Consolidated Financial Statements

Puravankara Projects Limited

30 September 2010

Puravankara Projects Limited

Contents

Auditors' report

The Board of Directors
Puravankara Projects Limited

1. We have audited the attached Consolidated Balance Sheet of Puravankara Projects Limited ('the Company'), its subsidiaries and associates (collectively referred to as 'the Group') as at 30 September 2010 and also the Consolidated Profit and Loss Account for the quarter and half year ended on that date, and the Consolidated Cash Flow Statement for the half year ended on that date, annexed thereto (collectively referred as the 'consolidated financial statements'). These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of certain consolidated entities, whose financial statements reflect total assets (before inter-company elimination) of ₹ 2,318,912,854 as at 30 September 2010, the total revenue of ₹ 219,858 for the quarter and half year ended on that date and cash inflows amounting to ₹ 167,032 for the half year 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 an associate whose financial statements reflect the Company's share of profit of ₹ 6,708,601 for the quarter and ₹ 14,635,075 for the half year ended on that date in the consolidated financial statements. These financial statements have not been audited by other auditors.

4. We report that the 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.

5. 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, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India, in case of:

   (a) the Consolidated Balance Sheet, of the state of affairs of the Group as at 30 September 2010;

   (b) the Consolidated Profit and Loss Account, of the profit for the quarter and half year ended on that date; and

   (c) the Consolidated Cash Flow Statement, of the cash flows for the half year ended on that date.

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

per **Rajesh Jain**
Partner
Membership No. 81203

Bangalore
29 October 2010

Puravankara Projects Limited

Consolidated Balance Sheet

	Note	30 Sep 2010 ₹	30 Sep 2009 ₹	31 Mar 2010 ₹
Sources of Funds				
Shareholders' Funds				
Share capital	3	1,067,121,675	1,067,121,675	1,067,121,675
Reserves and surplus	4	14,490,286,216	13,292,752,098	13,785,207,845
		15,557,407,891	**14,359,873,773**	**14,852,329,520**
Loans	5	**9,743,726,070**	**8,326,426,295**	**8,810,655,156**
Deferred Tax Liability	6	**5,307,234**	**24,942,330**	**8,649,584**
		25,306,441,195	**22,711,242,398**	**23,671,634,260**
Application of Funds				
Fixed Assets				
Cost	7	665,721,721	636,593,827	642,035,308
Less: Accumulated depreciation/amortization		299,154,035	196,485,734	279,693,958
Net book value		**366,567,686**	**440,108,093**	**362,341,350**
Investments	8	**1,217,082,099**	**1,070,595,639**	**1,191,067,268**
Properties Held for Development	9	**13,181,592,570**	**13,337,686,455**	**13,527,720,074**
Current Assets, Loans and Advances				
Cash and bank balances	10	408,011,757	276,200,826	782,151,422
Inventories		240,643,213	175,431,885	226,811,381
Trade debtors	11	1,359,968,894	2,499,028,795	1,112,004,657
Properties under development	12	8,044,231,931	6,389,734,721	6,801,817,190
Properties held for sale	13	748,448,613	914,981,515	852,453,104
Loans and advances	14	2,989,061,145	2,614,279,266	2,883,044,521
		13,790,365,553	**12,869,657,008**	**12,658,282,275**
Less: Current Liabilities and Provisions				
Current liabilities	15	3,207,966,124	4,811,235,891	3,786,423,595
Provisions	16	41,200,589	195,568,906	281,353,112
		3,249,166,713	**5,006,804,797**	**4,067,776,707**
Net Current Assets		**10,541,198,840**	**7,862,852,211**	**8,590,505,568**
		25,306,441,195	**22,711,242,398**	**23,671,634,260**

Significant accounting policies 1

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

This is the 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 **Rajesh Jain**
Partner

Ravi Puravankara
Chairman and Managing Director

Nani R Choksey
Director

Ashish Puravankara
Director

Kiran Chappar
Company Secretary

Bangalore
29 October 2010

Bangalore
29 October 2010

Puravankara Projects Limited

Consolidated Profit and Loss Account

	Note	Quarter ended 30 Sep 2010 ₹	Quarter ended 30 Sep 2009 ₹
Revenues	**17**	**1,542,445,570**	**2,263,944,937**
Cost of Revenues	**18**	1,003,383,023	1,243,626,877
Gross Profit		**539,062,547**	**1,020,318,060**
Selling expenses	**19**	80,843,849	67,879,290
General and administrative expenses	**20**	71,347,672	72,678,883
Operating Profit		**386,871,026**	**879,759,887**
Net finance income/(charges)	**25**	9,121,947	4,014,745
Profit before tax and share of profit in associates, net		395,992,973	883,774,632
Share of profit in associates, net		18,219,272	27,833,488
Profit before tax		**414,212,245**	**911,608,120**
Provision for tax	**26**	57,326,939	303,021,929
Profit after tax		**356,885,306**	**608,586,191**
Earnings per share : Basic and diluted	**27**	**1.67**	**2.85**

Significant accounting policies **1**

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

This is the 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 **Rajesh Jain**	**Ravi Puravankara**	**Nani R Choksey**	**Ashish Puravankara**	**Kiran Chappar**
Partner	**Chairman and Managing Director**	**Director**	**Director**	**Company Secretary**
Bangalore **29 October 2010**	**Bangalore** **29 October 2010**			

