The information in this Red Herring Prospectus is not complete and may be changed. The Issue is meant only for Eligible QIBs and is not an offer to any other class of investors to purchase or subscribe for the Equity Shares. This Red Herring Prospectus is not soliciting an offer to subscribe to or buy Equity Shares in any jurisdiction where such offer or subscription is not permitted. It is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be Allotted through the Prospectus.

PRESTIGE ESTATES PROJECTS LIMITED

(Incorporated in the Republic of India with limited liability with Company Identification Number U07010KA1997PTC022322 under the Companies Act, 1956)

Issue of up to 42,660,210 equity shares of face value ₹ 10 each (the "**Equity Shares**") of Prestige Estates Projects Limited (the "**Company**"), with a right, exercisable by the Book Running Lead Managers (as defined hereinafter) in consultation with the Company, to Allot (as defined hereinafter) an additional up to 4,266,020 Equity Shares in case of over subscription, at the Issue Price (as defined hereinafter) determined in accordance with the SEBI Approval (as defined hereinafter) or up to 19,932,937 Equity Shares with a right exersieable by the Book Running Lead Managers in consultation with the Company to Allot an additional up to 1,993,293 Equity Shares in case of over subscription at the Issue Price , as the case may be, according to the Allotment Criteria (as defined hereinafter), aggregating to ₹ [●] million (the "**Issue**"). The Issue Price is ₹ [●] per Equity Share. The Company has obtained the approval of the Securities and Exchange Board of India ("**SEBI**") in accordance with its letter dated December 18, 2012, for the issue and Allotment of Equity Shares not exceeding 46,926,230 Equity Shares, pursuant to this Issue (the "**SEBI Approval**"), please see – "Issue Procedure-SEBI Approval".

THIS ISSUE AND THE DISTRIBUTION OF THIS RED HERRING PROSPECTUS (THE "RED HERRING PROSPECTUS") IS BEING MADE IN RELIANCE ON CHAPTER VIII-A OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 (THE "SEBI REGULATIONS"). THIS RED HERRING PROSPECTUS DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO ANY PERSON OR CLASS OF INVESTORS OTHER THAN ELIGIBLE QUALIFIED INSTITUTIONAL BUYERS ("ELIGIBLE QIBS") (AS DEFINED HEREINAFTER) WITHIN OR OUTSIDE INDIA.

ISSUE ONLY TO ELIGIBLE QUALIFIED INSTITUTIONAL BUYERS

The Issue is being made through the Institutional Placement Programme, wherein at least 25% of the aggregate number of Equity Shares to be Allotted in the Issue shall be Allocated and Allotted to Mutual Funds (as defined hereinafter) and Insurance Companies (as defined hereinafter), subject to valid ASBA Applications (as defined hereinafter) being received at or above the Issue Price, provided that if this portion or any part thereof to be Allotted to Mutual Funds and Insurance Companies remains unsubscribed, such minimum portion or part thereof may be Allotted to other Eligible QIBs. Eligible QIBs may participate in this Issue only through an application supported by blocked amount ("**ASBA**") providing details about the ASBA Account (as defined hereinafter) which will be blocked by the Self Certified Syndicate Bank. For details, see "***Issue Procedure***".

This Red Herring Prospectus has not been reviewed or approved by the SEBI, the Reserve Bank of India ("**RBI**"), The National Stock Exchange of India Limited (the "**NSE**"), the BSE Limited (the "**BSE**", together with the NSE the "**Stock Exchanges**") and is intended only for use by Eligible QIBs. A copy of this Red Herring Prospectus has been delivered to the Stock Exchanges and SEBI and for registration to the Registrar of Companies, Bengaluru, Karnataka (the "**RoC**"). Copies of the Prospectus will be filed with the Stock Exchanges, SEBI and the RoC. This Red Herring Prospectus will only be circulated or distributed to Eligible QIBs, and will not constitute an offer to any other class of investors in India or any other jurisdiction. The Equity Shares offered in the Issue have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of this Red Herring Prospectus.

