Consolidated Financial Statements

Puravankara Projects Limited

30 September 2009

Puravankara Projects Limited

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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 2009 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 of Rs.2,380,856,596 as at 30 September 2009, the total revenue of Rs.Nil for the quarter and half year ended on that date and cash outflows amounting to Rs.12,555 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 reflects the Group's share of profit of Rs.1,645,165 for the quarter ended 30 September 2009 and the Group's share of loss of Rs.1,468,399 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 2009;

   (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

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

Bangalore
28 October 2009

Puravankara Projects Limited

Consolidated Balance Sheet

	Note	30 Sep 2009 Rs.	30 Sep 2008 Rs.	31 March 2009 Rs.
Sources of Funds				
Shareholders' Funds				
Share capital	3	1,067,121,675	1,067,121,675	1,067,121,675
Reserves and surplus	4	13,292,752,098	12,183,555,277	12,581,718,560
		14,359,873,773	**13,250,676,952**	**13,648,840,235**
Loans	5	**8,326,426,295**	**8,049,811,019**	**8,145,826,229**
Deferred Tax Liability	6	**24,942,330**	**19,041,125**	**22,757,344**
		22,711,242,398	**21,319,529,096**	**21,817,423,808**
Application of Funds				
Fixed Assets				
Cost	7	636,593,827	627,012,576	632,136,264
Less: Accumulated depreciation/amortization		196,485,734	142,617,228	169,224,805
Net book value		**440,108,093**	**484,395,348**	**462,911,459**
Investments	8	**1,070,595,639**	**966,934,755**	**1,038,240,118**
Properties Held for Development	9	**13,337,686,455**	**13,630,451,871**	**13,924,347,522**
Current Assets, Loans and Advances				
Cash and cash equivalents	10	276,200,826	373,818,372	267,939,839
Inventories		175,431,885	193,926,760	197,344,846
Trade debtors	11	2,499,028,795	1,027,677,849	1,146,147,509
Properties under development	12	6,389,734,721	4,800,191,037	5,699,751,109
Properties held for sale	13	914,981,515	865,080,870	973,503,851
Loans and advances	14	2,614,279,266	2,974,346,587	2,766,005,836
		12,869,657,008	**10,235,041,475**	**11,050,692,990**
Less: Current Liabilities and Provisions				
Current liabilities	15	4,811,235,891	3,987,456,487	4,644,688,379
Provisions	16	195,568,906	9,837,866	14,079,902
		5,006,804,797	**3,997,294,353**	**4,658,768,281**
Net Current Assets		**7,862,852,211**	**6,237,747,122**	**6,391,924,709**
		22,711,242,398	**21,319,529,096**	**21,817,423,808**

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

Per **Rajesh Jain**
Partner
Membership No. 81203
Bangalore
28 October 2009

For and on behalf of the Board of Directors

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

Bangalore
28 October 2009

Puravankara Projects Limited

Consolidated Profit and Loss Account

	Note	Quarter ended 30 Sep 2009 Rs.	Quarter ended 30 Sep 2008 Rs.
Revenues	**17**	**2,263,944,937**	**1,393,665,825**
Cost of Revenues	**18**	1,243,626,877	767,323,708
Gross Profit		**1,020,318,060**	**626,342,117**
Selling expenses	**19**	67,879,290	82,313,696
General and administrative expenses	**20**	72,678,883	73,502,680
Operating Profit		**879,759,887**	**470,525,741**
Net finance income/(charges)	**21**	4,014,745	4,302,795
Profit before tax and share of profit in associates, net		883,774,632	474,828,536
Share of profit in associates, net		27,833,488	38,471,039
Profit before tax		**911,608,120**	**513,299,575**
Provision for tax	**22**	303,021,929	8,554,019
Profit after tax		**608,586,191**	**504,745,556**
Earnings per share : Basic and diluted	**23**	**2.85**	**2.36**

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**	**Ravi Ramu**	**Kiran Chappar**
Partner	**Chairman and Managing Director**	**Director**	**Director**	**Director**	**Company Secretary**
Membership No. 81203					
Bangalore **28 October 2009**	**Bangalore** **28 October 2009**				

Puravankara Projects Limited

Consolidated Profit and Loss Account

	Note	Half year ended 30 Sep 2009 Rs.	Half year ended 30 Sep 2008 Rs.
Revenues	**17**	**2,823,601,069**	**2,969,421,545**
Cost of Revenues	**18**	1,627,193,631	1,622,818,191
Gross Profit		**1,196,407,438**	**1,346,603,354**
Selling expenses	**19**	84,980,686	146,156,970
General and administrative expenses	**20**	135,436,934	140,972,269
Operating Profit		**975,989,818**	**1,059,474,115**
Net finance income/(charges)	**21**	7,003,360	2,778,473
Profit before tax and share of profit in associates, net		982,993,178	1,062,252,588
Share of profit in associates, net		32,355,521	79,718,306
Profit before tax		**1,015,348,699**	**1,141,970,894**
Provision for tax	**22**	304,315,161	18,296,046
Profit after tax		**711,033,538**	**1,123,674,848**
Earnings per share : Basic and diluted	**23**	**3.33**	**5.26**

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**
Partner
Membership No. 81203

Ravi Puravankara
Chairman and Managing Director

Nani R Choksey
Director

Ashish Puravankara
Director

Ravi Ramu
Director

Kiran Chappar
Company Secretary

Bangalore
28 October 2009

Bangalore
28 October 2009

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 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.

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.

Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. 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 Rs 5,000 are fully depreciated in the year of purchase.

i. 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.

j. 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.

k. 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.

l. 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.

m. 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.

n. 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.

o. Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 Employee Benefits (Revised 2005) “Revised 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.

p. 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).

q. 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.

r. 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.

s. 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 2009 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 & 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 & 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 2009	Quarter ended 30 Sep 2008	Year ended 31 March 2009
	Rs.	Rs.	Rs.
3 Share Capital			
Authorised			
320,000,000 Equity shares of Rs 5 each (30 Sep 2008- 240,000,000; 31 Mar 2009- 240,000,000) equity shares of Rs. 5 each	1,600,000,000	1,200,000,000	1,200,000,000
Issued, subscribed and paid up			
213,424,335 (30 Sep 2008- 213,424,335; 31 Mar 2009- 213,424,335) Equity shares of Rs.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**	**7,911,162,184**	**7,988,811,915**
General Reserve	**298,000,000**	**298,000,000**	**298,000,000**
Debenture Redemption Reserve	**65,443,896**	**3,560,419**	**34,417,386**
Profit and Loss Account			
Balance at the beginning of the period	4,347,508,123	3,469,647,537	2,850,718,245
Add: Net profit for the period	608,586,191	504,745,556	1,444,188,400
Less: Transfer to Debenture Redemption Reserve	15,598,027	3,560,419	34,417,386
Balance at the end of the period	**4,940,496,287**	**3,970,832,674**	**4,260,489,259**
	13,292,752,098	**12,183,555,277**	**12,581,718,560**
5 Loans			
Secured Loans	8,286,426,295	7,299,811,019	8,105,826,229
Unsecured Loans - commercial papers	-	750,000,000	-
Unsecured Loans - short term loan from bank	40,000,000	-	40,000,000
	8,326,426,295	**8,049,811,019**	**8,145,826,229**

	Half year ended 30 Sep 2009 Rs.	Half year ended 30 Sep 2008 Rs.	Year ended 31 March 2009 Rs.
3 Share Capital			
Authorised			
320,000,000 Equity shares of Rs 5 each (30 Sep 2008- 240,000,000; 31 Mar 2009- 240,000,000) equity shares of Rs. 5 each	1,600,000,000	1,200,000,000	1,200,000,000
Issued, subscribed and paid up			
213,424,335 (30 Sep 2008- 213,424,335; 31 Mar 2009- 213,425,335) Equity shares of Rs.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**	**7,911,162,184**	**7,988,811,915**
General Reserve	**298,000,000**	**298,000,000**	**298,000,000**
Debenture Redemption Reserve	**65,443,896**	**3,560,419**	**34,417,386**
Profit and Loss Account			
Balance at the beginning of the period	4,260,489,259	2,850,718,245	2,850,718,245
Add: Net profit for the period	711,033,538	1,123,674,848	1,444,188,400
Less: Transfer to Debenture Redemption Reserve	31,026,510	3,560,419	34,417,386
Balance at the end of the period	**4,940,496,287**	**3,970,832,674**	**4,260,489,259**
	13,292,752,098	**12,183,555,277**	**12,581,718,560**
5 Loans			
Secured Loans	8,286,426,295	7,299,811,019	8,105,826,229
Unsecured Loans - commercial papers	-	750,000,000	-
Unsecured Loans - short term loan from bank	40,000,000	-	40,000,000
	8,326,426,295	**8,049,811,019**	**8,145,826,229**

		30 Sep 2009	30 Sep 2008	31 March 2009
		Rs.	Rs.	Rs.
Secured Loans				
Term loans	(a)	5,259,500,002	5,730,704,201	6,001,937,343
Debentures	(b)	550,000,000	550,000,000	550,000,000
Cash Credit & Other loans	(c)	2,476,926,293	1,019,106,818	1,553,888,886
		8,286,426,295	**7,299,811,019**	**8,105,826,229**

(a) *Term Loans*

i. On 5 August 2006, the Company entered into a term loan agreement with Standard Chartered Bank for Rs 1,000 million towards construction and development of its projects and for existing debt repayment, repayable in 24 monthly installments 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 Rs.200 million was availed on 5 April 2007 against the same security as above, repayable in 24 monthly installments starting from 16 February 2008. In June 2009 this term loan has been rescheduled such that the monthly instalments due of Rs.50 million for next 8 months shall be migrated to overdraft as and when the instalment falls due. The resultant overdraft balance of Rs.400 million shall be repayable in 12 monthly instalments of Rs.33.33 million starting from 16 May 2010. The outstanding as on 30 September 2009 on this term loan was Rs. 200 million.

ii. On 8 September 2008 the Company entered into a term loan agreement with HSBC for Rs.1,100 million, out of which Rs.350 million has been drawn as of 30 June 2009. This facility is secured by mortgage of the properties purchased at Mallasandra Village, Bangalore and receivables of the related project to be developed at the said property and the personal guarantee of Mr. Ravi Puravankara, the Chairman and Managing Director of the Company. The loan was originally repayable in 5 quarterly installments from July 2009 untill July 2010. However, the repayment has been restructured in June 2009 such that the instalment due in July 2009 and pending instalments from August 2009 as per the schedule will be migrated to overdraft. This overdraft is repayable in 7 equal monthly instalments starting from July 2009. Consequently, the loan shall be fully repaid by January 2010. The outstanding as on 30 September 2009 was Rs. 250 million.

iii. On 19 May 2007, Melmont Construction Pvt Ltd and Purva Realities Pvt Ltd entered into an agreement with HDFC Limited for a term loan of Rs.1,250 million. This facility is secured by mortgage of property at Edapally and proposed builtup area being constructed thereon, pledge of equity shares of Melmont Construction Pvt Ltd and Purva Realities Pvt Ltd held by the Company and personal guarantees of Mr. Ravi Puravankara, the Chairman and Managing Director and Mr. Nani R Choksey, Director of the Company. The tenor of the loan is 40 months. The outstanding as on 30 September 2009 was Rs. 912 million.

