826**	**1,189,411,710**
Deferred Tax Asset (net)	6	**4,196,205**	-	-
Properties Held for Development	9	**8,219,782,219**	**13,597,274,231**	**11,604,820,093**
Current Assets, Loans and Advances				
Cash and bank balances	10	1,180,087,366	555,661,227	998,994,088
Inventories		302,666,610	206,636,565	283,842,906
Trade debtors	11	1,375,470,590	1,201,716,272	1,143,518,871
Properties under development	12	15,725,980,051	7,150,836,751	11,623,125,449
Properties held for sale	13	706,699,433	823,139,657	706,245,710
Loans and advances	14	3,282,989,348	2,967,345,323	3,287,170,511
		22,573,893,398	**12,905,335,795**	**18,042,897,535**
Less: Current Liabilities and Provisions				
Current liabilities	15	3,809,776,924	3,643,187,343	3,649,170,908
Provisions	16	329,747,221	36,512,774	295,159,452
		4,139,524,145	**3,679,700,117**	**3,944,330,360**
Net Current Assets		**18,434,369,253**	**9,225,635,678**	**14,098,567,175**
		28,348,986,734	**24,377,047,999**	**27,354,158,016**

Significant accounting policies **1**

The notes referred to above form an integral part of the condensed consolidated financial statements

This is the consensed consolidated balance sheet referred to in our report of even date

For Walker, Chandiok & Co

Chartered Accountants

For and on behalf of the Board of Directors

per **Aashish Arjun Singh**
Partner

Bangalore
11 Aug 2011

Ravi Puravankara
Chairman and Managing Director

Nani R Choksey
Deputy Managing Director

Ashish Puravankara
Joint Managing Director

Kiran Chappar
Company Secretary

Bangalore
11 Aug 2011

Puravankara Projects Limited

Condensed Consolidated Profit and Loss Account

	Note	Quarter ended 30 Jun 2011 ₹	Quarter ended 30 Jun 2010 ₹
Revenues	**17**	**1,904,496,564**	**1,162,943,710**
Cost of Revenues	**18**	1,235,759,739	663,820,654
Gross Profit		**668,736,825**	**499,123,056**
Selling expenses	**19**	130,291,842	36,736,904
General and administrative expenses	**20**	83,602,627	71,929,784
Operating Profit		**454,842,356**	**390,456,368**
Net finance income/(charges)	**21**	(19,997,851)	3,037,276
Profit before tax and share of profit in associates, net		434,844,505	393,493,644
Share of profit in associates, net		6,744,663	7,795,558
Profit before tax		**441,589,168**	**401,289,202**
Tax expense	**22**	130,237,590	34,396,137
Profit after tax		**311,351,578**	**366,893,065**
Earnings per share : Basic and diluted	**23**	**1.46**	**1.72**

Significant accounting policies **1**

The notes referred to above form an integral part of the Condensed Consolidated financial statements

This is the Condensed Consolidated profit and loss account referred to in our report of even date

For Walker, Chandiok & Co
Chartered Accountants

For and on behalf of the Board of Directors

per **Aashish Arjun Singh**	**Ravi Puravankara**	**Nani R Choksey**	**Ashish Puravankara**	**Kiran Chappar**
Partner	**Chairman and Managing Director**	**Deputy Managing Director**	**Joint Managing Director**	**Company Secretary**

Bangalore
11 Aug 2011

Bangalore
11 Aug 2011

Puravankara Projects Limited

Notes to the Condensed Consolidated Financial Statements

1. Significant Accounting Policies

a. Basis of preparation

The condensed financial statements have been prepared on accrual basis under the historical cost convention and in accordance with the applicable accounting standards prescribed by Companies (Accounting Standards), Rules 2006. The accounting policies have been consistently applied unless otherwise stated.

b. Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the Group to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from those estimates. Significant estimates used by management in the preparation of these financial statements include the percentage completion for projects in progress, estimates of the economic useful lives of the fixed assets, provisions for bad and doubtful debts and accruals for employee benefits.

c. Basis of consolidation

Subsidiaries are all entities over which the Company has the power to control the financial and operating policies. The Company obtains and exercises control through voting rights. The consolidated financial statements of the Group incorporate the financial statements of the Company as well as those entities controlled by the Company. The consolidated financial statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting unrealized profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the consolidated entity.

Associates are those entities over which the Company is able to exercise significant influence but which are neither subsidiaries nor interests in a joint venture. Investments in associates are initially recognized at cost and subsequently accounted for using the equity method.

Consolidated financial statements are prepared using uniform accounting policies across the Group.

d. Revenue recognition

Revenues from projects

Revenue from the sale of properties is recognized when the significant risks and rewards of ownership have been transferred to the customer, which coincides with the entering into a legally binding agreement.

Revenue from sale of undivided share of land (UDS) in qualifying projects where the risks and rewards on the sale of the UDS are separable from the risks and rewards on the construction contract is recognised upon the transfer of all significant risks and rewards of ownership of such real estate, as per the terms of the contracts entered into with the buyers, which coincides with the firming of the sales contracts/ agreements and a minimum level of collection of dues from the customer.

Revenue from the sale of UDS on other projects where the risk and rewards on the sale of the UDS are not separable from the construction contracts and therefore do not qualify above are recgonised on the percentage of completion method.

Contract revenues represent the aggregate amounts of sale price for agreements entered into and are accrued based on the percentage that the actual construction costs incurred until the reporting date bears to the total estimated construction costs to completion. Land costs are not included for the purposes of computing the percentage of completion.

Contract costs include the estimated construction, development, proportionate land cost and other directly attributable costs of the projects under construction. Losses expected to be incurred on projects in progress, are charged to the profit and loss account in the period in which these losses are known.

The estimates for saleable area and contract costs are reviewed by management periodically and the cumulative effect of the changes in these estimates, if any, are recognized in the period in which these changes may be reliably measured.

Cost and recognized profits to date in excess of progress billings on construction projects in progress are disclosed under Properties Under Development (a current asset). Where the progress billings exceed the costs and recognized profits to date on projects under construction, the same is disclosed as Advances Received From Customers, (a current liability). Any billed amount that has not been collected is disclosed under Trade Debtors and is net of any provision for amounts doubtful of recovery.

Rental income

Income from rentals is recognized on a straight line basis over the primary, non-cancellable, period of the arrangement.