The Equity Shares of the Company are listed and traded on the BSE and the NSE. The Equity Shares offered in the Issue are securities of the Company of the same class and in all respects uniform as the Equity Shares listed and traded on the Stock Exchanges. In-principle approvals under Clause 24(a) of the Equity Listing Agreement for listing of the Equity Shares offered in the Issue have been received from the Stock Exchanges. Applications will be made to the Stock Exchanges for obtaining listing and trading approvals for the Equity Shares offered through this Red Herring Prospectus. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares offered in the Issue to trading on the Stock Exchanges should not be taken as an indication of the merits of the business of the Company or such Equity Shares.

INVESTMENTS IN EQUITY SHARES INVOLVE A DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THIS ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "RISK FACTORS" BEFORE MAKING AN INVESTMENT DECISION IN THIS ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS RED HERRING PROSPECTUS.

Invitations, offers and issuances of Equity Shares offered in the Issue shall only be made pursuant to this Red Herring Prospectus together with the ASBA Applications and Confirmation of Allocation Notes. Please see "***Issue Procedure***". The distribution of this Red Herring Prospectus or the disclosure of its contents without the prior consent of the Company to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their subscription of the Equity Shares offered in the Issue is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Red Herring Prospectus, agrees to observe the foregoing restrictions and make no copies of this Red Herring Prospectus or any documents referred to in this Red Herring Prospectus.

The information on the website of the Company or any website directly or indirectly linked to the website of the Company, other than this Red Herring Prospectus, does not form part of this Red Herring Prospectus and prospective investors should not rely on such information contained in, or available through, any such website.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered or sold within the United States or to, or for the account of U.S. persons (as defined in Regulation S under the U.S. Securities Act ("Regulation S") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold only (1) in the United States to institutions that are "qualified institutional buyers" as defined in Rule 144A ("Rule 144A") under the U.S. Securities Act, and (2) outside the United States to non-U.S. persons in compliance with Regulation S and the applicable laws of the jurisdictions where those offers and sales occur. Prospective purchasers that are "qualified institutional buyers" as defined in Rule 144A are hereby notified that the sellers of Equity Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. The Equity Shares are not transferable except in accordance with the restrictions described under "Purchaser Representations and Transfer Restrictions" of this Red Herring Prospectus. In particular, purchasers of Equity Shares who are U.S. persons or inside the United States may only reoffer, resell, pledge or otherwise transfer the Equity Shares to non-U.S. persons in an "offshore transaction" in accordance with Rule 903 or Rule 904 of Regulation S. Purchasers in the U.S. Issue are required to make various representations set forth under the heading "Purchaser Representations and Transfer Restrictions – U.S. Issue Purchaser Representations and Transfer Restrictions".

BOOK RUNNING LEAD MANAGERS (In aphabetical order)		REGISTRAR TO THE ISSUE
CLSA ASIA-PACIFIC MARKETS	J.P.Morgan	LINK INTIME INDIA PVT LTD
CLSA India Limited 8/F, Dalamal House Nariman Point Mumbai 400 021 Tel: +91 22 6650 5050 Fax: +91 22 2285 6524 Email: prestige.ipp@clsa.com Website: www.india.clsa.com Contact Person: Sarfaraz Agboatwala	**J.P. Morgan India Private Limited** J.P. Morgan Tower, Off. C.S.T. Road Kalina, Santacruz - East Mumbai 400 098 Tel: (91 22) 6157 3000 Fax: (91 22) 6157 3911 Email: prestige_ipp@jpmorgan.com Website: www.jpmipl.com Contact Person: Ranjan Sharma	**Link Intime India Private Limited** C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West) Mumbai 400 078 Maharashtra, India Tel: (91 22) 2596 7878 Fax: (91 22) 2596 0329 Email: pepl.ipp@linkintime.co.in Website: www.linkintime.co.in Contact Person: Sachin Achar

ISSUE PROGRAMME *			
ISSUE OPENS ON	**[●]**	**ISSUE CLOSES ON**	**[●]**

** Details of the Issue programme shall be disclosed in the Floor Price / Price Band Announcement to be issued at least one day prior to the Issue Opening Date. Investors should refer to the pre-Issue advertisement and the Floor Price / Price Band Announcement for further details. Investors are advised to read the above mentioned announcements together with this Red Herring Prospectus.*