Puravankara Projects Limited

Consolidated Profit and Loss Account

	Note	Half year ended 30 Sep 2010 ₹	Half year ended 30 Sep 2009 ₹
Revenues	**21**	**2,705,389,280**	**2,823,601,069**
Cost of Revenues	**22**	1,667,203,677	1,627,193,631
Gross Profit		**1,038,185,603**	**1,196,407,438**
Selling expenses	**23**	117,580,753	84,980,686
General and administrative expenses	**24**	143,277,456	135,436,934
Operating Profit		**777,327,394**	**975,989,818**
Net finance income/(charges)	**28**	12,159,223	7,003,360
Profit before tax and share of profit in associates, net		789,486,617	982,993,178
Share of profit in associates, net		26,014,830	32,355,521
Profit before tax		**815,501,447**	**1,015,348,699**
Provision for tax	**29**	91,723,076	304,315,161
Profit after tax		**723,778,371**	**711,033,538**
Earnings per share : Basic and diluted	**30**	**3.39**	**3.33**

Significant accounting policies **1**

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

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

For Walker, Chandiok & Co
Chartered Accountants

per **Rajesh Jain**
Partner

Bangalore
29 October 2010

For and on behalf of the Board of Directors

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

Bangalore
29 October 2010

Notes to the Consolidated Financial Statements

1. Significant Accounting Policies

a. Basis of preparation

The 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.

Minority interest represents the amount of equity attributable to minorities at the date on which investment in a subsidiary is made and its share of movements in the equity since that date. Any excess consideration received from minority shareholders of subsidiaries over the amount of equity attributable to the minority on the date of investment is reflected under Reserves and Surplus.

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. Revenues from such contracts are recognized under 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.

Revenue from the sale of land is recognized in the period in which the agreement to sell is entered into. Where there is a remaining substantial obligation under the agreement, revenue is recognized on the fulfilment of such obligation.

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 & 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 and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

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 (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

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 September 2010 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%

	Quarter ended 30 Sep 2010 ₹	Quarter ended 30 Sep 2009 ₹	Year ended 31 Mar 2010 ₹
3 Share Capital			
Authorised			
320,000,000 Equity shares of ₹ 5 each (30 Sep 2009- 320,000,000; 31 Mar 2010- 320,000,000) equity shares of ₹ 5 each	1,600,000,000	1,600,000,000	1,600,000,000
Issued, subscribed and paid up			
213,424,335 (30 Sep 2009- 213,424,335; 31 Mar 2010- 213,424,335) equity shares 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	**400,500,000**	**298,000,000**	**400,500,000**
Debenture Redemption Reserve	**-**	**65,443,896**	**96,300,863**
Profit and Loss Account			
Balance at the beginning of the period	5,744,088,995	4,347,508,123	4,260,489,259
Add: Net profit for the period	356,885,306	608,586,191	1,453,185,086
Less: Transfer to Debenture Redemption Reserve	-	15,598,027	61,883,477
Less: Proposed Dividend	-	-	213,424,335
Less: Tax on distribution of dividend	-	-	36,271,466
Less: Transfer to General Reserve	-	-	102,500,000
Balance at the end of the period	**6,100,974,301**	**4,940,496,287**	**5,299,595,067**
	14,490,286,216	**13,292,752,098**	**13,785,207,845**
5 Loans			
Secured Loans	9,507,326,070	8,286,426,295	8,725,655,156
Unsecured Loans - short term loan from bank	236,400,000	40,000,000	85,000,000
	9,743,726,070	**8,326,426,295**	**8,810,655,156**

	Half year ended 30 Sep 2010	Half year ended 30 Sep 2009	Year ended 31 Mar 2010
	₹	₹	₹
3 Share Capital			
Authorised			
320,000,000 Equity shares of ₹ 5 each (30 Sep 2009- 320,000,000; 31 Mar 2010- 320,000,000) equity shares of ₹ 5 each	1,600,000,000	1,600,000,000	1,600,000,000
Issued, subscribed and paid up			
213,424,335 (30 Sep 2009- 213,424,335; 31 Mar 2010- 213,424,335) equity shares 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	**400,500,000**	**298,000,000**	**400,500,000**
Debenture Redemption Reserve	**-**	**65,443,896**	**96,300,863**
Profit and Loss Account			
Balance at the beginning of the period	5,299,595,067	4,260,489,259	4,260,489,259
Add: Net profit for the period	723,778,371	711,033,538	1,453,185,086
Add: Debenture Redemption Reserve written back	77,600,863	-	-
Less: Transfer to Debenture Redemption Reserve	-	31,026,510	61,883,477
Less: Proposed Dividend	-	-	213,424,335
Less: Tax on distribution of dividend	-	-	36,271,466
Less: Transfer to General Reserve	-	-	102,500,000
Balance at the end of the period	**6,100,974,301**	**4,940,496,287**	**5,299,595,067**
	14,490,286,216	**13,292,752,098**	**13,785,207,845**
5 Loans			
Secured Loans	9,507,326,070	8,286,426,295	8,725,655,156
Unsecured Loans - short term loan from bank	236,400,000	40,000,000	85,000,000
	9,743,726,070	**8,326,426,295**	**8,810,655,156**

		30 Sep 2010	30 Sep 2009	31 Mar 2010
		₹	₹	₹
Secured Loans				
Term loans	(a)	6,766,083,551	5,259,500,002	5,122,967,850
Debentures		-	550,000,000	550,000,000
Cash Credit & Other loans	(b)	2,741,242,519	2,476,926,293	3,052,687,306
		9,507,326,070	**8,286,426,295**	**8,725,655,156**