Interior Income

Interior income is recognized as and when the services are rendered, at rates agreed upon with customers.

e. Properties held for sale

Completed properties held for sale are stated at the lower of cost and net realizable value. Cost includes cost of land, construction related overhead expenditure and borrowing costs and other costs incurred during the period of development.

f. Properties held for development

Properties held for development represents land acquired for future development and construction, and is stated at cost including the cost of land, the related costs of acquisition, borrowing cost and other costs incurred to get the properties ready for their intended use.

g. Fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use. Advances paid towards acquisition of fixed assets before the period end are classified as capital work in progress. Fixed assets purchased in foreign currency are recorded at the actual rupee cost incurred.

Expenditure directly relating to expansion is capitalized only if it increases the life or functionality of an asset beyond its original standard of performance.

h. Depreciation

Depreciation on fixed assets is provided on the straight-line method, using the rates specified in Schedule XIV to the Companies Act, 1956, except in the case of shuttering and scaffolding items where the estimated useful life has been determined as seven years. Assets individually costing less than ₹ 5,000 are fully depreciated in the year of purchase.

i. Borrowing Costs

Borrowing costs that are attributable to the acquisition and/or construction of qualifying assets are capitalized as part of the cost of such assets, in accordance with Accounting Standard 16 – “Borrowing Costs”. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the profit and loss account as incurred.

j. Advertisement and Promotional expenses

Advertisement and promotional costs in respect of projects currently being developed and for general corporate purposes are expensed to the profit and loss account as incurred.

k. Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

l. Cash and cash equivalents

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

m. Inventory

Inventory comprises raw materials used for the construction activity of the Company. Raw materials are valued at the lower of cost and net realizable value with the cost being determined on a ‘First In First Out’ basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs required to make the sale.

n. Foreign currency transactions

(a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the respective transaction.

(b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on a monetary item that, in substance, form part of company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognized as income or as expenses.

o. Leases

Finance Leases

Assets acquired on lease which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the assets, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

p. Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 Employee Benefits “AS 15”.

Provident fund

The Company contributes to the statutory provident fund of the Regional Provident Fund Commissioner, in accordance with Employees provident fund and Miscellaneous Provision Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which the employee renders services.

Gratuity

Gratuity is a post employment benefit and is a defined benefit plan. The liability recognized in the balance sheet represents the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets (if any), together with adjustments for unrecognized actuarial gains or losses and past service costs. Independent actuaries using the projected unit credit method calculate the defined benefit obligation annually.

Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are credited or charged to the Profit and loss account in the year in which such gains or losses arises.

Vacation pay

Liability in respect of vacation pay becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of earned leave becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of actuarial valuation in a manner similar to gratuity liability.

Other short-term benefits

Expense in respect of other short-term benefits including performance bonus is recognized on the basis of amount paid or payable for the period during which the employees render services.

q. Stock based compensation

The Company accounts for stock based compensation based on the intrinsic value method. Option discount representing the excess of the fair value or the market value of the underlying shares at the date of the grant over the exercise price of the option is amortized on a straight-line basis over the vesting period of the shares issued under the Company’s Employee Stock Option Plan (ESOP).

r. Taxes on income

Tax expense comprises both current and deferred taxes. The current charge for income taxes is calculated in accordance with the relevant tax regulations. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits.

Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

s. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all potential equity shares.

t. Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2. Group Structure

The operational subsidiaries and associates consolidated under the Group as at 30 June 2011 comprise the entities listed below:

Name of the Entity	Country of Incorporation	Effective Shareholding
Overseas Subsidiary Companies		
Puravankara Lanka Holding Private Limited	Sri Lanka	100%
Puravankara Projects Lanka Private Limited	Sri Lanka	100%
Purva Corporation	British Virgin Islands	100%
Indian Subsidiary Companies		
Prudential Housing and Infrastructure Development Limited	India	100%
Centurion Housing and Construction Private Limited	India	100%
Melmont Construction Private Limited	India	100%
Purva Realities Private Limited	India	100%
Purva Marine Properties Private Limited	India	100%
Nile Developers Private Limited	India	100%
Vaigai Developers Private Limited	India	100%
Starworth Infrastructure and Construction Limited	India	100%
Provident Housing Limited	India	100%
Associate Companies		
Keppel Puravankara Development Private Limited	India	49%
Propmart Technologies Limited	India	32.83%
Keppel Magus Development Private Limited	India	36.26%
Sobha Puravankara Aviation Private Limited	India	49.75%

There is no change in the effective shareholding of all of the above entities.

	30 Jun 2011	30 Jun 2010	31 Mar 2011
	₹	₹	₹
3 Share Capital			
Authorised			
320,000,000 equity shares (30 Jun 2010 - 320,000,000; 31 Mar 2011- 320,000,000) of ₹ 5 each	1,600,000,000	1,600,000,000	1,600,000,000
Issued, subscribed and paid up			
213,424,335 equity shares (30 Jun 2010 - 213,424,335; 31 Mar 2011 - 213,424,335) of ₹ 5 each fully paid-up	1,067,121,675	1,067,121,675	1,067,121,675
	1,067,121,675	**1,067,121,675**	**1,067,121,675**
4 Reserves and Surplus			
Share Premium	**7,988,811,915**	**7,988,811,915**	**7,988,811,915**
General Reserve	**463,400,000**	**400,500,000**	**463,400,000**
Debenture Redemption Reserve	**53,876,849**	**-**	**12,945,915**
Profit and Loss Account			
Balance at the beginning of the period / year	6,231,539,294	5,299,595,067	5,299,595,067
Add: Net profit for the period / year	311,351,578	366,893,065	1,179,060,728
Add: Debenture Redemption Reserve written back	-	77,600,863	77,600,863
Less: Transfer to Debenture Redemption Reserve	40,930,934	-	12,945,915
Less: Proposed Dividend	-	-	213,424,335
Less: Tax on distribution of dividend	-	-	35,447,114
Less: Transfer to General Reserve	-	-	62,900,000
Balance at the end of the period / year	**6,501,959,938**	**5,744,088,995**	**6,231,539,294**
	15,008,048,702	**14,133,400,910**	**14,696,697,124**
5 Loans			
Secured Loans	11,896,374,895	8,973,713,012	11,208,624,539
Unsecured Loans - overdraft from bank	377,441,462	-	369,500,671
Unsecured Loans - short term loan from associate	-	-	9,000,000
Unsecured Loans - short term loan from bank	-	193,900,000	-
	12,273,816,357	**9,167,613,012**	**11,587,125,210**