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NOTICE TO INVESTORS

The Company has furnished and accepts full responsibility for all of the information contained in this Red Herring Prospectus and, having made all reasonable enquiries confirms that, this Red Herring Prospectus contains all information with respect to the Company and the Equity Shares offered in the Issue that is material in the context of the Issue. The statements contained in this Red Herring Prospectus relating to the Company and the Equity Shares are, in every material respect, true and accurate and not misleading. The opinions and intentions expressed in this Red Herring Prospectus with regard to the Company and the Equity Shares are honestly held, have been reached after considering all relevant circumstances, are based on information presently available to the Company and are based on reasonable assumptions. There are no other facts in relation to the Company and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Red Herring Prospectus misleading in any material respect. Further, all reasonable enquiries have been made by the Company to ascertain such facts and to verify the accuracy of all such information and statements.

No person is authorised to give any information or to make any representation not contained in this Red Herring Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Company or CLSA India Limited and J.P. Morgan India Private Limited (the "**Book Running Lead Managers**"). The delivery of this Red Herring Prospectus at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares offered in the Issue have not been approved, disapproved or recommended by the U.S. Securities and Exchange Commission, any state securities commission in the United States or the securities commission of any non-U.S. jurisdiction or any other U.S. or non-U.S. regulatory authority. No authority has passed on or endorsed the merits of this Issue or the accuracy or adequacy of this Red Herring Prospectus. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities law. The Equity Shares offered in the Issue are being offered and sold (i) outside the United States in offshore transactions in reliance on Regulation S and (ii) within the United States to "qualified institutional buyers" as defined in Rule 144A of the U.S. Securities Act. Prospective purchasers are hereby notified that the Company is relying on the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A. The Equity Shares offered in the Issue are transferable only in accordance with the restrictions described in "***Purchaser Representations and Transfer Restrictions***". All purchasers will be required to make the applicable representations set forth in "***Purchaser Representations and Transfer Restrictions***".

The distribution of this Red Herring Prospectus and the Issue may be restricted by law in certain countries or jurisdictions. As such, this Red Herring Prospectus does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by the Company or the Book Running Lead Managers which would permit an offering of the Equity Shares offered in the Issue or distribution of this Red Herring Prospectus in any country or jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares to be issued pursuant to the Issue may not be offered or sold, directly or indirectly, and neither this Red Herring Prospectus nor any Issue materials in connection with the Equity Shares offered in the Issue may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

This Red Herring Prospectus has been filed with SEBI and the Stock Exchanges and delivered to the RoC for registration, and has been displayed on the websites of the Stock Exchanges and the Company stating that it is in connection with the Institutional Placement Programme and that the offer is being made only to Eligible QIBs.

In making an investment decision, investors must rely on their own examination of the Company and the terms of

the Issue, including the merits and risks involved. Investors should not construe the contents of this Red Herring Prospectus as legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, none of the Company or the Book Running Lead Managers are making any representation to any offeree or subscriber of the Equity Shares offered in the Issue regarding the legality of an investment in such Equity Shares by such subscriber or purchaser under applicable laws or regulations.

Each Eligible QIB subscribing to the Equity Shares offered in the Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in the Company under Indian law, including Chapter VIII-A of the SEBI Regulations, and is not prohibited by SEBI or any other statutory authority from buying, subscribing to, selling or dealing in securities.

The information on the Company's website, except this Red Herring Prospectus, or the website of the Book Running Lead Managers does not constitute nor form part of this Red Herring Prospectus. Prospective investors should not rely on the information contained in, or available through such websites, except this Red Herring Prospectus. This Red Herring Prospectus contains summaries of terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents.

