Consolidated Financial Statements

Puravankara Projects Limited

30 June 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 June 2010 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the quarter 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.2,294,208,592 as at 30 June 2010, the total revenue of Rs. Nil and cash inflows amounting to Rs.224,406 for the quarter ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors. We did not audit the financial statements of an associate whose financial statements reflect the Company's share of profit of Rs.7,926,474 for the quarter 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 June 2010;

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

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

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

per **Aashish Arjun Singh**
Partner
Membership No. 210122

Bangalore
29 July 2010

Puravankara Projects Limited

Consolidated Balance Sheet

	Note	30 Jun 2010 Rs.	30 Jun 2009 Rs.	31 Mar 2010 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	14,133,400,910	12,684,165,905	13,785,207,845
		15,200,522,585	**13,751,287,580**	**14,852,329,520**
Loans	5	**9,167,613,012**	**8,297,055,777**	**8,810,655,156**
Deferred Tax Liability	6	**8,912,402**	**22,913,238**	**8,649,584**
		24,377,047,999	**22,071,256,595**	**23,671,634,260**
Application of Funds				
Fixed Assets				
Cost	7	644,429,648	634,518,083	642,035,308
Less: Accumulated depreciation/amortization		289,154,384	183,004,144	279,693,958
Net book value		**355,275,264**	**451,513,939**	**362,341,350**
Investments	8	**1,198,862,826**	**1,042,762,152**	**1,191,067,268**
Properties Held for Development	9	**13,597,274,231**	**13,994,503,139**	**13,527,720,074**
Current Assets, Loans and Advances				
Cash and bank balances	10	555,661,227	262,347,759	782,151,422
Inventories		206,636,565	189,209,779	226,811,381
Trade debtors	11	1,201,716,272	1,244,024,403	1,112,004,657
Properties under development	12	7,150,836,751	6,024,738,204	6,801,817,190
Properties held for sale	13	823,139,657	945,992,375	852,453,104
Loans and advances	14	2,967,345,323	2,717,950,563	2,883,044,521
		12,905,335,795	**11,384,263,083**	**12,658,282,275**
Less: Current Liabilities and Provisions				
Current liabilities	15	3,643,187,343	4,790,020,898	3,786,423,595
Provisions	16	36,512,774	11,764,820	281,353,112
		3,679,700,117	**4,801,785,718**	**4,067,776,707**
Net Current Assets		**9,225,635,678**	**6,582,477,365**	**8,590,505,568**
		24,377,047,999	**22,071,256,595**	**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 Aashish Arjun Singh
Partner

Nani R Choksey
Director

Ashish Puravankara
Director

Kiran Chappar
Company Secretary

Bangalore
29 July 2010

Bangalore
29 July 2010

Puravankara Projects Limited

Consolidated Profit and Loss Account

	Note	Quarter ended 30 Jun 2010 Rs.	Quarter ended 30 Jun 2009 Rs.
Revenues	**17**	**1,162,943,710**	**559,656,133**
Cost of Revenues	**18**	663,820,654	383,566,753
Gross Profit		**499,123,056**	**176,089,380**
Selling expenses	**19**	36,736,904	17,101,396
General and administrative expenses	**20**	71,929,784	62,758,054
Operating Profit		**390,456,368**	**96,229,930**
Net finance income/(charges)	**21**	3,037,276	2,988,614
Profit before tax and share of profit in associates, net		393,493,644	99,218,544
Share of profit in associates, net		7,795,558	4,522,033
Profit before tax		**401,289,202**	**103,740,577**
Provision for tax	**22**	34,396,137	1,293,232
Profit after tax		**366,893,065**	**102,447,345**
Earnings per share : Basic and diluted	**23**	**1.72**	**0.48**