		30 Jun 2011	30 Jun 2010	31 Mar 2011
		₹	₹	₹
Secured Loans				
Term loans	(a)	7,215,460,637	6,221,940,701	7,428,264,276
Debentures	(b)	1,500,000,000	-	1,500,000,000
Cash Credit & Other loans	(c)	3,180,914,258	2,751,772,311	2,280,360,263
		11,896,374,895	**8,973,713,012**	**11,208,624,539**

(a) Term Loans

i. On 30 May 2008 the Company entered into a term loan agreement with ICICI Home Finance Company Limited for a term loan of ₹ 1,250 million. Out of the sanctioned limit, the Company had drawn ₹ 1,130 million as on 31 March 2009 and the balance of ₹ 120 million in April 2009. This facility is secured by mortgage of the properties together with all buildings and structures thereon, both present and future and scheduled receivables of Purva Venezia and Purva Highlands and is also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director, Mr.Nani R Choksey, Deputy Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company, repayable in 16 monthly instalments commencing 15 June 2009. However, this loan was restructured in July 2009 such that it is repayable in 16 monthly instalments commencing 15 October 2010 including ₹ 78.1 million due on 15 June 2009. The outstanding as on 30 June 2011 was ₹ 546.88 million.

ii. On 3 June 2008, the Company entered into an agreement with ICICI Bank for a term loan facility up to a maximum of ₹ 1,250 million. This facility is secured by mortgage of the properties together with all buildings and structures thereon, both present and future, scheduled receivables of Purva Venezia and Purva Highlands, lands at Uganavadi village and Kaikondanahalli village and is also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director, Mr.Nani R Choksey, Deputy Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company. The loan is repayable in 12 monthly instalments starting from 15 March 2011. The outstanding as on 30 June 2011 was ₹ 833.33 million. Another term loan of ₹ 750 million was sanctioned by ICICI Bank Limited on 04 March 2011 considering the same security. This loan is repayable in 16 monthly instalments starting from March 2012. Outstanding balance of this additional term loan from ICICI Bank Limited as on 30 June 2011 was ₹ 520 million.

iii. On 4 December 2008 the Company entered into an agreement with Life Insurance Corporation of India for a loan of ₹ 2,000 million. This facility is secured by mortgage of land at Marine Drive, Kochi, the receivables and is also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company. The loan is repayable in 14 equal quarterly instalments commencing from January 2010. The outstanding as on 30 June 2011 was ₹ 1,142.86 million.

iv. On 11 May 2010 the Company and Mr. Ravi Puravankara, Chairman and Managing Director of the Company entered into an agreement with India Bulls Financial Services Limited for a loan of ₹ 900 million. This facility is secured by mortgage of land at Marine Drive Kochi. The loan is repayable in 54 equated monthly instalments commencing from January 2011. The outstanding as on 30 June 2011 was ₹ 831.93 million.

v. On 16 June 2010 the Company was sanctioned a loan of ₹ 2,000 million by Standard Chartered Bank towards the refinancing of existing debt on Purva Skywood and construction cost of Purva Skywood, out of which ₹ 1,200 million has been drawn as of 30 June 2011. This facility is secured by mortgage of the properties together with all buildings and structures thereon, both present and future and scheduled receivables of certain specified projects and is also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company and Mr. Ashish Puravankara, Joint Managing Director of the Company. The loan is repayable in 18 monthly instalments commencing from July 2012. The outstanding as on 30 June 2011 was ₹ 1,290.16 million, which consist of ₹1200 million on account of term loan and ₹ 90.16 million on account of overdraft facility which is a sublimit of this facility.

vi. On 10 August 2010, Puravankara Projects Ltd and Centurions Housing and Constructions Private Limited entered into an agreement with Reliance Home Finance Private Limited for a term loan of ₹ 450 million. This facility is secured by mortgage of the property together with all buildings and structures thereon, both present and future at Marine Drive, Kochi, present and future scheduled receivables of the project and the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company. The loan is repayable in 18 equated monthly instalments commencing from February 2011. The outstanding as on 30 June 2011 was ₹ 325 million.

vii. On 10 August 2010, Puravankara Projects Ltd and Centurions Housing and Constructions Private Limited entered into an agreement with Reliance Consumer Finance Private Limited for a term loan of ₹ 300 million. This facility is secured by mortgage of the property together with all buildings and structures thereon, both present and future at Marine Drive, Kochi, present and future scheduled receivables of the project and the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company. The loan is repayable in 21 equated monthly instalments commencing from November 2010. The outstanding as on 30 June 2011 was ₹ 185.71 million.

viii. On 22 September 2010 the Company entered into an agreement with Kotak Mahindra Prime Limited for a loan of ₹ 250 million. This facility is secured by mortgage of lands at Chengalpet taluk, Kancheepuram district, the receivables and is also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company and Mr. Ashish Puravankara, Joint Manager Director of the Company . The loan is repayable in 27 monthly instalments commencing from September 2011. The outstanding as on 30 June 2011 was ₹ 250 million.

ix. On 26 October 2010 term loan facility of ₹ 350 million was sanctioned by HDFC Limited. The Company entered into a term loan facility agreement with HDFC Limited on 01 January 2011 and drawn ₹ 220 Million out of it. This facility is secured by mortgages of land at Kakanad, Kochi with building constructed thereupon, present and future receivable of sold and unsold units and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara Joint Managing Director of the Company . Loan is repayable in 21 monthly instalments starting from October 2011. Outstanding balance as on 30 June 2011 was ₹ 290 Million.

x. On 26 October 2010 term loan facility of ₹ 340 million was sanctioned by HDFC Limited. The Company entered into a term loan facility agreement with HDFC Limited on 02 February 2011 and drawn ₹170 Million out of it. This facility is secured by mortgages of land at Ernakulam Marine Drive with building constructed thereupon, present and future receivables of sold and unsold units and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara Joint Managing Director of the Company . Loan is repable in 21 monthly instalments starting from November 2011. Outstanding balance as on 30 June 2011 was ₹ 240 Million.

xi. On 11 May 2011 term loan facility of ` 600 million was sanctioned by Standard Chartered Bank. This facility is secured by exclusive charge on land and receivables of Midtown Project, Cosmo City Project and Skywood project on cross collateralized basis and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara Joint Managing Director of the Company . The Company has drawn ₹ 200 million out of this facility in May 2011. This facility is rapayable in 4 quarterly instalments starting from June 2012. Outstanding balance as on 30 June 2011 was ₹ 200 million.