NOTICE TO INVESTORS IN THE UNITED STATES

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Red Herring Prospectus. Any representation to the contrary is a criminal offence in the United States.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or under the securities laws of any state or other jurisdiction of the United States. The Equity Shares are being offered and sold only to (i) non-U.S. persons in offshore transactions in reliance on Regulation S, and (ii) to institutions in the United States that are "qualified institutional buyers" as defined in Rule 144A. Prospective purchasers in the United States are hereby notified that the sellers of Equity Shares offered hereby may be relying on the exemption from the registration requirements under Section 5 of the Securities Act provided by Rule 144A. The Equity Shares are transferable only in accordance with the restrictions described under "*Purchaser Representations and Transfer Restrictions*" of this Red Herring Prospectus. In particular, purchasers of Equity Shares who are U.S. persons or inside the United States may only reoffer, resell, pledge or otherwise transfer the Equity Shares to non-U.S. persons in an "offshore transaction" in accordance with Rule 903 or Rule 904 of Regulation S. Purchasers in the U.S. Issue will be required to make the various representations set forth in the ASBA Application, which are also included in this Red Herring Prospectus under the heading "*Purchaser Representations and Transfer Restrictions – U.S. Issue Purchaser Representations and Transfer Restrictions*" of this Red Herring Prospectus.

Each purchaser of Equity Shares inside the United States or who is a U.S. person will be required to represent and agree, among other things, that such purchaser (i) is a U.S. QIB; and (ii) will only reoffer, resell, pledge or otherwise transfer the Equity Shares in an "offshore transaction" in accordance with Rule 903 or Rule 904 of Regulation S.

This Red Herring Prospectus is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the particular securities described herein. The information contained in this Red Herring Prospectus has been provided by the Company and other sources identified herein.

Distribution of this Red Herring Prospectus to any person other than the offeree specified by the Book Running Lead Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized, and any disclosure of its contents, without prior written consent of the Company, is prohibited.

Any reproduction or distribution of this Red Herring Prospectus in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("RSA 421-B") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

REPRESENTATIONS BY INVESTORS

By subscribing to any Equity Shares offered in the Issue, you are deemed to have represented, warranted, acknowledged and agreed to the Company and the Book Running Lead Managers, as follows:

- You are an "Eligible QIB" (hereinafter defined), having a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares offered in the Issue that are Allotted to you in accordance with Chapter VIII-A of the SEBI Regulations;

- You are not a FVCI or a multilateral or bilateral financial institution;

- You are eligible to invest in India under applicable law, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities;

- If you are not a resident of India, but are an Eligible QIB, you are a FII (hereinafter defined) (including a sub-account other than a sub-account which is a foreign corporate or a foreign individual), having a valid and existing registration with SEBI under the applicable laws in India and are eligible to invest in India under applicable law, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities. You are investing in the Issue under the Portfolio Investment Scheme and will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws;

- If you are Allotted the Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell such Equity Shares so acquired except on the Stock Exchanges;

- You are aware that this Red Herring Prospectus has not been reviewed, verified or affirmed by SEBI, RBI, the Stock Exchanges or any other regulatory or listing authority, other than the RoC, and is intended only for use by the Eligible QIBs;

- You are entitled to subscribe for the Equity Shares offered in the Issue under the laws of all relevant jurisdictions that apply to you and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied with all necessary formalities, to enable you to commit to participation in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Red Herring Prospectus), and will honour such obligations;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by the Company or its agents (the "**Company Presentations**") with regard to the Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Managers may not have knowledge of the statements that the Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Book Running Lead Managers have advised you not to rely in any way on any information that was provided to you at any such Company Presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material or price sensitive information relating to the Company and the Issue that was not made publicly available by the Company;

- Neither the Company nor the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates are making any

recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares offered in the Issue, be a client of the Book Running Lead Managers. Neither the Book Running Lead Managers nor any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have any duties or responsibilities to you for providing the protection afforded to its or their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

- All statements other than statements of historical facts included in this Red Herring Prospectus, including those regarding the Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Company's business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and environment in which the Company will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Red Herring Prospectus;

- You are aware of and understand that the Equity Shares to be issued pursuant to the Issue are being offered only to Eligible QIBs and are not being offered to the general public and the Allocation and Allotment shall be in accordance with the Basis of Allocation, Allotment Criteria and the CAN. See "***Issue Procedure***";

- You have made, or been deemed to have made, as applicable, the representations and warranties set forth in "***Purchaser Representations and Transfer Restrictions***" and "***Selling Restrictions***";

- You have read this Red Herring Prospectus in its entirety, including in particular, "**Risk Factors**";