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	**For and on behalf of the Board of Directors**		
Chartered Accountants			
Per Aashish Arjun Singh	**Nani R Choksey**	**Ashish Puravankara**	**Kiran Chappar**
Partner	**Director**	**Director**	**Company Secretary**
Bangalore	**Bangalore**		
29 July 2010	**29 July 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 Rs 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 June 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%

	30 Jun 2010	30 Jun 2009	31 Mar 2010
	Rs.	Rs.	Rs.
3 Share Capital			
Authorised			
320,000,000 equity shares of Rs.5 each (30 Jun 2009- 320,000,000; 31 Mar 2010- 320,000,000 equity shares of Rs. 5 each)	1,600,000,000	1,600,000,000	1,600,000,000
Issued, subscribed and paid up			
213,424,335 (30 Jun 2009- 213,424,335; 31 Mar 2010- 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**	**7,988,811,915**	**7,988,811,915**
General Reserve	**400,500,000**	**298,000,000**	**400,500,000**
Debenture Redemption Reserve	**-**	**49,845,869**	**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	366,893,065	102,447,345	1,453,185,086
Add: Debenture Redemption Reserve written back	77,600,863	-	-
Less: Transfer to Debenture Redemption Reserve	-	15,428,483	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	**5,744,088,995**	**4,347,508,121**	**5,299,595,067**
	14,133,400,910	**12,684,165,905**	**13,785,207,845**
5 Loans			
Secured Loans	8,973,713,012	8,257,055,777	8,725,655,156
Unsecured Loans - short term loan from bank	193,900,000	40,000,000	85,000,000
	9,167,613,012	**8,297,055,777**	**8,810,655,156**

		30 Jun 2010	30 Jun 2009	31 Mar 2010
		Rs.	Rs.	Rs.
Secured Loans				
Term loans	(a)	6,221,940,701	5,825,105,713	5,122,967,850
Debentures		-	550,000,000	550,000,000
Cash Credit & Other loans	(b)	2,751,772,311	1,881,950,064	3,052,687,306
		8,973,713,012	**8,257,055,777**	**8,725,655,156**

(a) *Term Loans*

i. 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 instalments from July 2009 until 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. The outstanding as on 30 June 2010 was Rs.70 million.

ii. 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 June 2010 was Rs.228 million.

iii. 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 June 2010 was Rs.1,250 million.

iv. 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. The outstanding as on 30 June 2010 was Rs.910 million.

v. 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 instalments commencing from January 2010. The outstanding as on 30 June 2010 was Rs.1,714.29 million.

vi. On 06 October 2009, Provident Housing Limited entered into an agreement with LIC Housing Finance Limited for a term loan of Rs.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 June 2010 was Rs.599.66 million.

vii. 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 Rs.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 December 2010. The outstanding as on 30 June 2010 was Rs.900 million.

viii. On 16 June 2010 the Company was sanctioned a loan of Rs.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 Rs.550 million has been drawn as of 30 June 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 June 2010 was Rs.550 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 Rs.150 million which was further enhanced to Rs.200 million in the month of October 2008 and Rs.500 million in the month of March 2010. This facility is secured against the properties of the Company. The outstanding as on 30 June 2010 was Rs.352.60 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 June 2010 was Rs.952.15 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 June 2010 was Rs.545.13 million.

iv. 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 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 Rs.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 Rs.50 million for next 8 months were migrated to overdraft as and when the instalment fell 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. As a result, from June 2009 to March 2010 an amount of Rs.400 million has been migrated from term loan to overdraft. The outstanding as on 30 June 2010 on this overdraft account was Rs.158 million.

v. On 8 January 2008 the Company entered into a term loan agreement with HSBC for Rs.1,350 million which was originally payable in quarterly instalments from October 2008 till October 2009 and Rs.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 Rs.832.5 million has been migrated from term loan to overdraft which is secured by mortgage of the land and building of Purva Swanlake project and receivables of Purva Swanlake and Purva Moneto. The outstanding as on 30 June 2010 on this overdraft account was Rs.740.70 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 June 2010 was Rs.3.20 million.