iv. On 8 January 2008 the Company entered into a term loan agreement with HSBC for Rs.1,350 million which was drawn fully, in four parts, till 31 March 2008. This facility is secured by mortgage of the land and building of Purva Swanlake project and receivables of Purva Swanlake and Purva Moneto. Rs.1,000 million was originally payable in quarterly installments from October 2008 till October 2009 and Rs.350 million was payable in quarterly installments, from January 2009 till October 2009. However, this loan was restructured in June 2009 such that the instalments due as of 29 June 2009 was migrated into overdraft and remaining amount would be 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. The outstanding as on 30 September 2009 on this term loan

v. On 30 May 2008 the Company entered into a term loan agreement with ICICI Home Finance Company Limited for a term loan of Rs.1,250 million. Out of the sanctioned limit, the Company had drawn Rs.1,130 million as on 31 March 2009 and the balance of Rs.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 Rs.78.1 million due on 15 June 2009. The outstanding as on 30 September 2009 was Rs. 1,250 million.

vi. On 04 December 2008 the Company entered into an agreement with Life Insurance Corporation of India for a loan of Rs.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 installments commencing from January 2010. The outstanding as on 30 September 2009 was Rs. 2,000 million.

vii. On 3 June 2008, the Company entered into an agreement with ICICI Bank for a term loan facility up to a maximum of Rs.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. Out of the first tranche of Rs.740 million, the company has drawn Rs. 360 million as on 30 September 2009.

(b) Debentures

The Company had on 10 September 2008, issued 55 Secured Redeemable Non-Convertible Debentures of face value of Rs.10,000,000/- each for cash at par to ICICI Prudential Real Estate Securities Fund. These debentures are due for redemption on 30 November 2010. Interest is payable on 10th September of every year till redemption.

(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 Rs.150 million which was further enhanced to Rs.200 million in the month of October 2008. This facility is secured against the properties of the Company. The outstanding as on 30 September 2009 was Rs. 197.54 million.

ii. On 20 June 2008 the Company entered into an agreement with IDBI Bank for a working capital facility of Rs.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 2009 was Rs. 998.56 million.

iii. On 20 November 2008, the Company has availed a Secured Overdraft facility from Andhra Bank for Rs 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 2009 was Rs. 539.21 million.

iv. As stated in paragraph (a) i above, from June 2009 to September 2009 an amount of Rs. 200 million has been migrated from term loan to overdraft by Standard Chartered Bank which 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. The outstanding as on 30 September 2009 on this overdraft account was Rs. 190.73 million.

v. As stated in paragraph (a) iv above, from June 2009 to September 2009 an amount of Rs. 545 million has been migrated from term loan to overdraft by HSBC 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 2009 on this overdraft account was Rs. 543.65 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 2009 was Rs. 7.23 million.

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

	30 Sep 2009	**30 Sep 2008**	**31 March 2009**
	Rs.	Rs.	Rs.
Term loans	1,714,976,211	3,315,500,210	2,789,794,491
Debentures, Overdrafts and Other loans	167,601,221	1,761,170,678	8,272,575
	1,882,577,432	5,076,670,888	2,798,067,066

Unsecured Loans

i. On 12 March 2009 Deutsche Bank has sanctioned a short term working capital facility of Rs.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 2009 was Rs.40 million.

6 Deferred Tax Liability

Deferred tax liability arising on account of Depreciation	24,942,330	19,041,125	22,757,344
	24,942,330	**19,041,125**	**22,757,344**

Puravankara Projects Limited

7. Fixed Assets

Category of assets	Cost				Accumulated Depreciation/Amortization				Net Book Value	
	Opening Balance	Additions during the period	Deletions during the period	Closing Balance	Opening Balance	Charge for the period	Deletions during the period	Closing Balance	As at 30 Sep 2009	As at 31 March 2009
Tangible Assets										
Buildings	37,074,680	-	-	37,074,680	1,622,550	302,986	-	1,925,536	35,149,144	35,452,130
Plant & Machinery	265,428,730	1,703,920	-	267,132,650	39,694,590	6,362,135	-	46,056,725	221,075,925	225,734,140
Office Equipment	12,638,433	264,918	-	12,903,351	2,711,962	336,476	-	3,048,438	9,854,913	9,926,471
Computers	21,239,113	1,116,080	-	22,355,193	9,792,371	1,633,775	-	11,426,146	10,929,047	11,446,742
Furniture & Fixtures	12,179,034	135,055	-	12,314,089	4,333,378	376,277	-	4,709,655	7,604,434	7,845,656
Vehicles	65,295,967	1,810,852	586,782	66,520,037	21,924,238	3,257,276	471,001	24,710,513	41,809,524	43,371,729
Shuttering Material	198,115,907	-	-	198,115,907	82,235,446	13,926,774	-	96,162,220	101,953,687	115,880,461
Intangible Assets										
Computer Software	20,164,400	13,520	-	20,177,920	6,910,270	1,536,231	-	8,446,501	11,731,419	13,254,130
Total	**632,136,264**	**5,044,345**	**586,782**	**636,593,827**	**169,224,805**	**27,731,930**	**471,001**	**196,485,734**	**440,108,093**	**462,911,459**
Last year	**611,312,180**	**23,253,558**	**2,429,474**	**632,136,264**	**114,606,379**	**55,629,409**	**1,010,983**	**169,224,805**	**462,911,459**	