xii. On 11 May 2011 term loan facility of ₹ 350 million was sanctioned by Standard Chartered Bank. This facility is secured by exclusive charge on land and receivables of Midtown Project, Cosmo City Project and Skywood project on cross collateralized basis and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara Joint Managing Director of the Company . The Company has drawn ₹ 150 million out of this facility in June 2011. This facility is repayable in 4 quarterly instalments starting from July 2012. Outstanding balance as on 30 June 2011 was ₹ 150 million.

xiii. On 11 May 2011 loan facility of ₹ 400 million was sanctioned by Standrad Chartered Bank to Provident Housing Limited which includes term loan of ₹ 300.00 Million and overdraft of ₹ 100.00 Million. This facility is secured by exclusive charge on land and receivables of Midtown Project, Cosmo City Project and Skywood project on cross collateralized basis and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara Joint Managing Director of the Company . This facility is rapayable in 5 quarterly instalments starting from June 2011. This facility was fully drawn during this quarter and outstanding balance as on 30 June 2011 was ₹ 300.24 million, which consist of ₹ 249.75 million on account of term loan and ₹ 50.49 million on account of

xiv. On 20 June 2011 term loan facility of ₹ 750 million was sanctioned by Dhanlaxmi Bank Limited. This facility is secured by 2nd Pari Passu charge on land and building together with receivables of Purva Swanlake project and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company. This facility is rapayable in 15 monthly instalments starting from July 2012. The Company has drawn ₹ 250 million during this quarter and outstanding balance as on 30 June 2011 was ₹ 250 million.

(b) *Debentures*

The Company has issued 150 secured redeemable non convertible debentures of ₹10 million each, 75 on 31 January 2011 and 75 on 31 March 2011. These debentures are secured by mortgage of land & building constructed/to be constructed thereon situated at Medavakkam & Pallikaranai village, Tamilnadu, receivables of sold and unsold units and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara Joint Managing Director of the Company . These debentures are due for redemption at ₹ 250 million every quarter starting from 01 November 2012.

(c) *Cash Credit & Other Loans*

i. On 19 August 2004 the Company entered into an agreement with Andhra Bank for a cash credit facility of ₹ 150 million which was further enhanced to ₹ 200 million in October 2008, ₹ 500 million in March 2010 and ₹ 1,180 million in June 2011. This facility is secured against the properties of the Company. The outstanding as on 30 June 2011 was ₹ 914.32 million.

ii. On 20 June 2008 the Company entered into an agreement with IDBI Bank for a working capital facility of ₹ 1,250 million which is secured against the properties of the Company and personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company. The outstanding as on 30 June 2011 was ₹ 1,074.50 million.

iii. On 20 November 2008, the Company has availed a Secured Overdraft facility from Andhra Bank for ₹ 800 million which is secured against the land together with the buildings and structure thereon at Geddalahalli, Bangalore and is also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director, Mr. Nani R Choksey, Deputy Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company. The outstanding as on 30 June 2011 was ₹ 799.01 million.

iv. On 8 January 2008 the Company entered into a term loan agreement with HSBC for ₹ 1,350 million which was originally payable in quarterly instalments from October 2008 till October 2009 and ₹ 350 million was payable in quarterly instalments, from January 2009 till October 2009. However, this loan was restructured in June 2009 such that the instalments due as of 29 June 2009 and also remaining amounts were migrated into overdraft on the due dates of the instalments as per the earlier repayment schedule.The resultant overdraft is repayable in 13 monthly instalments after a moratorium of 14 months. From June 2009 to December 2009 an amount of ₹ 832.5 million has been migrated from term loan to overdraft which is secured by mortgage of the land and building of Purva Swanlake project and receivables of Purva Swanlake and Purva Moneto. The outstanding as on 30 June 2011 on this overdraft account was ₹ 234.11 million.

v. Other loans represent loans taken for purchase of vehicles. These loans are secured by a charge against respective vehicles. The outstanding as on 30 June 2011 was ₹ 18.33 million.

Principal amounts due for repayment within one year from the Balance Sheet Date :

	30 Jun 2011	30 Jun 2010	31 Mar 2011
	₹	₹	₹
Term loans	3,213,810,995	2,418,825,437	3,707,052,274
Debentures, Overdrafts and Other loans	380,800,298	758,025,935	83,280,936
	3,594,611,293	3,176,851,372	3,790,333,210

Unsecured Loans

i. On 12 March 2009 Deutsche Bank has sanctioned a short term working capital facility of ₹ 400 million to the Company. This facility is secured by the personal assets of Mr. Ravi Puravankara, Chairman and Managing Director of the Company. In October 2010 an amount of ₹ 236.40 million has been migrated from term loan to overdraft. The outstanding in overdraft account as on 30 June 2011 was ₹ 377.44 million.

6 Deferred Tax Asset / (Liability) (Net)

Deferred tax asset / (liability) arising on account of depreciation	(15,857,114)	(9,541,441)	(4,718,158)
Add: Deferred tax asset arising on account of:			
Expenses allowable on payment basis			
Gratuity	6,716,778	352,266	524,355
Leave encashment	6,399,103	276,773	456,595
Bonus	6,937,438	-	523,201
	4,196,205	**(8,912,402)**	**(3,214,007)**

Puravankara Projects Limited

7. Fixed Assets

(₹)