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

	30 Jun 2010	**30 Jun 2009**	**31 Mar 2010**
	Rs.	Rs.	Rs.
Term loans	2,418,825,437	1,466,150,060	1,800,706,301
Debentures, Overdrafts and Other loans	758,025,935	15,839,744	1,305,247,613
	3,176,851,372	1,481,989,804	3,105,953,914

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 June 2010 was Rs.193.90 million.

6 Deferred Tax Liability (Net)

Deferred tax liability arising on account of depreciation	9,541,441	22,913,238	8,649,584
Less: Deferred tax asset arising on account of:			
Expenses allowable on payment basis			
Gratuity	352,266	-	-
Leave encashment	276,773	-	-
	8,912,402	**22,913,238**	**8,649,584**

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 Jun 2010	As at 31 Mar 2010
Tangible Assets										
Buildings	37,074,680	-	-	37,074,680	2,226,867	150,665	-	2,377,532	34,697,148	34,847,813
Plant & Machinery	267,135,400	-	-	267,135,400	72,032,877	2,832,013	-	74,864,890	192,270,510	195,102,523
Office Equipment	13,268,444	133,608	-	13,402,052	3,367,527	163,422	-	3,530,949	9,871,103	9,900,917
Computers	23,020,310	241,915	-	23,262,225	13,084,367	837,189	-	13,921,556	9,340,669	9,935,943
Furniture & Fixtures	13,262,495	-	-	13,262,495	5,051,817	180,391	-	5,232,208	8,030,287	8,210,678
Vehicles	69,980,152	1,457,144	-	71,437,296	28,013,587	1,690,309	-	29,703,896	41,733,400	41,966,565
Shuttering Material	198,115,907	-	-	198,115,907	146,004,112	2,887,035	-	148,891,147	49,224,760	52,111,795
Intangible Assets										
Computer Software	20,177,920	561,673	-	20,739,593	9,912,804	719,402	-	10,632,206	10,107,387	10,265,116
Total	**642,035,308**	**2,394,340**	-	**644,429,648**	**279,693,958**	**9,460,426**	-	**289,154,384**	**355,275,264**	**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**	

	30 Jun 2010	30 Jun 2009	31 Mar 2010
	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 Jun 2009- 4,410,000; 31 Mar 2010- 4,410,000) of Rs.10 each at par	790,620,380	657,331,016	790,751,296
17,640,000 13.25% cumulative, redeemable, convertible Preference Shares (30 Jun 2009- 17,640,000; 31 Mar 2010- 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 Jun 2009- 362,600; 31 Mar 2010- 362,600) of Rs.610 each, fully paid	231,842,446	209,031,136	223,915,972
	1,198,862,826	**1,042,762,152**	**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	173,659,351	70,155,617	314,810,839
Less: Deletions during the period	104,105,194	-	691,669,822
Less: Transferred to Properties Under Development	-	-	19,768,465
	13,597,274,231	**13,994,503,139**	**13,527,720,074**
10 Cash and Bank Balances			
Cash in hand	4,844,089	5,570,868	4,750,579
Balances with Banks:			
In current accounts	388,770,227	117,361,279	620,972,631
In deposit accounts	162,046,911	139,415,612	156,428,212
	555,661,227	**262,347,759**	**782,151,422**
11 Trade Debtors			
(Unsecured and considered good)			
Debts outstanding over six months	590,610,703	744,092,458	587,143,423
Debts outstanding less than six months	611,105,569	499,931,945	524,861,234
	1,201,716,272	**1,244,024,403**	**1,112,004,657**
12 Properties Under Development			
Land cost	3,074,739,828	2,875,388,749	3,030,098,510
Material and construction cost	9,243,854,883	6,893,049,638	8,337,645,457
Profit recognized to-date	3,464,746,779	2,323,825,718	3,057,886,297
Less: Progress payments received and receivable	8,632,504,739	6,067,525,901	7,623,813,074
	7,150,836,751	**6,024,738,204**	**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	26,359,076	15,119,890	157,213,723
Less: Sales during the period	55,672,523	42,631,366	268,901,343
Less: Write downs during the period	-	-	31,997,712
Add: Write backs during the period	-	-	22,634,585
	823,139,657	**945,992,375**	**852,453,104**