(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, the Chairman and Managing Director, Mr.Nani R Choksey and Mr. Ashish Puravankara, Directors 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 September 2010 was ₹ 1,250 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, the Chairman and Managing Director, Mr.Nani R Choksey and Mr. Ashish Puravankara, Directors of the Company. The loan is repayable in 12 monthly instalments starting from 15 March 2011. The outstanding as on 30 September 2010 was ₹ 995 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, the 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 September 2010 was ₹ 1,571.43 million.

iv. On 6 October 2009, Provident Housing Limited entered into an agreement with LIC Housing Finance Limited for a term loan of ₹ 1,150 million. This facility is secured by mortgage of property at Pudupakkam Chennai, negative lien of unsold flats being constructed thereon, hypothecation of receivables of Cosmocity project, corporate guarantee of Puravankara Projects Limited and personal guarantees of Mr. Ravi Puravankara, Mr.Nani R Choksey and Mr. Ashish Puravankara, Directors of the Company. The tenor of the loan is 30 months with moratorium period of 15 months for repayment. The outstanding as on 30 September 2010 was ₹ 599.66 million.

v. On 11 May 2010 the Company and Mr. Ravi Puravankara, the 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 September 2010 was ₹ 900 million.

vi. 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 Kudlu project and construction cost of Kudlu project, out of which ₹ 800 million has been drawn as of 30 September 2010. 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, the Chairman and Managing Director of the Company and Mr. Ashish Puravankara, Director of the Company. The loan is repayable in 18 monthly instalments commencing from September 2012. The outstanding as on 30 September 2010 was ₹ 800 million.

vii. 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 sheduled receivables of the project and the personal guarantee of Mr. Ravi Puravankara, the Chairman and Managing Director. The loan is repayable in 18 equated monthly instalments commencing from February 2011. The outstanding as on 30 September 2010 was ₹ 350 million.

viii. 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 sheduled receivables of the project and the personal guarantee of Mr. Ravi Puravankara, the Chairman and Managing Director. The loan is repayable in 21 equated monthly instalments commencing from November 2010. The outstanding as on 30 September 2010 was ₹ 300 million.

(b) 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 the month of October 2008 and ₹ 500 million in the month of March 2010. This facility is secured against the properties of the Company. The outstanding as on 30 September 2010 was ₹ 491.75 million.

ii. On 20 June 2008 the Company entered into an agreement with IDBI Bank for a working capital facility of ₹ 1,000 million which is secured against the properties of the Company and personal guarantee of Mr. Ravi Puravankara, the Chairman and Managing Director of the Company. The outstanding as on 30 September 2010 was ₹ 632.66 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, the Chairman and Managing Director, Mr. Nani R Choksey and Mr. Ashish Puravankara, Directors of the Company. The outstanding as on 30 September 2010 was ₹ 792.07 million.

iv. On 5 August 2006, the Company entered into a term loan agreement with Standard Chartered Bank for ₹1,000 million towards construction and development of its projects and for existing debt repayment, repayable in 24 monthly instalments from the 15th month of the date of first drawdown (date of the first drawdown : 16 November 2006) . This facility is secured by mortgage of the land and building of certain specified projects and their project receipts and is also backed by the personal guarantee of Mr Ravi Puravankara, the Chairman and Managing Director of the Company. Additional facility of ₹ 200 million was availed on 5 April 2007 against the same security as above, repayable in 24 monthly instalments starting from 16 February 2008. In June 2009 this term loan has been rescheduled such that the monthly instalments due of ₹ 50 million for next 8 months were migrated to overdraft as and when the instalment fell due. The resultant overdraft balance of ₹ 400 million shall be repayable in 12 monthly instalments of ₹ 33.33 million starting from 16 May 2010. As a result, from June 2009 to March 2010 an amount of ₹ 400 million has been migrated from term loan to overdraft. The outstanding as on 30 September 2010 on this overdraft account was ₹ 36.10 million.

v. 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 September 2010 on this overdraft account was ₹ 768.40 million.

vi. Other loans represent loans taken for purchase of vehicles. These loans are secured by a charge against respective vehicles. The outstanding as on 30 September 2010 was ₹ 20.26 million.

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

	30 Sep 2010	30 Sep 2009	31 Mar 2010
	₹	₹	₹
Term loans	3,303,962,523	1,714,976,211	1,800,706,301
Debentures, Overdrafts and Other loans	808,940,091	167,601,221	1,305,247,613
	4,112,902,614	1,882,577,432	3,105,953,914

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, the Chairman and Managing Director of the Company. The outstanding as on 30 September 2010 was ₹ 236.40 million.

6 Deferred Tax Liability (Net)

Deferred tax liability arising on account of depreciation	5,985,600	24,942,330	8,649,584
Less: Deferred tax asset arising on account of:			
Expenses allowable on payment basis			
Gratuity	394,714	-	-
Leave encashment	283,652	-	-
	5,307,234	**24,942,330**	**8,649,584**

7. Fixed Assets

(₹)