	Quarter ended 30 Sep 2009	Quarter ended 30 Sep 2008	Year ended 31 March 2009
	Rs.	Rs.	Rs.
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 2008- 4,410,000; 31 Mar 2009- 4,410,000) of Rs.10 each at par	683,519,338	569,348,755	649,695,418
17,640,000 13.25% cumulative, redeemable, convertible Preference Shares (30 Sep 2008- 17,640,000; 31 Mar 2009- 17,640,000) of Rs.10 each at par	176,400,000	176,400,000	176,400,000
Keppel Magus Development Private Limited			
362,600 Equity shares (30 Sep 2008- 362,600; 31 Mar 2009- 362,600) of Rs.610 each, fully paid	210,676,301	221,186,000	212,144,700
	1,070,595,639	**966,934,755**	**1,038,240,118**
9 Properties Held for Development			
At the beginning of the period	13,994,503,139	13,015,764,753	12,919,611,415
Add : Additions during the period	54,621,603	614,687,118	1,848,529,369
Less: Deletions during the period	691,669,822	-	-
Less: Transferred to Properties Under Development	19,768,465	-	843,793,262
	13,337,686,455	**13,630,451,871**	**13,924,347,522**
10 Cash and Cash Equivalents			
Cash in hand	6,061,223	4,411,930	3,415,727
Balances with Banks:			
In current accounts	137,926,561	191,869,996	130,082,273
In deposit account	132,213,042	177,536,446	134,441,839
	276,200,826	**373,818,372**	**267,939,839**
11 Trade Debtors			
(Unsecured and considered good)			
Debts outstanding over six months	678,232,653	412,424,470	642,394,812
Debts outstanding less than six months	1,820,796,142	615,253,379	503,752,697
	2,499,028,795	**1,027,677,849**	**1,146,147,509**
12 Properties Under Development			
Land cost	2,922,586,207	2,374,516,214	2,834,966,699
Material and construction cost	7,590,926,666	7,427,822,345	6,268,722,686
Profit recognized to-date	2,483,324,905	3,826,064,331	2,182,399,000
Less: Progress payments received and receivable	6,607,103,057	8,828,211,853	5,586,337,276
	6,389,734,721	**4,800,191,037**	**5,699,751,109**
13 Properties Held for Sale			
At the beginning of the period	945,992,374	864,666,084	909,508,192
Add : Additions during the period	64,242,984	39,142,232	372,910,952
Less: Sales during the period	63,256,131	38,727,446	221,155,536
Less: Write downs during the period	31,997,712	-	87,759,757
	914,981,515	**865,080,870**	**973,503,851**

	Half year ended 30 Sep 2009	Half year ended 30 Sep 2008	Year ended 31 March 2009
	Rs.	Rs.	Rs.
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 2008- 4,410,000; 31 Mar 2009- 4,410,000) of Rs.10 each at par	683,519,338	569,348,755	649,695,418
17,640,000 13.25% cumulative, redeemable, convertible Preference Shares (30 Sep 2008- 17,640,000; 31 Mar 2009- 17,640,000) of Rs.10 each at par	176,400,000	176,400,000	176,400,000
Keppel Magus Development Private Limited			
362,600 Equity shares (30 Sep 2008- 362,600; 31 Mar 2009- 362,600) of Rs.610 each, fully paid	210,676,301	221,186,000	212,144,700
	1,070,595,639	**966,934,755**	**1,038,240,118**
9 Properties Held for Development			
At the beginning of the period	13,924,347,522	12,919,611,415	12,919,611,415
Add : Additions during the period	124,777,220	828,339,619	1,848,529,369
Less: Deletions during the period	691,669,822	-	-
Less: Transferred to Properties Under Development	19,768,465	117,499,163	843,793,262
	13,337,686,455	**13,630,451,871**	**13,924,347,522**
10 Cash and Cash Equivalents			
Cash in hand	6,061,223	4,411,930	3,415,727
Balances with Banks:			
In current accounts	137,926,561	191,869,996	130,082,273
In deposit account	132,213,042	177,536,446	134,441,839
	276,200,826	**373,818,372**	**267,939,839**
11 Trade Debtors			
(Unsecured and considered good)			
Debts outstanding over six months	678,232,653	412,424,470	642,394,812
Debts outstanding less than six months	1,820,796,142	615,253,379	503,752,697
	2,499,028,795	**1,027,677,849**	**1,146,147,509**
12 Properties Under Development			
Land cost	2,922,586,207	2,374,516,214	2,834,966,699
Material and construction cost	7,590,926,666	7,427,822,345	6,268,722,686
Profit recognized to-date	2,483,324,905	3,826,064,331	2,182,399,000
Less: Progress payments received and receivable	6,607,103,057	8,828,211,853	5,586,337,276
	6,389,734,721	**4,800,191,037**	**5,699,751,109**
13 Properties Held for Sale			
At the beginning of the period	973,503,851	909,508,192	909,508,192
Add : Additions during the period	79,362,874	87,850,941	372,910,952
Less: Sales during the period	105,887,498	132,278,263	221,155,536
Less: Write downs during the period	31,997,712	-	87,759,757
	914,981,515	**865,080,870**	**973,503,851**

	30 Sep 2009	30 Sep 2008	31 March 2009
	Rs.	Rs.	Rs.
14 Loans and Advances			
Advances to suppliers	269,006,395	286,238,417	264,043,186
Advances for land contracts	1,113,354,456	1,050,323,574	1,113,473,571
Deposits	507,212,942	562,230,979	509,238,659
Loans to associates	150,458,522	163,522,109	144,018,352
Advance tax (net of provision)	-	169,827,106	92,953,783
Taxes and duties recoverable	395,923,998	431,589,944	443,030,667
Prepaid expenses	218,571	30,872,870	983,764
Other advances	178,104,382	279,741,588	198,263,854
	2,614,279,266	**2,974,346,587**	**2,766,005,836**

The above are unsecured & considered good.