	30 Jun 2010	30 Jun 2009	31 Mar 2010
	Rs.	Rs.	Rs.
14 Loans and Advances			
(Unsecured and considered good)			
Advances to suppliers *	436,012,722	234,202,825	444,327,391
Advances for land contracts *	1,151,999,262	1,113,853,881	1,151,732,819
Deposits	553,925,519	509,675,167	521,324,651
Loans to associates *	193,988,425	146,290,115	174,067,759
Advance tax (net of provision)	30,034,238	75,874,553	62,435,660
Taxes and duties recoverable	461,929,894	451,154,935	385,417,621
Prepaid expenses *	883,188	1,482,451	1,416,721
Other advances *	138,572,075	185,416,636	142,321,899
	2,967,345,323	**2,717,950,563**	**2,883,044,521**

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

	30 Jun 2010	30 Jun 2009	31 Mar 2010
15 Current Liabilities			
Trade creditors	477,764,839	1,010,407,925	576,839,585
Advances received from customers	2,461,183,722	3,025,432,763	2,550,164,297
Duties and taxes payable	10,564,003	4,346,640	11,054,327
Security deposits	30,996,146	38,554,736	30,796,146
Dues to related parties	295,619,721	545,265,037	457,690,877
Other liabilities	117,269,767	165,920,453	159,785,019
Dividend payable	213,424,335	-	-
Dividend tax payable	36,271,466	-	-
Unpaid Dividend	93,344	93,344	93,344
	3,643,187,343	**4,790,020,898**	**3,786,423,595**
16 Provisions			
Provision for gratuity	18,307,663	-	15,709,003
Provision for vacation pay	18,205,111	11,764,820	15,948,308
Proposed dividend	-	-	213,424,335
Tax on proposed dividend	-	-	36,271,466
	36,512,774	**11,764,820**	**281,353,112**

	Quarter ended 30 Jun 2010 Rs.	Quarter ended 30 Jun 2009 Rs.
17 Revenues		
Revenue from projects	1,155,978,633	547,410,179
Rental income	3,780,942	6,630,023
Income from interiors	3,184,135	5,615,931
	1,162,943,710	**559,656,133**
18 Cost of Revenues		
Construction cost		
Material and contract costs	445,478,171	169,272,273
Staff costs	40,553,591	34,859,779
Depreciation	6,205,731	10,548,231
Other direct costs	74,550,307	128,328,199
	566,787,800	343,008,482
Land cost	97,032,854	40,558,271
	663,820,654	**383,566,753**
19 Selling Expenses		
Staff costs	9,595,316	7,584,476
Advertising and sales promotion	20,443,328	6,973,469
Sales incentives and commission	1,754,101	633,660
Brokerage and referral charges	2,933,341	159,684
Travel and conveyance	1,186,211	768,765
Communication	465,758	629,930
Depreciation	358,849	351,412
	36,736,904	**17,101,396**
20 General and Administrative Expenses		
Staff costs	36,809,342	29,237,766
Depreciation	2,895,846	2,879,696
Rates and taxes	5,660,310	9,942,505
Repairs and maintenance - others	6,444,099	5,360,817
Legal and professional charges	7,588,005	4,107,918
Audit fees	600,000	600,000
Communication costs	2,095,326	2,569,328
Printing and stationery	1,162,142	631,261
Travelling and conveyance	5,021,718	3,495,036
Security charges	3,152,815	3,797,892
Foreign exchange loss/(gain)	(1,427,817)	(758,973)
Miscellaneous expenses	1,927,998	894,808
	71,929,784	**62,758,054**