Category of assets	Cost				Accumulated Depreciation/Amortization				Net Book Value	
	As at 1 Apr 2010	Additions during the period	Deletions during the period	As at 30 Sep 2010	As at 1 Apr 2010	Charge for the period	Deletions during the period	As at 30 Sep 2010	As at 30 Sep 2010	As at 31 Mar 2010
Tangible Assets										
Buildings	37,074,680	-	-	37,074,680	2,226,867	302,986	-	2,529,853	34,544,827	34,847,813
Plant & Machinery	267,135,400	-	-	267,135,400	72,032,877	5,699,374	-	77,732,251	189,403,149	195,102,523
Office Equipment	13,268,444	401,445	-	13,669,889	3,367,527	343,957	-	3,711,484	9,958,405	9,900,917
Computers	23,020,310	1,906,411	-	24,926,721	13,084,367	1,723,393	-	14,807,760	10,118,961	9,935,943
Furniture & Fixtures	13,262,495	-	-	13,262,495	5,051,817	362,186	-	5,414,003	7,848,492	8,210,678
Vehicles	69,980,152	19,476,521	-	89,456,673	28,013,587	3,759,830	-	31,773,417	57,683,256	41,966,565
Shuttering Material	198,115,907	-	-	198,115,907	146,004,112	5,805,795	-	151,809,907	46,306,000	52,111,795
Intangible Assets										
Computer Software	20,177,920	1,902,036	-	22,079,956	9,912,804	1,462,556	-	11,375,360	10,704,596	10,265,116
Total	**642,035,308**	**23,686,413**	-	**665,721,721**	**279,693,958**	**19,460,077**	-	**299,154,035**	**366,567,686**	**362,341,350**
Last year	**632,136,264**	**10,485,826**	**586,782**	**642,035,308**	**169,224,805**	**110,940,154**	**471,001**	**279,693,958**	**362,341,350**	

	Quarter ended 30 Sep 2010 ₹	Quarter ended 30 Sep 2009 ₹	Year ended 31 Mar 2010 ₹
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 Sep 2009- 4,410,000; 31 Mar 2010- 4,410,000) of ₹10 each at par	802,131,052	683,519,338	790,751,296
17,640,000 13.25% cumulative, redeemable, convertible Preference Shares (30 Sep 2009- 17,640,000; 31 Mar 2010- 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 Sep 2009- 362,600; 31 Mar 2010- 362,600) of ₹ 610 each	238,551,047	210,676,301	223,915,972
	1,217,082,099	**1,070,595,639**	**1,191,067,268**
9 Properties Held for Development			
At the beginning of the period	13,597,274,231	13,994,503,139	13,924,347,522
Add : Additions during the period	21,703,336	54,621,603	314,810,839
Less: Deletions during the period	-	691,669,822	691,669,822
Less: Transferred to Properties Under Development	437,384,997	19,768,465	19,768,465
	13,181,592,570	**13,337,686,455**	**13,527,720,074**
10 Cash and Bank Balances			
Cash in hand	4,525,202	6,061,223	4,750,579
Balances with Banks:			
In current accounts	187,070,915	137,926,561	620,972,631
In deposit accounts	216,415,640	132,213,042	156,428,212
	408,011,757	**276,200,826**	**782,151,422**
11 Trade Debtors			
(Unsecured and considered good)			
Debts outstanding over six months	607,287,601	678,232,653	587,143,423
Debts outstanding less than six months	752,681,293	1,820,796,142	524,861,234
	1,359,968,894	**2,499,028,795**	**1,112,004,657**
12 Properties Under Development			
Land cost	3,505,638,311	2,922,586,207	3,030,098,510
Material and construction cost	10,616,459,039	7,590,926,666	8,337,645,457
Profit recognized to-date	3,999,378,675	2,483,324,905	3,057,886,297
Less: Progress payments received and receivable	10,077,244,094	6,607,103,057	7,623,813,074
	8,044,231,931	**6,389,734,721**	**6,801,817,190**
13 Properties Held for Sale			
At the beginning of the period	823,139,657	945,992,374	973,503,851
Add : Additions during the period	12,431,542	64,242,984	157,213,723
Less: Sales during the period	87,122,586	63,256,131	268,901,343
Less: Write downs during the period	-	31,997,712	31,997,712
Add: Write backs during the period	-	-	22,634,585
	748,448,613	**914,981,515**	**852,453,104**

	Half year ended 30 Sep 2010 ₹	Half year ended 30 Sep 2009 ₹	Year ended 31 Mar 2010 ₹
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 Sep 2009- 4,410,000; 31 Mar 2010- 4,410,000) of ₹10 each at par	802,131,052	683,519,338	790,751,296
17,640,000 13.25% cumulative, redeemable, convertible Preference Shares (30 Sep 2009- 17,640,000; 31 Mar 2010- 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 Sep 2009- 362,600; 31 Mar 2010- 362,600) of ₹ 610 each, fully paid	238,551,047	210,676,301	223,915,972
	1,217,082,099	**1,070,595,639**	**1,191,067,268**
9 Properties Held for Development			
At the beginning of the period	13,527,720,074	13,924,347,522	13,924,347,522
Add : Additions during the period	195,362,687	124,777,220	314,810,839
Less: Deletions during the period	104,105,194	691,669,822	691,669,822
Less: Transferred to Properties Under Development	437,384,997	19,768,465	19,768,465
	13,181,592,570	**13,337,686,455**	**13,527,720,074**
10 Cash and Bank Balances			
Cash in hand	4,525,202	6,061,223	4,750,579
Balances with Banks:			
In current accounts	187,070,915	137,926,561	620,972,631
In deposit accounts	216,415,640	132,213,042	156,428,212
	408,011,757	**276,200,826**	**782,151,422**
11 Trade Debtors			
(Unsecured and considered good)			
Debts outstanding over six months	607,287,601	678,232,653	587,143,423
Debts outstanding less than six months	752,681,293	1,820,796,142	524,861,234
	1,359,968,894	**2,499,028,795**	**1,112,004,657**
12 Properties Under Development			
Land cost	3,505,638,311	2,922,586,207	3,030,098,510
Material and construction cost	10,616,459,039	7,590,926,666	8,337,645,457
Profit recognized to-date	3,999,378,675	2,483,324,905	3,057,886,297
Less: Progress payments received and receivable	10,077,244,094	6,607,103,057	7,623,813,074
	8,044,231,931	**6,389,734,721**	**6,801,817,190**
13 Properties Held for Sale			
At the beginning of the period	852,453,104	973,503,851	973,503,851
Add : Additions during the period	38,790,617	79,362,874	157,213,723
Less: Sales during the period	142,795,108	105,887,498	268,901,343
Less: Write downs during the period	-	31,997,712	31,997,712
Add: Write backs during the period	-	-	22,634,585
	748,448,613	**914,981,515**	**852,453,104**