Category of assets	Cost				Accumulated Depreciation/Amortization				Net Book Value	
	As at 1 Apr 2011	Additions during the quarter	Deletions during the quarter	As at 30 Jun 2011	As at 1 Apr 2011	Charge for the quarter	Deletions during the quarter	As at 30 Jun 2011	As at 30 Jun 2011	As at 31 Mar 2011
Tangible Assets										
Buildings	37,074,680	-	-	37,074,680	2,800,968	142,741	-	2,943,709	34,130,971	34,273,712
Plant & Machinery	267,248,228	-	-	267,248,228	82,848,906	2,688,487	-	85,537,393	181,710,835	184,399,322
Office Equipment	14,211,046	572,535	-	14,783,581	4,079,144	195,530	-	4,274,674	10,508,907	10,131,902
Computers	31,879,555	1,835,617	-	33,715,172	16,505,231	1,064,192	-	17,569,423	16,145,749	15,374,324
Furniture & Fixtures	14,218,961	366,003	-	14,584,964	6,093,757	378,847	-	6,472,604	8,112,360	8,125,204
Vehicles	89,761,818	5,956,144	-	95,717,962	34,377,055	1,943,206	-	36,320,261	59,397,701	55,384,763
Shuttering Material	267,315,907	-	-	267,315,907	157,033,221	5,193,987	-	162,227,208	105,088,699	110,282,686
Leasehold Improvements	-	1,881,291	-	1,881,291	-	34,921	-	34,921	1,846,370	-
Intangible Assets										
Computer Software	22,079,956	1,176,060	-	23,256,016	12,814,807	736,556	-	13,551,363	9,704,653	9,265,149
Total	**743,790,151**	**11,787,650**	**-**	**755,577,801**	**316,553,089**	**12,378,467**	**-**	**328,931,556**	**426,646,245**	**427,237,062**
Last year	**642,035,308**	**103,029,698**	**1,274,855**	**743,790,151**	**279,693,958**	**37,589,756**	**730,625**	**316,553,089**	**427,237,062**	

	30 Jun 2011	30 Jun 2010	31 Mar 2011
	₹	₹	₹
8 Investments			
Investment in Associates:			
(Unquoted and fully paid up, including share of profit / loss)			
Keppel Puravankara Development Private Limited			
4,410,000 Equity Shares (30 Jun 2010 - 4,410,00; 31 Mar 2011- 4,410,000) of ₹10 each at par	790,102,016	790,620,380	779,461,429
17,640,000 13.25% cumulative, redeemable, convertible Preference Shares (30 Jun 2010 - 17,640,000; 31 Mar 2011- 17,640,000) of ₹10 each at par	176,400,000	176,400,000	176,400,000
Keppel Magus Development Private Limited			
362,600 Equity shares (30 Jun 2010 - 362,600; 31 Mar 2011- 362,600) of ₹ 610 each	221,702,311	231,842,446	223,600,281
Sobha Puravankara Aviation Private Limited			
995,000 Equity shares (30 Jun 2010 - NIL; 31 Mar 2011- 995,000) of ₹ 10 each	7,952,045	-	9,950,000
	1,196,156,372	**1,198,862,826**	**1,189,411,710**
9 Properties Held for Development			
At the beginning of the period / year	11,604,820,093	13,527,720,074	13,527,720,074
Add : Additions during the period / year	296,965,546	173,659,351	906,594,342
Less: Deletions during the period / year	-	104,105,194	104,105,194
Less: Transferred to Properties Under Development	3,682,003,420	-	2,725,389,129
	8,219,782,219	**13,597,274,231**	**11,604,820,093**
10 Cash and Bank Balances			
Cash in hand	2,577,290	4,844,089	3,940,673
Balances with Banks:			
In current accounts	830,392,653	388,770,227	591,709,382
In deposit accounts	347,117,423	162,046,911	403,344,033
	1,180,087,366	**555,661,227**	**998,994,088**
11 Trade Debtors			
(Unsecured and considered good)			
Debts outstanding over six months	569,298,352	590,610,703	606,777,519
Debts outstanding less than six months	806,172,238	611,105,569	536,741,352
	1,375,470,590	**1,201,716,272**	**1,143,518,871**
12 Properties Under Development			
Land cost	9,140,731,320	3,074,739,828	5,594,675,004
Material and construction cost	15,077,961,079	9,243,854,883	13,608,691,362
Profit recognized to-date	5,497,963,010	3,464,746,779	4,840,397,192
Less: Progress payments received and receivable	13,990,675,358	8,632,504,739	12,420,638,109
	15,725,980,051	**7,150,836,751**	**11,623,125,449**
13 Properties Held for Sale			
At the beginning of the period / year	706,245,710	852,453,104	852,453,104
Add : Additions during the period / year	453,723	26,359,076	52,576,762
Less: Sales during the period / year	-	55,672,523	194,522,062
Less: Write downs during the period / year	-	-	4,262,094
	706,699,433	**823,139,657**	**706,245,710**

	30 Jun 2011	30 Jun 2010	31 Mar 2011
	₹	₹	₹
14 Loans and Advances			
(Unsecured and considered good)			
Advances to suppliers *	667,298,419	436,012,722	657,180,650
Advances for land contracts *	1,108,815,737	1,151,999,262	1,086,464,485
Deposits	744,044,259	553,925,519	736,142,848
Loans to associates *	259,136,740	193,988,425	241,232,927
Advance tax (net of provision)	57,400,161	30,034,238	57,143,113
Taxes and duties recoverable	314,023,041	461,929,894	356,248,298
Prepaid expenses *	25,461,628	883,188	24,975,647
Other advances *	106,809,363	138,572,075	127,782,543
	3,282,989,348	**2,967,345,323**	**3,287,170,511**

* Advances recoverable in cash or kind or for value to be received.

	30 Jun 2011	30 Jun 2010	31 Mar 2011
15 Current Liabilities			
Trade creditors	879,324,551	477,764,839	963,582,830
Advances received from customers	2,435,157,074	2,461,183,722	2,258,115,064
Duties and taxes payable	72,173,461	10,564,003	44,053,950
Security deposits	21,193,060	30,996,146	20,182,233
Dues to related parties	242,037,487	295,619,721	256,905,932
Other liabilities	159,650,838	117,269,767	106,085,608
Dividend payable	-	213,424,335	-
Dividend tax payable	-	36,271,466	-
Unpaid Dividend	240,453	93,344	245,291
	3,809,776,924	**3,643,187,343**	**3,649,170,908**
16 Provisions			
Provision for gratuity	29,877,327	18,307,663	22,407,150
Provision for vacation pay	28,932,688	18,205,111	23,880,853
Provision for tax (net of advance tax)	22,065,757	-	-
Proposed dividend	213,424,335	-	213,424,335
Tax on proposed dividend	35,447,114	-	35,447,114
	329,747,221	**36,512,774**	**295,159,452**

	Quarter ended 30 Jun 2011 ₹	Quarter ended 30 Jun 2010 ₹
17 Revenues		
Revenue from projects	1,889,544,536	1,155,978,633
Rental income	2,345,133	3,780,942
Income from interiors and others	12,606,895	3,184,135
	1,904,496,564	**1,162,943,710**

As disclosed in note (d) to Schedule 1 to the financial statements, effective April 1, 2011, the Company has adopted an accounting policy for revenue recognition for the sale of undivided share of land (UDS) for new housing projects. The revenue from these qualifying projects where the risks and rewards on the sale of the UDS are separable from the risks and rewards on the construction contract are recognized upon transfer of all significant risks and rewards of ownership of such real estate, in accordance with the terms of the contracts entered into with the buyers, which coincides with the firming of the sales contracts/ agreements and a minimum level of collection of dues from the customer. Consequently, the Company has recorded Revenue and receivables of ₹ 253,733,119 and ₹ 197,581,176 respectively on the sale of such UDS for the quarter ended June 30, 2011. Revenue from the sale of UDS on other housing projects where the risks and rewards on the sale of the UDS are not separable from the construction contracts and therefore do not qualify above, continue to be recgonised on the percentage of completion method.