- In making your investment decision, you have (i) relied on your own examination of the Company and the terms of the Issue, including the merits and risks involved, (ii) made your own assessment of the Company on a consolidated basis, the Equity Shares offered in the Issue and the terms of the Issue based solely on the information contained in the Red Herring Prospectus and publicly available information about the Company and no other disclosure or representation by us or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, the effects of local laws, (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of the Company and the Equity Shares offered in the Issue, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

- Neither the Book Running Lead Managers nor any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares offered in the Issue (including the Issue and the use of proceeds from such Equity Shares). You will obtain your own independent tax advice and will not rely on the Book Running Lead Managers or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares offered in the Issue (including, in relation to the Issue and the use of proceeds from the Equity Shares offered in the Issue). You waive, and agree not to assert any claim against, any of the Company, the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares offered in the Issue or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor who is seeking to subscribe to the Equity Shares offered in the Issue for your own investment and not with intent to distribute such Equity Shares and have such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares offered in the Issue. You and any accounts for which you are subscribing

to the Equity Shares offered in the Issue (i) are each able to bear the economic risk of the investment in the Equity Shares to be issued pursuant to the Issue, (ii) are able to sustain a complete loss on the investment in the Equity Shares to be issued pursuant to the Issue, (iii) have no need for liquidity with respect to the investment in the Equity Shares offered in the Issue, (iv) have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of subscribing to the Equity Shares offered in the Issue, and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares offered in the Issue. You acknowledge that an investment in the Equity Shares offered in the Issue involves a high degree of risk and that such Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares offered in this Issue for your own investment and not with a view to resale or distribution;

- If you are acquiring the Equity Shares offered in the Issue, for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and make the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to 'you' to include such accounts;

- You are neither a Promoter (hereinafter defined) nor a person related to the Promoters, either directly or indirectly, and your ASBA Application does not directly or indirectly represent the Promoters or the Promoter Group (hereinafter defined) or persons related to the Promoters. For the purposes of this representation you will be deemed to be related to the Promoters if you have any rights under any shareholders' agreement or voting agreement entered into with the Promoters or persons related to the Promoters, any veto rights or any right to appoint any nominee director on the Board, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares;

- You have no right to withdraw your ASBA Application or revise the price per Equity Share or the number of Equity Shares mentioned in your ASBA Application downwards;

- You are eligible to apply for and hold the Equity Shares offered in the Issue, which are Allotted to you together with any Equity Shares held by you prior to the Issue. You confirm that your aggregate holding after the Allotment of the Equity Shares offered in the Issue shall not exceed the level permissible as per any applicable regulations;

- The ASBA Application submitted by you would not result in triggering a tender offer under the Takeover Regulations (hereinafter defined);

- You, together with other Eligible QIBs that belong to the same group as you or are under common control with you, shall not be Allotted Equity Shares in excess of 25% of the aggregate number of Equity Shares Allotted in the Issue. For the purposes of this representation:

  a. The expression 'belong to the same group' shall have the same meaning as 'companies under the same group' as provided in sub-section (11) of Section 372 of the Companies Act (hereinafter defined); and

  b. The expression 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations;

  For meaning of the terms 'companies under the same group' under sub-section (11) of Section 372 of the Companies Act and 'control' under Regulation 2(1)(e) of the Takeover Regulations, see "***Issue Procedure***".

- You shall not undertake any trade in the Equity Shares issued pursuant to the Issue and credited to your Depository Participant account until such time that the final listing and trading approvals for such Equity Shares are issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Clause 24(a) of the Equity Listing Agreement, for listing and admission of the Equity Shares offered in the Issue and for trading on the Stock Exchanges, were made and approval has been received from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made after Allotment of the Equity Shares in the Issue. There can be no assurance that the final approvals for listing of the Equity Shares issued pursuant to the Issue will be obtained in time, or at all. The Company shall not be responsible for any delay or non-receipt of such final approvals or any loss arising from such delay or non-receipt;

- By participating in the Issue, you confirm that you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Book Running Lead Managers or the Company or any of their respective affiliates or any other person acting on their behalf and neither the Book Running Lead Managers nor the Company nor any of their respective affiliates or other person acting on their behalf will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;