	30 Sep 2010	30 Sep 2009	31 Mar 2010
	₹	₹	₹
14 Loans and Advances			
(Unsecured and considered good)			
Advances to suppliers *	376,004,227	269,006,395	444,327,391
Advances for land contracts *	1,175,625,570	1,113,354,456	1,151,732,819
Deposits	587,112,108	507,212,942	521,324,651
Loans to associates *	213,267,934	150,458,522	174,067,759
Advance tax (net of provision)	9,241,999	-	62,435,660
Taxes and duties recoverable	485,721,145	395,923,998	385,417,621
Prepaid expenses *	4,345,277	218,571	1,416,721
Other advances *	137,742,885	178,104,382	142,321,899
	2,989,061,145	**2,614,279,266**	**2,883,044,521**

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

	30 Sep 2010	30 Sep 2009	31 Mar 2010
15 Current Liabilities			
Trade creditors	555,837,178	1,196,759,850	576,839,585
Advances received from customers	2,055,947,258	2,938,672,355	2,550,164,297
Duties and taxes payable	13,728,889	6,395,341	11,054,327
Security deposits	27,793,976	38,554,736	30,796,146
Dues to related parties	419,795,689	538,007,354	457,690,877
Other liabilities	112,812,296	92,752,911	159,785,019
Book overdraft	21,770,666	-	-
Unpaid Dividend	280,172	93,344	93,344
	3,207,966,124	**4,811,235,891**	**3,786,423,595**
16 Provisions			
Provision for gratuity	19,091,483	-	15,709,003
Provision for vacation pay	19,681,254	11,028,277	15,948,308
Provision for tax (net of advance tax)	2,427,852	184,540,629	-
Proposed dividend	-	-	213,424,335
Tax on proposed dividend	-	-	36,271,466
	41,200,589	**195,568,906**	**281,353,112**

	Quarter ended 30 Sep 2010 ₹	Quarter ended 30 Sep 2009 ₹
17 Revenues		
Revenue from projects	1,536,682,066	2,241,896,879
Rental income	3,406,332	5,074,428
Income from interiors	2,357,172	16,973,630
	1,542,445,570	**2,263,944,937**
18 Cost of Revenues		
Construction cost		
Material and contract costs	718,006,379	312,832,158
Staff costs	43,540,684	26,604,189
Depreciation	6,386,493	10,690,730
Other direct costs	89,493,956	105,045,914
	857,427,512	455,172,991
Land cost	145,955,511	788,453,886
	1,003,383,023	**1,243,626,877**
19 Selling Expenses		
Staff costs	10,367,642	5,926,068
Advertising and sales promotion	62,513,830	58,728,486
Sales incentives and commission	1,605,074	1,223,043
Brokerage and referral charges	3,959,760	603,735
Travel and conveyance	1,490,428	647,285
Communication	472,096	390,061
Depreciation	435,019	360,612
	80,843,849	**67,879,290**
20 General and Administrative Expenses		
Staff costs	35,333,868	29,930,511
Depreciation	3,178,140	2,901,250
Rates and taxes	5,639,371	10,389,458
Repairs and maintenance - others	6,851,744	12,125,572
Legal and professional charges	4,496,551	7,589,498
Audit fees	700,000	602,907
Communication costs	2,170,039	1,698,020
Printing and stationery	1,877,854	1,449,486
Travelling and conveyance	4,982,362	3,105,515
Security charges	3,521,797	2,550,515
Foreign exchange loss/(gain)	281,481	(381,815)
Miscellaneous expenses	2,314,465	717,966
	71,347,672	**72,678,883**

	Half year ended 30 Sep 2010 ₹	Half year ended 30 Sep 2009 ₹
21 Revenues		
Revenues from projects	2,692,660,699	2,789,307,058
Rental income	7,187,274	11,704,450
Income from interiors	5,541,307	22,589,561
	2,705,389,280	**2,823,601,069**
22 Cost of Revenues		
Construction cost		
Material and contract costs	1,163,484,550	482,104,430
Staff costs	84,094,275	61,463,969
Depreciation	12,592,224	21,238,961
Other direct costs	164,044,263	233,374,113
	1,424,215,312	798,181,473
Land cost	242,988,365	829,012,158
	1,667,203,677	**1,627,193,631**
23 Selling Expenses		
Staff costs	19,962,958	13,510,544
Advertising and sales promotion	82,957,158	65,701,955
Sales incentives and commission	3,359,175	1,856,703
Brokerage and referral charges	6,893,101	763,419
Travel and conveyance	2,676,639	1,416,050
Communication	937,854	1,019,991
Depreciation	793,868	712,024
	117,580,753	**84,980,686**
24 General and Administrative Expenses		
Staff costs	72,143,210	59,168,277
Depreciation	6,073,985	5,780,945
Rates and taxes	11,299,681	20,331,963
Repairs and maintenance	13,295,843	17,486,389
Legal and professional charges	12,084,556	11,697,416
Audit fees	1,300,000	1,202,907
Communication costs	4,265,365	4,267,347
Printing and stationery	3,039,996	2,080,747
Travelling and conveyance	10,004,080	6,600,550
Security charges	6,674,612	6,348,407
Foreign exchange loss/(gain)	(1,146,336)	(1,140,788)
Miscellaneous expenses	4,242,464	1,612,774
	143,277,456	**135,436,934**