18 Cost of Revenues		
Construction cost		
Material and contract costs	818,117,556	445,478,171
Staff costs	70,888,344	40,553,591
Depreciation	8,251,697	6,205,731
Other direct costs	186,899,265	74,550,307
	1,084,156,862	566,787,800
Land cost	151,602,877	97,032,854
	1,235,759,739	**663,820,654**
19 Selling Expenses		
Staff costs	17,153,643	9,595,316
Advertising and sales promotion	105,799,511	20,443,328
Sales incentives and commission	1,595,010	1,754,101
Brokerage and referral charges	3,624,906	2,933,341
Travel and conveyance	1,183,661	1,186,211
Communication	352,943	465,758
Depreciation	575,774	358,849
Other Costs	6,394	-
	130,291,842	**36,736,904**
20 General and Administrative Expenses		
Staff costs	39,727,874	36,809,342
Depreciation	3,550,996	2,895,846
Rent rates and taxes	6,767,414	5,660,310
Repairs and maintenance - others	7,868,511	6,444,099
Legal and professional charges	9,969,366	7,588,005
Audit fees	650,000	600,000
Communication costs	1,585,700	2,095,326
Printing and stationery	1,938,546	1,162,142
Travelling and conveyance	3,612,524	5,021,718
Security charges	4,080,192	3,152,815
Foreign exchange loss/(gain)	420,825	(1,427,817)
Miscellaneous expenses	3,430,679	1,927,998
	83,602,627	**71,929,784**

	Quarter ended 30 Jun 2011 ₹	Quarter ended 30 Jun 2010 ₹
21 Finance Income/(Charges)		
Interest expenses on loans and cash credits	(435,719,903)	(306,020,011)
Loan and other processing charges	(45,346,222)	(30,383,890)
Discount on issue of debentures	(2,187,500)	-
Less:		
Expended as part of Cost of Revenue	179,566,906	85,214,748
Capitalized and included in Properties Under Development	265,779,810	194,686,802
Capitalized and included in Properties Held for Development and Advances for land contracts	-	47,830,727
Less: Finance Income:		
Bank deposits	5,169,378	3,628,465
Loan to associates	5,989,153	2,870,666
Interest received from customers	6,750,527	5,209,769
	(19,997,851)	**3,037,276**

22 Tax Expense

Current tax	137,647,802	34,133,319
Deferred tax charge/(credit)	(7,410,212)	262,818
	130,237,590	**34,396,137**

The Company has claimed a tax deduction of ₹ 152 million till date under Section 80IB of the Income tax act, 1961 resulting in tax benefit of ₹ 56 million in one of the project which was due for completion as of 31 March 2011. Management has applied for the completion certificate with the local authorities and the same is pending till date. However, based on the architect's certificate obtained in lieu of the completion certificate, management believes that the deduction under the said section would be allowed.

23 Earnings Per Share

Weighted average number of shares outstanding during the quarter	213,424,335	213,424,335
Add: Dilutive effect of stock options	193,200	483,000
Weighted average number of shares used to compute diluted EPS	213,617,535	213,907,335
Net profit after tax attributable to equity shareholders	311,351,578	366,893,065
Earnings per share:		
Basic	1.46	1.72
Diluted	1.46	1.72
Nominal value per equity share	5.00	5.00

Puravankara Projects Limited

24 Stock-based compensation

On 1 July 2006, the members of the Company approved the Puravankara Projects Limited 2006 Employee Stock Option Scheme ('ESOS' or 'the Plan') of the Company. The plan provides for the issuance of stock options to eligible employees (including directors of the Company) with the total options issuable under the Plan not to exceed 1,366,080 options and includes a limit for the maximum and minimum number of options that may be granted to each employee. Under the plan, these options vest over a period of four years and can be exercised for a period of one year from vesting.

The disclosures for the quarter ended 30 June 2011 have been provided below:

The weighted average exercise price for options movement during the quarter ended 30 June 2011 is as follows:

	30 Jun 2011	30 Jun 2010	
	Shares arising out of options (Numbers)	**Shares arising out of options (Numbers)**	**Weighted average exercise price ₹**
At the beginning of the quarter	193,200	483,000	465.86
Granted during the quarter	-	-	-
Forfeited during the quarter	-	-	-
Lapsed during the quarter	-	-	-
Cancelled during the quarter	-	-	-
Exercised during the quarter	-	-	-
At the end of the quarter	193,200	483,000	465.86
Excercisable at the end of the quarter	193,200	289,800	465.86

The weighted average exercise price of the options outstanding at 30 June 2011 was ₹ 465.86 and they had weighted average remaining contractual life of 6 months.

Had compensation cost been determined in a manner consistent with the fair value approach as prescribed under the fair value method, the Group's net profit and earnings per share as reported would have been adjusted to the pro-forma amounts indicated below:

	Quarter ended 30 Jun 2011 ₹	Quarter ended 30 Jun 2010 ₹
Net profit, as reported	311,351,578	366,893,065
Add: Stock-based employee compensation expense included in the Profit and loss account	-	-
Less: Stock based employee compensation expense determined under the fair value method	-	3,205,820
Proforma net income	311,351,578	363,687,245
Earnings per share – Basic		
As reported	1.46	1.72
Pro forma	1.46	1.70
Earnings per share – Diluted		
As reported	1.46	1.72
Pro forma	1.46	1.70

The fair value of the options granted is determined on the date of the grant using the Black-Scholes option pricing model with the following assumptions:

Dividend yield %	1.58%	1.58%
Expected life	33 to 63 months	33 to 63 months
Risk free interest rate	7.41% to 7.50%	7.41% to 7.50%
Volatility	1.58%	1.58%