- You confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares offered in the Issue is contained in this Red Herring Prospectus, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares offered in the Issue and neither the Book Running Lead Managers nor the Company will be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;

- The Book Running Lead Managers do not have any obligation to purchase or acquire all or any part of the Equity Shares subscribed for by you or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by the Company of any of its obligations or any breach of any representations and warranties by the Company, whether to you or otherwise;

- You understand that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly, may not be offered or sold within the United States, except in reliance on an exemption from the registration requirements of the U.S. Securities Act;

- If you are a resident of the United States, you are a "qualified institutional buyer" as defined in Rule 144A under the U.S. Securities Act and are acquiring the Equity Shares offered in the Issue for your own account and not with a view for distribution;

- If you are not within the United States, you are acquiring the Equity Shares offered in the Issue in an offshore transaction meeting the requirements of Rule 905 or Rule 904 of Regulation S;

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Bengaluru, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Issue, this Red Herring Prospectus and the Prospectus;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares issued pursuant to the Issue on the Stock Exchanges;

- You agree to indemnify and hold the Company, the Book Running Lead Managers and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach or alleged breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Red Herring Prospectus. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares issued pursuant to the Issue by, or on behalf of, the managed accounts;

- You agree to abide by the Basis of Allocation provided in this Red Herring Prospectus, and the Allocation done in accordance with the Basis of Allocation as overseen by the Stock Exchanges;

- You agree to provide additional documents as may be required by the Company and the Syndicate for finalisation of the Basis of Allocation along with the Stock Exchanges. The Company, the Book Running Lead Managers and their affiliates may rely on the accuracy of such documents provided by you; and

- The Company, the Book Running Lead Managers, their respective affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Managers on their own behalf and on behalf of the Company, and are irrevocable.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15A(1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 (the "**FII Regulations**"), a FII may issue or otherwise deal in offshore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments issued overseas against underlying securities, listed or proposed to be listed on any recognized stock exchange in India, such as the Equity Shares offered in the Issue (all such offshore derivative instruments are referred to herein as "**P-Notes**"), for which they may receive compensation from the purchasers of such instruments. P-Notes may be issued only in favour of those entities which are regulated by any appropriate foreign regulatory authority subject to compliance with applicable 'know your client' requirements. A FII shall also ensure that no further issue or transfer of any instrument referred to above is made by or on behalf of it to any person other than such entities regulated by an appropriate foreign regulatory authority. No sub-account of a FII is permitted to directly or indirectly issue P-Notes. P-Notes have not been and are not being offered, issued or sold pursuant to this Red Herring Prospectus. This Red Herring Prospectus does not contain any information concerning P-Notes or the issuer(s) of any P-notes, including any information regarding any risk factors relating thereto.

Any P-Notes that may be issued are not securities of the Company and do not constitute any obligation of, claims on or interests in the Company or the Book Running Lead Managers. The Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to the P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to the Company or the Book Running Lead Managers. The Company and the Book Running Lead Managers do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with the P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Managers and do not constitute any obligations of or claims on the Book Running Lead Managers. Affiliates of the Book Running Lead Managers that are registered as FIIs may purchase, to the extent permissible under law, the Equity Shares offered in the Issue, and may issue P-Notes in respect thereof.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE

As required, a copy of this Red Herring Prospectus has been delivered to each of the Stock Exchanges and SEBI and for registration to the RoC. The Stock Exchanges, SEBI and the RoC do not in any manner:

(1) warrant, certify or endorse the correctness or completeness of the contents of the Red Herring Prospectus;
(2) warrant that the Equity Shares issued pursuant to the Issue will be listed or the Equity Shares will continue to be listed on the Stock Exchanges; or
(3) take any responsibility for the financial or other soundness of the Company, its Promoters, its management or any scheme or project of the Company.

It should not for any reason be deemed or construed to mean that the Red Herring Prospectus has been reviewed or approved by the Stock Exchanges or SEBI. Every person who desires to apply for or otherwise acquire any Equity Shares offered in the Issue may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges, SEBI and the RoC whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Red Herring Prospectus, unless the context otherwise indicates or implies, references to 'you', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the prospective investors in the Issue, references to 'the Company' are to Prestige Estates Projects Limited, and references to 'we', 'us', 'our' or 'our Company' are to Prestige Estates Projects Limited, its Subsidiaries, Associates and Other Development Entities on a consolidated basis unless otherwise specified.