	Quarter ended 30 Sep 2010 ₹	Quarter ended 30 Sep 2009 ₹
25 Finance Income/(Charges)		
Interest expenses on loans and cash credits	(342,658,861)	(293,644,086)
Loan and other processing charges	(55,175,970)	(40,664,817)
Less:		
Expended as part of Cost of Revenue	106,431,701	64,542,537
Capitalized and included in Properties Under Development	264,239,230	226,593,259
Capitalized and included in Properties Held for Development and Advances for land contracts	20,305,075	38,018,289
Less: Finance Income:		
Bank deposits	2,636,223	3,138,291
Loan to associates	2,984,509	2,729,688
Interest received from customers	10,360,040	3,301,584
	9,121,947	**4,014,745**
26 Provision for Tax		
Current tax	43,233,029	300,992,837
Tax of earlier years	17,699,078	-
Deferred tax charge/(credit)	(3,605,168)	2,029,092
	57,326,939	**303,021,929**
27 Earnings Per Share		
Weighted average number of shares outstanding during the quarter	213,424,335	213,424,335
Net profit after tax attributable to equity shareholders	356,885,306	608,586,191
Earnings per share:		
Basic and diluted	1.67	2.85
Nominal value per equity share	5.00	5.00

	Half year ended 30 Sep 2010 ₹	Half year ended 30 Sep 2009 ₹
28 Finance Income/(Charges)		
Interest expenses on loans and cash credits	(648,678,872)	(594,771,735)
Loan and other processing charges	(85,559,860)	(41,164,817)
Less:		
Expended as part of Cost of Revenue	191,646,449	115,478,532
Capitalized and included in Properties Under Development	458,926,032	420,822,313
Capitalized and included in Properties Held for Development and Advances for land contracts	68,135,802	84,342,502
Less: Finance Income:		
Bank deposits	6,264,688	9,613,912
Loan to associates	5,855,175	5,362,732
Interest received from customers	15,569,809	7,319,921
	12,159,223	**7,003,360**
29 Provision for Tax		
Current tax	77,366,348	302,130,176
Tax of earlier years	17,699,078	-
Deferred tax charge/(credit)	(3,342,350)	2,184,985
	91,723,076	**304,315,161**
30 Earnings Per Share		
Weighted average number of shares outstanding during the period	213,424,335	213,424,335
Net profit after tax attributable to equity shareholders	723,778,371	711,033,538
Earnings per share:		
Basic and diluted	3.39	3.33
Nominal value per equity share	5.00	5.00

31 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 September 2010 have been provided below:

The weighted average exercise price for options movement during the quarter ended 30 September 2010 is as follows:

	30 Sep 2010 Shares arising out of options (Numbers)	30 Sep 2009 Shares arising out of options (Numbers)	Weighted average exercise price ₹
At the beginning of the quarter	483,000	676,200	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	483,000	676,200	465.86
Excercisable at the end of the quarter	289,800	193,200	465.86

The weighted average exercise price of the options outstanding at 30 September 2010 was ₹ 465.86 and they had weighted average remaining contractual life of 3 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 Sep 2010 ₹	Quarter ended 30 Sep 2009 ₹
Net profit, as reported	356,885,306	608,586,191
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	1,260,886	3,241,049
Proforma net income	355,624,420	605,345,142
Earnings per share – Basic		
As reported	1.67	2.85
Pro forma	1.67	2.84
Earnings per share – Diluted		
As reported	1.67	2.85
Pro forma	1.67	2.84

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%

32 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 half year ended 30 September 2010 have been provided below:

The weighted average exercise price for options movement during the half year ended 30 September 2010 is as follows:

	30 Sep 2010 Shares arising out of options (Numbers)	30 Sep 2009 Shares arising out of options (Numbers)	Weighted average exercise price ₹
As at 1 April 2010	483,000	966,000	465.86
Granted during the period	-	-	-
Forfeited during the period	-	-	-
Lapsed during the period	-	289,800	-
Cancelled during the period	-	-	-
Exercised during the period	-	-	-
As at 30 September 2010	483,000	676,200	465.86
Excercisable at the end of the period	289,800	193,200	465.86

The weighted average exercise price of the options outstanding at 30 September 2010 was ₹ 465.86 and they had weighted average remaining contractual life of 3 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:

	Half year ended 30 Sep 2010 ₹	Half year ended 30 Sep 2009 ₹
Net profit, as reported	723,778,371	711,033,538
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	4,466,706	8,975,778
Proforma net income	719,311,665	702,057,760
Earnings per share – Basic		
As reported	3.39	3.33
Pro forma	3.37	3.29
Earnings per share – Diluted		
As reported	3.39	3.33
Pro forma	3.37	3.29

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%

33 Leases

Properties taken on operating lease

The lease expense for cancellable and non-cancellable operating leases was ₹ 7,753,428 and ₹ 15,649,829 for the quarter and half year ended 30 September 2010 respectively and ₹ 9,794,568 and ₹ 19,008,795 for the quarter and half year ended 30 Sept 2009 respectively. Lease commitments under the non-cancellable operating leases as at the Balance Sheet date were as follows:-

	Particulars	30 Sep 2010	30 Sep 2009	31 Mar 2010
		₹	₹	₹
a)	Within one year	1,458,020	4,539,225	1,598,005
b)	Within one to five years	1,899,109	3,122,166	2,402,786
	Total	**3,357,129**	**7,661,391**	**4,000,791**