Puravankara Projects Limited

25 Leases

Properties taken on operating lease

The lease expense for cancellable and non-cancellable operating leases was ₹ 8,640,236 for the quarter ended 30 June 2011 (30 June 2010 - ₹ 7,896,401). Lease commitments under the non-cancellable operating leases as at the Balance Sheet date were as follows:-

	Particulars	30 Jun 2011	30 Jun 2010	31 Mar 2011
		₹	₹	₹
a)	Within one year	1,693,242	1,477,888	1,925,603
b)	Within one to five years	848,925	2,090,228	1,208,419
	Total	**2,542,167**	**3,568,116**	**3,134,022**

Sublease

The Company has sub let one of the properties under a non cancellable operating lease agreement. Lease income was ₹ 2,345,133 for the quarter ended 30 June 2011 (30 June 2010 - ₹ 3,780,942). Minimum amount of future lease rental receivable under the non-cancellable operating lease agreement is:-

		30 Jun 2011	30 Jun 2010	31 Mar 2011
		₹	₹	₹
a)	Within one year	-	2,727,080	-
b)	Within one to five years	-	-	-
		-	**2,727,080**	**-**

26 Other commitments and contingencies

a)	Demand from Service Tax Department	46,430,204	17,100,000	46,430,204
b)	Demand from Commercial Tax Department	35,955,186	-	22,322,464
c)	Deduction under Section 80 IB of the Income tax act, 1961	124,403,701	-	132,167,877
d)	Company's share of claims not acknowledged as debts of associates	46,942,000	-	56,350,000
e)	Capital commitments	1,912,500	-	-

The Company has claimed deduction under section 80 IB of the Income tax act, 1961 on two projects based out at Cochin. The time limit specified by the cited section above for completing the two projects was 31 March 2011. However, the Company was not able to complete the same within the prescribed time limit primarily on account of court stay in one of the projects and poor state of reclamation of the land in the other. Based on the legal opinion obtained on the above, the management believe that the deduction under the cited section above will not be denied.

The Company is also involved in certain litigation for lands acquired by it for construction purposes, either through a Joint Development Agreement or through outright purchases. These cases are pending with the Civil Courts and scheduled for hearings shortly. After considering the circumstances and legal advice received, management believes that these cases will not adversely effect its financial statements.

27 Related party transactions

(i) Parties where control exists

Key Management Personnel:

Mr. Ravi Puravankara

(ii) Relatives of Key Management Personnel:

Ms.Geeta S Vhatkar
Ms.Aarti Panjabi
Mr. Ashish Puravankara
Mr.Suresh Puravankara
Ms.Amanda Puravankara
Ms.Tanya Puravankara
Ms.Vishalakshi Puravankara

(iii) Entities controlled by Key Management Personnel (Other Related Parties):

Purva Developments
Uniquepark Constructions Private Limited
Unique Constructions
Welworth
Puravankara Investments
Handiman Services Limited
Dealwel – Proprietorship
Dealwel Finance Corporation
Tanya Trust
Amanda Trust
Purva Properties and Resorts Private Limited
Dealwel Estates Private Limited

Puravankara Projects Limited

(iv) The transactions with related parties for the quarter are as follows:

(₹)

Nature of Transaction	Associates		Key Management Personnel		Relatives of Key Management Personnel		Other Related Parties	
	30-Jun-11	30-Jun-10	30-Jun-11	30-Jun-10	30-Jun-11	30-Jun-10	30-Jun-11	30-Jun-10
Transactions during the quarter:								
Interest on loans								
Keppel Puravankara Development Private Limited	598,615	547,277	-	-	-	-	-	-
Keppel Magus Development Private Limited	2,037,141	2,323,389	-	-	-	-	-	-
Propmart Technologies Limited	3,353,397							
Loans given to								
Propmart Technologies Limited	12,250,000	17,050,000	-	-	-	-	-	-
Dealwel Estates Private Limited	-	-	-	-	-	-	-	13,000
Loans repaid to								
Ravi Puravankara	-	-	15,000,000	158,200,000	-	-	-	-
Sobha Puravankara Aviation Private Limited	9,000,000	-	-	-	-	-	-	-
Security and maintenance expenses								
Handiman Services Limited	-	-	-	-	-	-	14,954,017	15,917,567
Rental expenses								
Dealwel	-	-	-	-	-	-	-	173,644
Brokerage expenses								
Propmart Technologies Limited	-	234,489	-	-	-	-	-	-
Remuneration								
Ravi Puravankara	-	-	4,499,880	3,888,000	-	-	-	-
Ashish Puravankara	-	-	-	-	2,523,489	2,504,589	-	-
Balances at the quarter end:								
Loans given to								
Propmart Technologies Limited	141,368,057	85,335,000	-	-	-	-	-	-
Keppel Puravankara Development Private Limited	30,110,292	27,788,013	-	-	-	-	-	-
Keppel Magus Development Private Limited	87,658,391	80,865,412	-	-	-	-	-	-
Dealwel Estates Private Limited	-	-	-	-	-	-	23,318	13,000
Advances for land contracts paid to								
Geeta S Vhatkar	-	-	-	-	142,300,016	142,300,016	-	-
Security Deposits paid to								
Dealwel	-	-	-	-	-	-	1,500,000	1,500,000
Puravankara Investments	-	-	-	-	-	-	4,500,000	4,500,000
Dues to								
Handiman Services Limited	-	-	-	-	-	-	1,754,817	1,299,905
Puravankara Investments	-	-	-	-	-	-	19,778,540	19,778,540
Purva Development	-	-	-	-	-	-	1,776,276	1,776,276
Purva Properties and Resorts Private Limited	-	-	-	-	-	-	15,000	15,000
Ravi Puravankara	-	-	218,720,000	272,750,000	-	-	-	-

Puravankara Projects Limited

28 Employee benefits

A. Defined benefit plan

The Company has gratuity and vacation pay as defined benefit retirement plans for its employees. As at 30 June 2011 and 30 June 2010 the plan assets were invested in insurer managed funds.