	Quarter ended 30 Jun 2010 Rs.	Quarter ended 30 Jun 2009 Rs.
21 Finance Income/(Charges)		
Interest expenses on loans and cash credits	(306,020,011)	(301,127,649)
Loan and other processing charges	(30,383,890)	(500,000)
Less:		
Expended as part of Cost of Revenue	85,214,748	50,935,994
Capitalized and included in Properties Under Development	194,686,802	194,229,054
Capitalized and included in Properties Held for Development	47,830,727	46,324,213
Less: Finance Income:		
Bank deposits	3,628,465	6,475,621
Loan to associates	2,870,666	2,633,044
Interest received from customers	5,209,769	4,018,337
	3,037,276	**2,988,614**
22 Provision for Tax		
Current tax	34,133,319	1,137,339
Deferred tax charge/(credit)	262,818	155,893
	34,396,137	**1,293,232**
23 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	366,893,065	102,447,345
Earnings per share:		
Basic and diluted	1.72	0.48
Nominal value per equity share	5.00	5.00

Puravankara Projects Limited

24 Stock-based compensation

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

The disclosures for the quarter ended 30 June 2010 have been provided below:

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

	30 Jun 2010	30 Jun 2009	
	Shares arising out of options	**Shares arising out of options**	**Weighted average exercise price**
	(Numbers)	**(Numbers)**	**Rs**
At the beginning of the quarter	483,000	966,000	465.86
Granted during the quarter	-	-	-
Forfeited during the quarter	-	-	-
Lapsed during the quarter	-	289,800	-
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 June 2010 was Rs. 465.86 and they had weighted average remaining contractual life of 6 months.

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

	Quarter ended 30 Jun 2010	Quarter ended 30 Jun 2009
	Rs.	Rs.
Net profit, as reported	366,893,065	102,447,345
Add: Stock-based employee compensation expense included in the Profit and loss account	-	-
Less: Stock based employee compensation expense determined under the fair value method	3,205,820	5,734,729
Proforma net income	363,687,245	96,712,616
Earnings per share – Basic		
As reported	1.72	0.48
Pro forma	1.70	0.45
Earnings per share – Diluted		
As reported	1.72	0.48
Pro forma	1.70	0.45

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%

25 Leases

Properties taken on operating lease

The lease expense for cancellable and non-cancellable operating leases was Rs.7,896,401 for the quarter ended 30 June 2010 (30 June 2009 - Rs. 9,214,227). Lease commitments under the non-cancellable operating leases as at the Balance Sheet date were as follows:-

	Particulars	30 Jun 2010	30 Jun 2009	31 Mar 2010
		Rs.	Rs.	Rs.
a)	Within one year	1,477,888	6,352,875	1,598,005
b)	Within one to five years	2,090,228	3,320,616	2,402,786
	Total	**3,568,116**	**9,673,491**	**4,000,791**

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.3,780,942 for the quarter ended 30 June 2010 (30 June 2009 - Rs. 6,630,023). Minimum amount of future lease rentals receivable under the non-cancellable operating lease agreement are:-

		30 Jun 2010	30 Jun 2009	31 Mar 2010
		Rs.	Rs.	Rs.
a)	Within one year	2,727,080	8,776,444	4,553,947
b)	Within one to five years	-	3,703,073	274,020
		2,727,080	**12,479,517**	**4,827,967**

26 Other commitments and contingencies

a)	Demand from Service Tax Department	17,100,000	17,100,000	17,100,000

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

27 Related party transactions

(i) Parties where control exists

Key Management Personnel:

Mr. Ravi Puravankara

(ii) Relatives of Key Management Personnel:

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

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

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

Puravankara Projects Limited

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

Nature of Transaction	Associates		Key Management Personnel		Relatives of Key Management Personnel		Other Related Parties	
	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09
Transactions during the quarter:								
Interest on loans								
Keppel Puravankara Development Private Limited	547,277	539,213	-	-	-	-	-	-
Keppel Magus Development Private Limited	2,323,389	2,093,831	-	-	-	-	-	-
Loans given to								
Propmart Technologies Limited	17,050,000	-	-	-	-	-	-	-
Dealwel Estates Private Limited	-	-	-	-	-	-	13,000	-
Loans taken from								
Ravi Puravankara	-	-	-	96,000,000	-	-	-	-
Loans repaid to								
Ravi Puravankara	-	-	158,200,000	-	-	-	-	-
Security and maintenance expenses								
Handiman Services Limited	-	-	-	-	-	-	15,917,567	13,876,306
Rental expenses								
Dealwel	-	-	-	-	-	-	173,644	496,125
Brokerage expenses								
Propmart Technologies Limited	234,489	-	-	-	-	-	-	-
Remuneration								
Ravi Puravankara	-	-	3,888,000	3,888,000	-	-	-	-
Ashish Puravankara	-	-	-	-	2,504,589	2,127,339	-	-
Balances at the quarter end:								
Loans given to								
Propmart Technologies Limited	85,335,000	46,185,000	-	-	-	-	-	-
Keppel Puravankara Development Private Limited	27,788,013	27,229,446	-	-	-	-	-	-
Keppel Magus Development Private Limited	80,865,412	72,875,669	-	-	-	-	-	-
Dealwel Estates Private Limited	-	-	-	-	-	-	13,000	-
Advances for land contracts paid to								
Geeta S Vhatkar	-	-	-	-	142,300,016	142,300,016	-	-
Security Deposits paid to								
Dealwel	-	-	-	-	-	-	1,500,000	1,500,000
Puravankara Investments	-	-	-	-	-	-	4,500,000	4,500,000
Dues to								
Handiman Services Limited	-	-	-	-	-	-	1,299,905	7,118,976
Puravankara Investments	-	-	-	-	-	-	19,778,540	19,298,540
Purva Development	-	-	-	-	-	-	1,776,276	1,776,276
Purva Properties and Resorts Private Limited	-	-	-	-	-	-	15,000	15,000
Ravi Puravankara	-	-	272,750,000	515,950,000	-	-	-	-

Puravankara Projects Limited

28 Employee benefits

A. Defined benefit plan

The Company has gratuity and vacation pay as defined benefit retirement plans for its employees. Disclosures as required by AS 15 for the year ended 30 June 2010 are as under:

	For the quarter ended 30 Jun 2010		For the quarter ended 30 Jun 2009	
	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	48,085,396	18,205,111	11,199,597	11,764,820
Fair value of plan assets as at the end of the period	(29,777,733)	-	(17,937,940)	-
Net liability/(asset) recognized in the Balance Sheet	**18,307,663**	**18,205,111**	**(6,738,343)**	**11,764,820**
2 The amounts recognized in the Profit and Loss Account are as follows:				
Service cost	2,792,583	2,725,429	825,643	1,324,057
Interest cost	856,963	294,614	186,796	231,000
Expected return on plan assets	(579,707)	-	(307,699)	-
Net actuarial (gain)/loss recognized in the period	(471,179)	(243,709)	(534,373)	(2,110,330)
Expense recognized in the Profit and Loss Account of the period	**2,598,660**	**2,776,334**	**170,367**	**(555,273)**
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	2,792,583	2,725,429	825,643	1,324,057
Interest cost	856,963	294,614	186,796	231,000
Actuarial losses/(gains)	(151,218)	(243,709)	(269,768)	(2,110,330)
Benefits paid	(214,615)	(519,531)	(434,309)	(1,759,809)
Defined benefit obligation as at the end of the period	**48,085,396**	**18,205,111**	**11,199,597**	**11,764,820**
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	579,707	-	307,699	-
Actuarial (loss)/ gains	319,961	-	264,605	-
Contributions	-	519,531	-	1,759,809
Benefits paid	(214,615)	(519,531)	(434,309)	(1,759,809)
Fair value as at the end of the period	**29,777,733**	-	**17,937,940**	-
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 Rs. 1,783,693 for the quarter ended 30 June 2010 (30 June 2009 - Rs. 1,930,118).