Sublease

The Company has sub let one of the properties under a non cancellable operating lease agreement. Lease income was ₹ 3,406,332 and ₹ 7,187,274 for the quarter and half year ended 30 Sept 2010 respectively and ₹ 5,074,428 and ₹ 11,704,450 for the quarter and half year ended 30 Sept 2009 respectively. Minimum amount of future lease rental receivable under the non-cancellable operating lease agreement is:-

		30 Sep 2010	30 Sep 2009	31 Mar 2010
		₹	₹	₹
a)	Within one year	-	4,445,028	4,553,947
b)	Within one to five years	-	2,561,324	274,020
		-	**7,006,352**	**4,827,967**

34 Other commitments and contingencies

a)	Demand from Service Tax Department	17,100,000	17,100,000	17,100,000
b)	Demand from Commercial Tax Department	16,394,243	-	-

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.

35 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-Sep-10	30-Sep-09	30-Sep-10	30-Sep-09	30-Sep-10	30-Sep-09	30-Sep-10	30-Sep-09
Transactions during the quarter:								
Interest on loans								
Keppel Puravankara Development Private Limited	565,845	549,996	-	-	-	-	-	-
Keppel Magus Development Private Limited	2,418,664	2,179,692	-	-	-	-	-	-
Loans given to								
Propmart Technologies Limited	16,295,000	2,150,000	-	-	-	-	-	-
Dealwel Estates Private Limited	-	-	-	-	-	-	2,300	-
Loans taken from								
Ravi Puravankara	-	-	190,000,000	11,000,000	-	-	-	-
Puravankara Investments	-	-	-	-	-	-	-	480,000
Loans repaid to								
Ravi Puravankara	-	-	66,000,000	-	-	-	-	-
Loans repaid by								
Propmart Technologies Limited	-	350,000	-	-	-	-	-	-
Security and maintenance expenses								
Handiman Services Limited	-	-	-	-	-	-	15,660,543	20,841,820
Rental expenses								
Dealwel	-	-	-	-	-	-	-	496,125
Brokerage expenses								
Propmart Technologies Limited	29,332	-	-	-	-	-	-	-
Remuneration								
Ravi Puravankara	-	-	3,888,000	3,888,000	-	-	-	-
Ashish Puravankara	-	-	-	-	2,500,089	2,127,339	-	-
Balances at the quarter end:								
Loans given to								
Propmart Technologies Limited	101,630,000	47,985,000	-	-	-	-	-	-
Keppel Puravankara Development Private Limited	28,353,858	27,418,160	-	-	-	-	-	-
Keppel Magus Development Private Limited	83,284,076	75,055,362	-	-	-	-	-	-
Dealwel Estates Private Limited	-	-	-	-	-	-	15,300	-
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 from								
Aarti Panjabi	-	-	-	-	-	28,660,750	-	-
Dues to								
Handiman Services Limited	-	-	-	-	-	-	1,475,873	11,487,538
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	-	-	396,750,000	504,950,000	-	-	-	-

Puravankara Projects Limited

(v) The transactions with related parties for the half year are as follows: (₹)

Nature of Transaction	Associates		Key Management Personnel		Relatives of Key Management Personnel		Other Related Parties	
	30-Sep-10	30-Sep-09	30-Sep-10	30-Sep-09	30-Sep-10	30-Sep-09	30-Sep-10	30-Sep-09
Transactions during the half year:								
Interest on loans								
Keppel Puravankara Development Private Limited	1,113,122	1,089,208	-	-	-	-	-	-
Keppel Magus Development Private Limited	4,742,053	4,273,524	-	-	-	-	-	-
Loans given to								
Propmart Technologies Limited	33,345,000	2,150,000	-	-	-	-	-	-
Dealwel Estates Private Limited	-	-	-	-	-	-	15,300	-
Loans taken from								
Ravi Puravankara	-	-	190,000,000	96,000,000	-	-	-	-
Puravankara Investments	-	-	-	-	-	-	-	480,000
Loans repaid to								
Ravi Puravankara	-	-	224,200,000	11,000,000	-	-	-	-
Loans repaid by								
Propmart Technologies Limited	-	350,000	-	-	-	-	-	-
Security and maintenance expenses								
Handiman Services Limited	-	-	-	-	-	-	31,578,110	34,718,126
Rental expenses								
Dealwel	-	-	-	-	-	-	173,644	992,250
Brokerage expenses								
Propmart Technologies Limited	263,821	-	-	-	-	-	-	-
Remuneration								
Ravi Puravankara	-	-	7,776,000	7,776,000	-	-	-	-
Ashish Puravankara	-	-	-	-	5,004,678	4,254,678	-	-

Puravankara Projects Limited

36 Employee benefits

A. Defined benefit plan

The Company has gratuity and vacation pay as defined benefit retirement plans for its employees. As at 30 September 2010 and 30 September 2009 the plan assets were invested in insurer managed funds.