15 Current Liabilities			
Advances received from customers	2,938,672,355	2,771,988,007	2,951,626,710
Duties and taxes payable	6,395,341	33,079,966	16,728,926
Security deposits	38,554,736	35,893,286	35,352,566
Trade creditors	1,196,759,850	1,056,096,432	1,052,156,017
Dues to related parties	538,007,354	15,429,816	451,856,867
Other liabilities	92,752,911	73,749,182	136,873,819
Unpaid Dividend	93,344	1,219,798	93,474
	4,811,235,891	**3,987,456,487**	**4,644,688,379**
16 Provisions			
Provision for vacation pay	11,028,277	9,837,866	14,079,902
Provision for tax (net of advance tax)	184,540,629	-	-
	195,568,906	**9,837,866**	**14,079,902**

Puravankara Projects Limited

	Quarter ended 30 Sep 2009 Rs.	Quarter ended 30 Sep 2008 Rs.
17 Revenues		
Revenues from projects	2,241,896,879	1,375,056,974
Rental income	5,074,428	9,818,798
Income from interiors	16,973,630	8,790,053
	2,263,944,937	**1,393,665,825**
18 Cost of Revenues		
Construction cost		
Material and contract costs	312,832,158	514,211,995
Staff costs	26,604,189	61,806,539
Depreciation	10,690,730	10,666,283
Other direct costs	105,045,914	103,802,254
	455,172,991	690,487,071
Land cost	788,453,886	76,836,637
	1,243,626,877	**767,323,708**
19 Selling Expenses		
Staff costs	5,926,068	9,253,319
Advertising and sales promotion	58,728,486	66,585,961
Sales incentives and commission	1,223,043	2,133,115
Brokerage and referral charges	603,735	1,586,778
Travel and conveyance	647,285	1,683,899
Communication	390,061	717,476
Depreciation	360,612	353,148
	67,879,290	**82,313,696**
20 General and Administrative Expenses		
Staff costs	29,930,511	29,501,563
Depreciation	2,901,250	3,058,629
Rates and taxes	10,389,458	10,534,354
Repairs and maintenance	12,125,572	4,616,085
Legal and professional charges	7,589,498	4,251,971
Audit fees	602,907	800,000
Communication costs	1,698,020	2,869,905
Printing and stationery	1,449,486	4,394,456
Travelling and conveyance	3,105,515	6,775,120
Security charges	2,550,515	2,275,775
Foreign exchange loss/(gain)	(381,815)	(611,812)
Miscellaneous expenses	717,966	5,036,634
	72,678,883	**73,502,680**

	Half year ended 30 Sep 2009 Rs.	Half year ended 30 Sep 2008 Rs.
17 Revenues		
Revenues from projects	2,789,307,058	2,932,664,754
Rental income	11,704,450	17,673,754
Income from interiors	22,589,561	19,083,037
	2,823,601,069	**2,969,421,545**
18 Cost of Revenues		
Construction cost		
Material and contract costs	482,104,430	1,060,805,268
Staff costs	61,463,969	122,654,601
Depreciation	21,238,961	21,328,004
Other direct costs	233,374,113	241,039,232
	798,181,473	1,445,827,105
Land cost	829,012,158	176,991,086
	1,627,193,631	**1,622,818,191**
19 Selling Expenses		
Staff costs	13,510,544	18,430,211
Advertising and sales promotion	65,701,955	116,892,173
Sales incentives and commission	1,856,703	3,409,390
Brokerage and referral charges	763,419	3,125,518
Travel and conveyance	1,416,050	2,210,637
Communication	1,019,991	1,219,632
Depreciation	712,024	869,409
	84,980,686	**146,156,970**
20 General and Administrative Expenses		
Staff costs	59,168,277	58,510,750
Depreciation	5,780,945	5,813,438
Rates and taxes	20,331,963	22,092,423
Repairs and maintenance	17,486,389	10,193,843
Legal and professional charges	11,697,416	7,240,628
Audit fees	1,202,907	1,400,000
Communication costs	4,267,347	4,878,527
Printing and stationery	2,080,747	7,659,977
Travelling and conveyance	6,600,550	12,703,233
Security charges	6,348,407	4,545,047
Foreign exchange loss/(gain)	(1,140,788)	(466,671)
Miscellaneous expenses	1,612,774	6,401,074
	135,436,934	**140,972,269**

	Quarter ended 30 Sep 2009 Rs.	Quarter ended 30 Sep 2008 Rs.
21 Finance Income/(Charges)		
Interest expenses on loans and cash credits	(293,644,086)	(215,786,176)
Loan and other processing charges	(40,664,817)	(16,796,400)
Less:		
Expended as part of Cost of Revenue	64,542,537	4,907,301
Capitalized and included in Properties Under Development	226,593,259	18,617,640
Capitalized and included in Properties Held for Development	38,018,289	196,816,084
Less: Finance Income:		
Bank deposits	3,138,291	7,593,775
Loan to associates	2,729,688	3,015,959
Interest received from customers	3,301,584	5,934,612
	4,014,745	**4,302,795**
22 Provision for tax		
Current tax	300,992,837	6,507,827
Deferred tax charge/(credit)	2,029,092	2,046,192
	303,021,929	**8,554,019**
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	-	-
Weighted average number of shares used to compute diluted EPS	213,424,335	213,424,335
Net profit after tax attributable to equity shareholders	608,586,191	504,745,556
Earnings per share:		
Basic and diluted	2.85	2.36
Nominal value per equity share	5.00	5.00