29 Segmental Information

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

30

Revenues from Projects for the quarter ended 30 June 2010 includes Rs.101,350,350 from the sale of 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

Nani R Choksey **Director**	**Ashish Puravankara** **Director**	**Kiran Chappar** **Company Secretary**

Bangalore
29 July 2010

Puravankara Projects Limited

Consolidated Cash Flow Statement

	Quarter ended 30 Jun 2010 Rs.	Quarter ended 30 Jun 2009 Rs.
A. Cash flow from operating activities		
Profit before tax	**401,289,202**	**103,740,577**
Adjustments for:		
Depreciation and amortization	9,460,426	13,779,339
Interest income	(11,708,900)	(13,127,002)
Interest expense, net of capitalization	8,671,624	10,138,388
Share of (profit)/loss in associates	(7,795,558)	(4,522,033)
Operating profit before working capital changes	**399,916,794**	**110,009,269**
Movements in working capital :		
(Increase) / Decrease in trade debtors	(89,881,614)	(97,876,893)
(Increase) / Decrease in inventories	20,174,816	8,135,067
(Increase) / Decrease in loans and advances	(55,749,021)	55,910,228
(Increase) / Decrease in properties under development	(69,118,011)	(79,822,048)
(Increase) / Decrease in properties held for sale	29,313,447	27,511,476
Increase / (Decrease) in current liabilities and provisions	(193,320,319)	21,602,541
Cash (used in) / received from operations	**41,336,092**	**45,469,640**
Direct taxes paid	(40,266,991)	(3,390,000)
Net cash from / (used in) operating activities	**1,069,101**	**42,079,640**
B. Cash flows from investing activities		
Purchase of fixed assets	(2,394,340)	(570,968)
Loans to associates	(17,050,000)	-
Properties held for development	(21,723,429)	(23,831,405)
Net investment in bank deposits and margin monies	(5,618,699)	(4,973,773)
Interest received	6,340,790	5,713,861
Net cash from /(used in) investing activities	**(40,445,678)**	**(23,662,285)**
C. Cash flows from financing activities		
Proceeds from term loans	1,541,200,000	420,000,000
Repayment of term loans	(372,399,126)	(291,643,829)
Repayment of debentures	(550,000,000)	-
Premium on redemption of debentures	(18,700,000)	-
Proceeds from /(repayments of) short-term borrowings	(261,673,019)	22,873,375
Loans from related parties	-	96,000,000
Loans repaid to related parties	(158,200,000)	-
Interest paid	(372,960,172)	(276,212,754)
Net cash generated from / (used in) financing activities	**(192,732,317)**	**(28,983,208)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**(232,108,894)**	**(10,565,853)**
Cash and cash equivalents at the beginning of the quarter	**625,723,210**	**133,498,000**
Cash and cash equivalents at the end of the quarter	**393,614,316**	**122,932,147**
Components of cash and cash equivalents		
Cash and bank balances (as per Note 10 to the financial statements)	555,661,227	262,347,759
Less: Bank deposits and margin monies considered separately	162,046,911	139,415,612
	393,614,316	**122,932,147**

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

For Walker, Chandiok & Co	**For and on behalf of the Board of Directors**		
Chartered Accountants			
Per Aashish Arjun Singh	**Nani R Choksey**	**Ashish Puravankara**	**Kiran Chappar**
Partner	**Director**	**Director**	**Company Secretary**
Bangalore	**Bangalore**		
29 July 2010	**29 July 2010**		