Disclosures as required by AS 15 for the quarter ended 30 June 2011 are as under:

	For the quarter ended 30 Jun 2011		For the quarter ended 30 Jun 2010	
	Gratuity	Vacation Pay	Gratuity	Vacation Pay
	₹	₹	₹	₹
1 The amounts recognized in the Balance Sheet are as follows:				
Present value of the obligation as at the end of the period	58,391,093	28,932,688	48,085,396	18,205,111
Fair value of plan assets as at the end of the period	(28,513,766)	-	(29,777,733)	-
Net liability/(asset) recognized in the Balance Sheet	**29,877,327**	**28,932,688**	**18,307,663**	**18,205,111**
2 The amounts recognized in the Profit and Loss Account are as follows:				
Service cost	7,161,646	5,790,819	2,792,583	2,725,429
Interest cost	924,935	370,491	856,963	294,614
Expected return on plan assets	(602,523)	-	(579,707)	-
Net actuarial (gain)/loss recognized in the period	(13,881)	(151,084)	(471,179)	(243,709)
Expense recognized in the Profit and Loss Account of the period	**7,470,177**	**6,010,226**	**2,598,660**	**2,776,334**
3 Changes in the present value of defined benefit obligation				
Defined benefit obligation as at beginning of the period	52,456,657	23,612,593	44,801,683	15,948,308
Service cost	7,161,646	5,790,819	2,792,583	2,725,429
Interest cost	924,935	370,491	856,963	294,614
Actuarial losses/(gains)	(127,685)	(151,084)	(151,218)	(243,709)
Benefits paid	(2,024,460)	(690,131)	(214,615)	(519,531)
Defined benefit obligation as at the end of the period	**58,391,093**	**28,932,688**	**48,085,396**	**18,205,111**
4 Changes in the fair value of plan assets				
Fair value as at the beginning of the period	30,049,507	-	29,092,680	-
Expected return on plan assets	602,523	-	579,707	-
Actuarial (loss)/ gains	(113,804)	-	319,961	-
Contributions	-	690,131	-	519,531
Benefits paid	(2,024,460)	(690,131)	(214,615)	(519,531)
Fair value as at the end of the period	**28,513,766**	-	**29,777,733**	-
Assumptions used in the above valuations are as under:				
Interest rate	8.30%	8.30%	8.00%	8.00%
Discount rate	8.30%	8.30%	8.00%	8.00%
Expected return on plan assets	8.30%	-	8.00%	-
Future salary increase	6.00%	6.00%	6.00%	6.00%
Attrition rate	2.00%	2.00%	2.00%	2.00%
Retirement age	60 years	60 years	60 years	60 years

B. Defined contribution plan

The Company makes contribution of statutory provident fund as per Employees Provident Funds and Miscellaneous Provisions Act, 1952. This is a defined contribution plan as per AS 15. Contribution made was ₹ 2,795,337 for the quarter ended 30 June 2011 (30 June 2010 - ₹ 1,783,693).

29 Segmental Information

The Group is engaged in the development and construction of residential and commercial properties which is considered to be the only reportable business segment as per Accounting Standard 17 on Segment Reporting. The Group operates primarily in India and there is no other significant geographical segment.

30 Prior period comparatives

Prior period comparatives have been regrouped/reclassified wherever necessary to conform to the presentation in the current period.

For and on behalf of the Board of Directors

Ravi Puravankara	**Nani R Choksey**	**Ashish Puravankara**	**Kiran Chappar**
Chairman and Managing Director	**Deputy Managing Director**	**Joint Managing Director**	**Company Secretary**

Bangalore
11 Aug 2011

Puravankara Projects Limited

Condensed Consolidated Cash Flow Statement

	Quarter ended 30 Jun 2011 ₹	Quarter ended 30 Jun 2010 ₹
A. Cash flow from operating activities		
Profit before tax	**441,589,168**	**401,289,202**
Adjustments for:		
Depreciation and amortization	12,378,467	9,460,426
Finance Income/ (Charges), net	19,997,851	(3,037,276)
Share of (profit)/loss in associates	(6,744,663)	(7,795,558)
Operating profit before working capital changes	**467,220,823**	**399,916,794**
Movements in working capital :		
(Increase) / Decrease in trade debtors	(231,951,719)	(89,881,614)
(Increase) / Decrease in inventories	(18,823,704)	20,174,816
(Increase) / Decrease in loans and advances	21,692,385	(55,749,021)
(Increase) / Decrease in properties under development	(3,657,507,886)	(69,118,011)
(Increase) / Decrease in properties held for sale	(453,723)	29,313,447
Increase / (Decrease) in current liabilities and provisions	151,907,068	(193,320,319)
Cash (used in) / received from operations	**(3,267,916,756)**	**41,336,092**
Direct taxes paid	(115,839,093)	(40,266,991)
Net cash from / (used in) operating activities	**(3,383,755,849)**	**1,069,101**
B. Cash flows from investing activities		
Purchase of fixed assets and capital work in progress	(37,874,106)	(2,394,340)
Loans to associates	(12,250,000)	(17,050,000)
Properties held for development	3,385,037,874	(21,723,429)
Net investment in bank deposits and margin monies	56,226,610	(5,618,699)
Interest received	10,717,384	6,340,790
Net cash from /(used in) investing activities	**3,401,857,762**	**(40,445,678)**
C. Cash flows from financing activities		
Proceeds from term loans	1,167,940,791	1,541,200,000
Repayment of term loans	(1,382,802,557)	(372,399,126)
Repayment of debentures	-	(550,000,000)
Premium on redemption of debentures	-	(18,700,000)
Proceeds from /(repayments of) short-term borrowings	901,552,914	(261,673,019)
Loans repaid to related parties	(15,000,000)	(158,200,000)
Dividends paid including taxes	(4,838)	-
Interest paid	(452,468,335)	(372,960,172)
Net cash generated from / (used in) financing activities	**219,217,975**	**(192,732,317)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**237,319,888**	**(232,108,894)**
Cash and cash equivalents at the beginning of the quarter	**595,650,055**	**625,723,210**
Cash and cash equivalents at the end of the quarter	**832,969,943**	**393,614,316**
Components of cash and cash equivalents		
Cash and bank balances (as per Note 10 to the financial statements)	1,180,087,366	555,661,227
Less: Bank deposits and margin monies considered separately	347,117,423	162,046,911
	832,969,943	**393,614,316**

This is the Condensed Consolidated cash flow statement referred to in our report of even date

For Walker, Chandiok & Co
Chartered Accountants

For and on behalf of the Board of Directors

per **Aashish Arjun Singh**
Partner

Ravi Puravankara
Chairman and Managing Director

Nani R Choksey
Deputy Managing Director

Ashish Puravankara
Joint Managing Director

Kiran Chappar
Company Secretary

Bangalore
11 Aug 2011

Bangalore
11 Aug 2011