Disclosures as required by AS 15 for the period ended 30 September 2010 are as under:

	For the half year ended 30 Sep 2010		For the half year ended 30 Sep 2009	
	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	48,773,624	19,681,254	11,970,819	11,028,277
Fair value of plan assets as at the end of the period	(29,682,141)	-	(17,929,438)	-
Net liability/(asset) recognized in the Balance Sheet	**19,091,483**	**19,681,254**	**(5,958,619)**	**11,028,277**
2 The amounts recognized in the Profit and Loss Account are as follows:				
Service cost	2,920,373	4,310,191	1,806,621	1,079,369
Interest cost	1,710,714	579,395	372,265	450,172
Expected return on plan assets	(1,156,203)	-	(614,070)	-
Net actuarial (gain)/loss recognized in the period	(92,404)	(145,460)	(614,725)	(2,145,479)
Expense recognized in the Profit and Loss Account of the period	**3,382,480**	**4,744,126**	**950,091**	**(615,938)**
3 Changes in the present value of defined benefit obligation				
Defined benefit obligation as at beginning of the period	44,801,683	15,948,308	10,891,235	14,079,902
Service cost	2,920,373	4,310,191	1,806,621	1,079,369
Interest cost	1,710,714	579,395	372,265	450,172
Actuarial losses/(gains)	(283,916)	(145,460)	(589,127)	(2,145,479)
Benefits paid	(375,230)	(1,011,180)	(510,175)	(2,435,687)
Defined benefit obligation as at the end of the period	**48,773,624**	**19,681,254**	**11,970,819**	**11,028,277**
4 Changes in the fair value of plan assets				
Fair value as at the beginning of the period	29,092,680	-	17,799,945	-
Expected return on plan assets	1,156,203	-	614,070	-
Actuarial (loss)/ gains	(191,512)	-	25,598	-
Contributions	-	1,011,180	-	2,435,687
Benefits paid	(375,230)	(1,011,180)	(510,175)	(2,435,687)
Fair value as at the end of the period	**29,682,141**	-	**17,929,438**	-
Assumptions used in the above valuations are as under:				
Interest rate	8%	8%	7%	7%
Discount rate	8%	8%	7%	7%
Expected return on plan assets	8%	-	7%	-
Future salary increase	6%	6%	6%	6%
Attrition rate	2%	2%	5%	5%
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 ₹ 1,861,740 and ₹ 3,645,433 for the quarter and half year ended 30 Sept 2010 respectively and ₹ 1,900,008 and ₹ 3,830,126 for the quarter and half year ended 30 Sept 2009 respectively.

37 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.

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Revenues from Projects includes ₹ 101,350,350 from the sale of land for the half year ended 30 September 2010 and ₹ 1,632,153,150 for the quarter and half year ended 30 September 2009 .

39 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	**Director**	**Director**	**Company Secretary**

Bangalore
29 October 2010

Puravankara Projects Limited

Consolidated Cash Flow Statement

	Half year ended 30 Sep 2010 ₹	Half year ended 30 Sep 2009 ₹
A. Cash flow from operating activities		
Profit before tax	**815,501,447**	**1,015,348,699**
Adjustments for:		
Depreciation and amortization	19,460,077	27,731,930
Properties held for sale written down	-	31,997,712
(Profit) / loss on sale of fixed assets	-	(136,219)
Interest income	(27,689,672)	(22,296,565)
Interest expense, net of capitalization	15,530,449	15,293,205
Share of (profit)/loss in associates	(26,014,830)	(32,355,521)
Foreign Exchange fluctuation	-	(346,314)
Operating profit before working capital changes	**796,787,471**	**1,035,236,927**
Movements in working capital :		
(Increase) / Decrease in trade debtors	(248,134,237)	(1,352,881,286)
(Increase) / Decrease in inventories	(13,831,832)	21,912,961
(Increase) / Decrease in loans and advances	(26,794,374)	72,083,972
(Increase) / Decrease in properties under development	(154,457,263)	(133,914,303)
(Increase) / Decrease in properties held for sale	104,004,491	26,524,623
Increase / (Decrease) in current liabilities and provisions	(488,926,281)	127,447,927
Cash (used in) / received from operations	**(31,352,025)**	**(203,589,179)**
Direct taxes paid	(112,801,634)	(29,929,031)
Net cash from / (used in) operating activities	**(144,153,659)**	**(233,518,210)**
B. Cash flows from investing activities		
Purchase of fixed assets	(23,686,413)	(5,044,345)
Loans to associates	(33,345,000)	(2,150,000)
Proceeds from sale of fixed assets	-	252,000
Loans repaid by associates	-	350,000
Properties held for development	(38,121,691)	651,581,418
Net investment in bank deposits and margin monies	(59,987,428)	2,228,797
Interest received	16,976,482	10,785,384
Net cash from /(used in) investing activities	**(138,164,050)**	**658,003,254**
C. Cash flows from financing activities		
Proceeds from term loans	2,545,129,000	480,000,000
Repayment of term loans	(745,121,918)	(412,010,398)
Repayment of debentures	(550,000,000)	-
Premium on redemption of debentures	(18,700,000)	-
Proceeds from /(repayments of) short-term borrowings	(316,766,169)	112,610,463
Loans from related parties	190,000,000	96,480,000
Loans repaid to related parties	(224,200,000)	(11,000,000)
Dividends paid including taxes	(249,508,973)	-
Interest paid	(782,641,324)	(680,075,325)
Net cash generated from / (used in) financing activities	**(151,809,384)**	**(413,995,260)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**(434,127,093)**	**10,489,784**
Cash and cash equivalents at the beginning of the period	**625,723,210**	**133,498,000**
Cash and cash equivalents at the end of the period	**191,596,117**	**143,987,784**
Components of cash and cash equivalents		
Cash and bank balances (as per Note 10 to the financial statements)	408,011,757	276,200,826
Less: Bank deposits and margin monies considered separately	216,415,640	132,213,042
	191,596,117	**143,987,784**

This is the 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 **Rajesh Jain**
Partner

Ravi Puravankara
Chairman and Managing Director

Nani R Choksey
Director

Ashish Puravankara
Director

Kiran Chappar
Company Secretary

Bangalore
29 October 2010

Bangalore
29 October 2010