	Half year ended 30 Sep 2009 Rs.	Half year ended 30 Sep 2008 Rs.
21 Finance Income/(Charges)		
Interest expenses on loans and cash credits	(594,771,735)	(401,324,088)
Loan and other processing charges	(41,164,817)	(33,617,600)
Less:		
Expended as part of Cost of Revenue	115,478,532	9,092,815
Capitalized and included in Properties Under Development	420,822,313	38,166,082
Capitalized and included in Properties Held for Development	84,342,502	368,189,265
Less: Finance Income:		
Bank deposits	9,613,912	7,593,775
Loan to associates	5,362,732	5,400,866
Interest received from customers	7,319,921	9,277,358
	7,003,360	**2,778,473**

22 Provision for tax

Current tax	302,130,176	39,188,430
Deferred tax charge/(credit)	2,184,985	8,920,511
Minimum Alternate Tax credit	-	(29,812,895)
	304,315,161	**18,296,046**

During the half year an amount of Rs. NIL (September 2008 - 29.81 million) has been recognized as a tax credit. This amount represents the corporate income tax charged as Minimum Alternate Tax (MAT) previously and is considered to be recoverable against taxes payable in the future.

23 Earnings Per Share

Weighted average number of shares outstanding during the period:	213,424,335	213,424,335
Add: Dilutive effect of stock options	-	-
Weighted average number of shares used to compute diluted EPS	213,424,335	213,424,335
Net profit after tax attributable to equity shareholders	711,033,538	1,123,674,848
Earnings per share:		
Basic and diluted	3.33	5.26
Nominal value per equity share	5.00	5.00

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 September 2009 have been provided below:

The weighted average exercise price for options movement during the quarter ended 30 September 2009 is as follows:

	30 Sep 2009	
	Shares arising out of options (Numbers)	**Weighted average exercise price Rs**
As at 1 July 2009	966,000	465.86
Granted during the quarter		
Forfeited during the quarter	-	-
Lapsed during the quarter	-	-
Cancelled during the quarter	-	-
Exercised during the quarter	-	-
As at 30 September 2009	966,000	465.86
Excercisable at the end of the quarter	483,000	465.86

The weighted average exercise price of the options outstanding at 30 September 2009 was Rs. 465.86 and they had weighted average remaining contractual life of 15 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 2009 Rs.	**Quarter ended 30 Sep 2008** Rs.
Net profit, as reported	608,586,191	504,745,556
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	3,241,049	7,349,391
Proforma net income	605,345,142	497,396,165
Earnings per share – Basic		
As reported	2.85	2.36
Pro forma	2.84	2.33
Earnings per share – Diluted		
As reported	2.85	2.36
Pro forma	2.84	2.33

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

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 half year ended 30 September 2009 have been provided below:

The weighted average exercise price for options movement during the half year ended 30 September 2009 is as follows:

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

The weighted average exercise price of the options outstanding at 30 September 2009 was Rs. 465.86 and they had weighted average remaining contractual life of 15 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 2009 Rs.	**Half year ended 30 Sep 2008** Rs.
Net profit, as reported	711,033,538	1,123,674,848
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	8,975,778	14,618,897
Proforma net income	702,057,760	1,109,055,951
Earnings per share – Basic		
As reported	3.33	5.26
Pro forma	3.29	5.20
Earnings per share – Diluted		
As reported	3.33	5.26
Pro forma	3.29	5.20

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

25 Leases

Properties taken on operating leases

The lease expense for cancellable and non-cancellable operating leases was Rs.9,794,568 and Rs.19,008,795 for the quarter and half year ended 30 September 2009 respectively and Rs. 10,256,732 and Rs. 20,562,873 for the quarter and half year ended 30 Sept 2008 respectively. Lease commitments as at the Balance Sheet date were as follows:-

Particulars	30 Sep 2009	30 Sep 2008	31 Mar 2009
	Rs.	Rs.	Rs.
a) Within one year	4,539,225	9,692,298	1,203,567
b) Within one to five years	3,122,166	4,204,202	3,618,291
Total	**7,661,391**	**13,896,500**	**4,821,858**

Sublease

The Company has sub let one of the properties under a non cancellable operating lease agreement. These lease agreements are for the period ranging between 1 to 5 years. Lease income was Rs. 5,074,428 and Rs. 11,704,450 for the quarter and half year ended 30 Sept 2009 respectively and Rs. 9,818,798 and Rs. 17,673,754 for the quarter and half year ended 30 September 2008 respectively. Minimum amount of future lease rental receivable under these agreements are:-

Particulars	30 Sep 2009	30 Sep 2008	31 Mar 2009
	Rs.	Rs.	Rs.
a) Within one year	4,445,028	13,096,351	10,791,614
b) Within one to five years	2,561,324	9,810,660	4,970,407
	7,006,352	**22,907,011**	**15,762,021**

26 Other commitments and contingencies

(a) Demand from Service Tax Department	17,100,000	-	17,100,000
(b) Show cause notices received from various authorities	-	8,200,000	-
(c) Capital commitments (net of advances)	-	1,298,800	-

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

Parties where control exists include

Key Management Personnel:

Mr. Ravi Puravankara

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

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

Puravankara Projects Limited

(ii) 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-09	30-Sep-08	30-Sep-09	30-Sep-08	30-Sep-09	30-Sep-08	30-Sep-09	30-Sep-08
Transactions during the quarter:								
Interest on loans								
Keppel Puravankara Development Private Limited	549,996	1,097,468	-	-	-	-	-	-
Keppel Magus Development Private Limited	2,179,692	1,918,490	-	-	-	-	-	-
Loans given to								
Propmart Technologies Limited	2,150,000	-	-	-	-	-	-	-
Keppel Magus Development Private Limited	-	64,854,455	-	-	-	-	-	-
Loans repaid to								
Ravi Puravankara	-	-	11,000,000	248,000,000	-	-	-	-
Loans repaid by								
Propmart Technologies Limited	350,000	-	-	-	-	-	-	-
Loans received from								
Puravankara Investments	-	-	-	-	-	-	480,000	-
Installments paid for purchase of flats to								
Keppel Puravankara Development Private Limited	-	241,010	-	-	-	-	-	-
Security and maintenance expenses								
Handiman Services Limited	-	-	-	-	-	-	20,841,820	23,182,162
Rental expenses								
Dealwel	-	-	-	-	-	-	496,125	472,500
Remuneration								
Ravi Puravankara	-	-	3,888,000	3,600,000	-	-	-	-
Ashish Puravankara	-	-	-	-	2,127,339	2,124,999	-	-
Balances at the quarter end:								
Loans given to								
Propmart Technologies Limited	47,985,000	48,685,000	-	-	-	-	-	-
Keppel Puravankara Development Private Limited	27,418,160	48,064,164	-	-	-	-	-	-
Keppel Magus Development Private Limited	75,055,362	66,772,945	-	-	-	-	-	-
Advances for land contracts paid to								
Geeta S Vhatkar	-	-	-	-	142,300,016	185,184,060	-	-
Security Deposits paid to								
Dealwel	-	-	-	-	-	-	1,500,000	1,500,000
Puravankara Investments	-	-	-	-	-	-	4,500,000	4,500,000
Dues from								
Ravi Puravankara	-	-	-	50,000	-	-	-	-
Aarti Panjabi	-	-	-	-	28,660,750	28,660,750	-	-
Dues to								
Handiman Services Limited	-	-	-	-	-	-	11,487,538	6,796,098
Puravankara Investments	-	-	-	-	-	-	19,778,540	13,688,540
Purva Development	-	-	-	-	-	-	1,776,276	1,776,276
Purva Properties and Resorts Private Limited	-	-	-	-	-	-	15,000	15,000
Ravi Puravankara	-	-	504,950,000	-	-	-	-	-

Puravankara Projects Limited

(iii) 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-09	30-Sep-08	30-Sep-09	30-Sep-08	30-Sep-09	30-Sep-08	30-Sep-09	30-Sep-08
Transactions during the period:								
Interest on loans								
Keppel Puravankara Development Private Limited	1,089,208	3,482,376	-	-	-	-	-	-
Keppel Magus Development Private Limited	4,273,524	1,918,490	-	-	-	-	-	-
Loans given to								
Propmart Technologies Limited	2,150,000	13,000,000	-	-	-	-	-	-
Keppel Magus Development Private Limited	-	64,854,455	-	-	-	-	-	-
Loans received from								
Ravi Puravankara	-	-	96,000,000	248,000,000	-	-	-	-
Puravankara Investments	-	-	-	-	-	-	480,000	-
Loans repaid to								
Ravi Puravankara	-	-	11,000,000	248,000,000	-	-	-	-
Loans repaid by								
Keppel Puravankara Development Private Limited	-	144,886,770	-	-	-	-	-	-
Propmart Technologies Limited	350,000	-	-	-	-	-	-	-
Installments paid for purchase of flats to								
Keppel Puravankara Development Private Limited	-	241,010	-	-	-	-	-	-
Paid for purchase of land								
Keppel Puravankara Development Private Limited	-	3,031,991	-	-	-	-	-	-
Value of flats sold to								
Ashish Puravankara	-	-	-	-	-	2,631,200	-	-
Aarti Panjabi	-	-	-	-	-	2,631,200	-	-
Suresh Puravankara	-	-	-	-	-	2,735,200	-	-
Amanda Puravankara	-	-	-	-	-	2,631,200	-	-
Tanya Puravankara	-	-	-	-	-	2,631,200	-	-
Vishalakshi Puravankara	-	-	-	-	-	2,519,200	-	-
Tanya Trust	-	-	-	-	-	-	-	8,039,000
Amanda Trust	-	-	-	-	-	-	-	10,397,000
Security and maintenance expenses								
Handiman Services Limited	-	-	-	-	-	-	34,718,126	52,562,578
Rental expenses								
Puravankara Investments	-	-	-	-	-	-	-	1,417,500
Dealwel	-	-	-	-	-	-	992,250	945,000
Remuneration								
Ravi Puravankara	-	-	7,776,000	7,200,000	-	-	-	-
Ashish Puravankara	-	-	-	-	4,254,678	4,249,998	-	-
Geeta S Vhatkar	-	-	-	-	-	10,001	-	-

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. Disclosures as required by Revised AS 15 for the period ended 30 September 2009 are as under:

	30 Sept 2009		30 Sept 2008	
	Gratuity	Vacation Pay	Gratuity	Vacation Pay
	Rs.	Rs.	Rs.	Rs.
1 The amounts recognized in the Balance Sheet are as follows:				
Present value of the obligation as at the end of the period	11,970,819	11,028,277	11,092,228	9,837,866
Fair value of plan assets as at the end of the period	(17,929,438)	-	(16,435,481)	-
Net liability/(asset) recognized in the Balance Sheet	**(5,958,619)**	**11,028,277**	**(5,343,253)**	**9,837,866**
2 The amounts recognized in the Profit and Loss Account are as follows:				
Service cost	1,806,621	1,079,369	2,426,948	962,375
Interest cost	372,265	450,172	368,471	448,642
Expected return on plan assets	(614,070)	-	(692,371)	-
Net actuarial (gain)/loss recognized in the period	(614,725)	(2,145,479)	174,884	(2,129,439)
Expense recognized in the Profit and Loss Account of the period	**950,091**	**(615,938)**	**2,277,932**	**(718,422)**
3 Changes in the present value of defined benefit obligation				
Defined benefit obligation as at beginning of the period	10,891,235	14,079,902	8,669,908	10,556,288
Service cost	1,806,621	1,079,369	2,426,948	962,375
Interest cost	372,265	450,172	368,471	448,642
Actuarial losses/(gains)	(589,127)	(2,145,479)	(373,099)	(2,129,439)
Benefits paid	(510,175)	(2,435,687)	-	-
Defined benefit obligation as at the end of the period	**11,970,819**	**11,028,277**	**11,092,228**	**9,837,866**
4 Changes in the fair value of plan assets				
Fair value as at the beginning of the period	17,799,945	-	16,291,093	-
Expected return on plan assets	614,070	-	692,371	-
Actuarial (loss)/ gains	25,598	-	(547,983)	-
Contributions	-	2,435,687	-	-
Benefits paid	(510,175)	(2,435,687)	-	-
Fair value as at the end of the period	**17,929,438**	-	**16,435,481**	-
Assumptions used in the above valuations are as under:				
Interest rate	7%	7%	8.50%	8.50%
Discount rate	7%	7%	8.50%	8.50%
Expected return on plan assets	7%	-	8.50%	-
Future salary increase	6%	6%	6%	6%
Attrition rate	5%	5%	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 Revised AS 15. Contribution made was Rs. 1,900,008 and Rs. 3,830,126 for the quarter and half year ended 30 Sept 2009 respectively and Rs. 3,176,412 and Rs. 5,496,412 for the quarter and half year ended 30 Sept 2008 respectively.

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.

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An amount of Rs.1,450,802,800 included in Trade Debtors representing the receivable for a sale of land was received after the balance sheet date on 16 October 2009. Included in Revenues from Projects in the current period is an amount of Rs.1,632,153,150 in respect of this land.

31 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**	**Ravi Ramu**	**Kiran Chappar**
Chairman and Managing Director	**Director**	**Director**	**Director**	**Company Secretary**

Bangalore
28 October 2009

Puravankara Projects Limited

Consolidated Cash Flow Statement

	Half year ended 30 Sep 2009 Rs.	Half year ended 30 Sep 2008 Rs.
A. Cash flow from operating activities		
Profit before tax	**1,015,348,699**	**1,141,970,894**
Adjustments for:		
Depreciation and amortization	27,731,930	28,010,849
Properties held for sale written down	31,997,712	-
(Profit) / loss on Sale of Fixed Assets	(136,219)	-
Interest income	(22,296,565)	(22,271,999)
Interest expense, net of capitalization	15,293,205	19,493,526
Share of (profit)/loss in Associates	(32,355,521)	(79,718,306)
Foreign Exchange fluctuation	(346,314)	-
Operating profit before working capital changes	**1,035,236,927**	**1,087,484,964**
Movements in working capital :		
(Increase) / Decrease in trade debtors	(1,352,881,286)	(204,039,778)
(Increase) / Decrease in inventories	21,912,961	(23,239,910)
(Increase) / Decrease in loans and advances	72,083,972	(312,849,801)
(Increase) / Decrease in properties under development	(133,914,303)	(677,076,401)
(Increase) / Decrease in properties held for sale	26,524,623	44,427,322
Increase / (Decrease) in current liabilities and provisions	127,447,927	(220,432,423)
Cash (used in) / received from operations	**(203,589,179)**	**(305,726,027)**
Direct taxes paid	(29,929,031)	(98,869,849)
Net cash from / (used in) operating activities	**(233,518,210)**	**(404,595,876)**
B. Cash flows from investing activities		
Purchase of fixed assets and decrease in Capital Work-In-Progress	(5,044,345)	(15,700,396)
Loans to associates	(2,150,000)	(77,854,455)
Proceeds from sale of fixed assets	252,000	-
Loans repaid by associates	350,000	144,886,770
Properties held for development	651,581,418	(216,008,927)
Interest received	10,785,384	17,252,637
Net cash from /(used in) investing activities	**655,774,457**	**(147,424,371)**
C. Cash flows from financing activities		
Proceeds from term loans	480,000,000	1,766,454,069
Repayment of term loans	(412,010,398)	(1,125,295,418)
Issue of Debentures	-	550,000,000
Repayment of Debentures	-	(250,000,000)
Proceeds from /(repayments of) short-term borrowings	112,610,463	584,646,695
Loans from related parties	96,480,000	248,000,000
Loans repaid to related parties	(11,000,000)	(248,000,000)
Dividends paid including taxes	-	(498,171,803)
Interest paid	(680,075,325)	(451,509,804)
Net cash generated from / (used in) financing activities	**(413,995,260)**	**576,123,739**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**8,260,987**	**24,103,492**
Cash and cash equivalents at the beginning of the period	**267,939,839**	**349,714,880**
Cash and cash equivalents at the end of the period	**276,200,826**	**373,818,372**

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

For Walker, Chandiok & Co
Chartered Accountants

Per **Rajesh Jain**
Partner
Membership No. 81203
Bangalore
28 October 2009

For and on behalf of the Board of Directors

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

Bangalore
28 October 2009