In this Red Herring Prospectus, all references to "Indian Rupees" "₹" and "Rs." are to Indian Rupees and all references to "U.S. dollars", "USD" and "U.S.$" are to United States dollars. All references herein to the "U.S." or the "United States" are to the United States of America and its territories and possessions and all references to "India" are to the Republic of India and its territories and possessions.

The financial year of the Company commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year, so, unless otherwise specified or if the context requires otherwise all references to a particular financial year or fiscal year are to the twelve month period ended on March 31 of that year.

The Company publishes its consolidated and unconsolidated financial statements in Indian Rupees. The Company's audited consolidated summary financial statements included herein have been prepared in accordance with Indian GAAP and the Companies Act. Indian GAAP differs in certain significant respects from International Financial Reporting Standards ("**IFRS**") and U.S. GAAP and accordingly, the degree to which the financial statements prepared in accordance with Indian GAAP included in the Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's familiarity with the respective accounting policies. The Company does not provide a reconciliation of its financial statements to IFRS or U.S. GAAP financial statements. See "***Risk Factors – Risks Relating to India –Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our Company's financial condition. Our failure to successfully adopt IFRS could have a material adverse effect on the price of our Equity Shares***".

The financial statements of the Company, including the (i) audited consolidated summary financial statements of the Company as of and for the fiscal years ended March 31, 2012, 2011 and 2010; (ii) audited unconsolidated summary financial statements of the Company as of and for the fiscal years ended March 31, 2012, 2011 and 2010; (iii) the audited standalone condensed financial statements of the Company for the six months period ended September 30, 2012; and (iv) the audited standalone financial statements of each of the Significant Subsidiaries for the six months period ended September 30, 2012 have been prepared in accordance with Indian GAAP, are included in this Red Herring Prospectus and are referred to herein as the "***Financial Statements***". In addition, the Company's and Significant Subsidiaries' audited financial statements and related financial disclosures in this Red Herring Prospectus as at and for the six month period ended September 30, 2012 are on an unconsolidated basis, and are not comparable with prior periods. See "***Risk Factors – Risk Relating to Our Company - Our audited summary financial statements and related financial disclosure in this Red Herring Prospectus as at and for the six month period ended September 30, 2012 are on an unconsolidated basis, and are not comparable with prior periods***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Basis of Presentation of financial statements – Our financial statements as of and for the six month period ended September 30, 2012 are not presented on a consolidated basis***" in this Red Herring Prospectus.

In this Red Herring Prospectus, certain monetary thresholds have been subjected to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

INDUSTRY AND MARKET DATA

Information regarding market position, growth rates and other industry data pertaining to the business of the Company contained in this Red Herring Prospectus consists of estimates based on data reports compiled by government bodies, professional organisations and analysts, data from other external sources and knowledge of the markets in which the Company competes. Unless stated otherwise, the statistical information included in this Red Herring Prospectus relating to the industry in which the Company operates has been reproduced from various trade, industry and government publications and websites.

This data is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Neither the Company nor the Book Running Lead Managers have independently verified this data and do not make any representation regarding the accuracy of such data. The Company takes responsibility for accurately reproducing such information but accepts no further responsibility in respect of such information and data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so the Company has relied on internally developed estimates. Similarly, while the Company believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither the Company nor the Book Running Lead Managers can assure potential investors as to their accuracy.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Red Herring Prospectus that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of the Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding the Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to the Company's business strategy, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Red Herring Prospectus that are not historical facts. These forward-looking statements contained in this Red Herring Prospectus (whether made by the Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the Company's expectations include, among others:

- general, political, social and economic conditions in India and elsewhere;
- accidents, natural disasters or outbreaks of diseases;
- the performance of the real estate market and the availability of real estate financing in India;
- the extent to which sale proceeds differ from our land valuations;
- our ability to manage our growth effectively;
- our ability to finance our business growth and obtain financing on favourable terms;
- our ability to replenish our lands and identify suitable projects;
- our ability to acquire lands for which we have entered into MoUs;
- the extent to which our projects qualify for percentage of completion revenue recognition;
- impairment of our title to land;
- our ability to compete effectively, particularly in new markets and businesses;
- our ability to anticipate trends in and suitably expand our current business lines;
- raw material costs;
- the continued availability of applicable tax benefits;
- our dependence on our Key Management Personnel and Promoters;
- conflicts of interest with affiliated companies and other related parties;
- our ability to complete development and construction of projects in timely manner;
- the outcome of legal or regulatory proceedings that we are or might become involved in;
- contingent liabilities, environmental problems and uninsured losses;
- government approvals;
- changes in government policies and regulatory actions that apply to or affect our business;
- other factors beyond our control; and
- our ability to manage risks that arise from these factors.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in "***Risk Factors***", "***Industry Overview***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***". The forward-looking statements contained in this Red Herring Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management of the Company. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Red Herring Prospectus or the respective dates indicated in this Red Herring Prospectus, and the Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of the Company's underlying assumptions prove to be

incorrect, the actual results of operations or financial condition of the Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to the Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public company incorporated with limited liability under the laws of India. All of the Company's Directors are residents of India. All of the key managerial personnel named here are residents of India and all the assets of the Company are located in India. As a result, it may be difficult for investors outside India to effect service of process upon the Company or such persons in India, or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (the "**Civil Procedure Code**"), on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon by the same parties or between parties under whom they or any of them claim to be litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law in force in India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any country or territory outside India which the Government of India (the "**GoI**" or the "**Government**") has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a appropriate court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, Singapore and Hong Kong has been declared by the GoI to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit has to be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from RBI to repatriate outside India any amount recovered pursuant to such award, and any such amount may be subject to income tax in accordance with applicable laws.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information concerning exchange rates between the Rupee and the U.S. dollar for the periods indicated. Exchange rates are based on the reference rates released by RBI, which are available on the website of RBI. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all. On December 31, 2012, the exchange rate (RBI reference rate) was ₹ 54.78 to U.S.$1.00 (Source: www.rbi.org.in).

	Period End	Average[(1)]	High	Low
Financial Year:	(₹ Per U.S.$1.00)			
2012	51.16	47.95	54.24	43.95
2011	44.65	45.58	47.57	44.03
2010	45.14	47.42	50.53	44.94
Quarter Ended:				
December 31, 2012	54.78	54.14	55.70	51.62
September 30, 2012	52.70	55.24	56.38	52.70
June 30, 2012	56.31	54.22	57.22	50.56

(1) Average of the official rate for each working day of the relevant period.

(Source : *www.rbi.org.in*)

DEFINITIONS AND ABBREVIATIONS

This Red Herring Prospectus uses the definitions and abbreviations set forth below which, unless otherwise specified, you should consider when reading the information contained herein. References to any legislation, act, regulation or statutory provision in this Red Herring Prospectus shall be construed as reference to such term as amended, modified or re-enacted from time to time.

Company and Industry Related Terms

Term	Description
the Company or our Company	Prestige Estates Projects Limited, a public limited company incorporated under the Companies Act and having its registered office at The Falcon House, No. 1, Main Guard Cross Road, Bengaluru 560 001
Acre	43,560 sq. ft.
ARRs	Average Room Rates
Articles of Association or Articles	The Articles of Association of the Company, as amended from time to time
Associates	1. Prestige Garden Constructions Private Limited 2. Babji Realtors Private Limited 3. Prestige Projects Private Limited 4. City Properties Maintenance Company Bengaluru Limited 5. Exora Business Parks Private Limited 6. CapitaLand Retail Prestige Mall Management Private Limited 7. Vijaya Productions Private Limited 8. Sai Chakra Hotels Private Limited 9. Prestige Property Management & Services 10. Prestige Interiors 11. Prestige Hi-tech Projects 12. Silverline Estates 13. PSN Property Management & Services 14. Prestige Nottinghill Investments 15. Prestige KRPL Techpark 16. Prestige Ozone Properties 17. Prestige Whitefield Developers 18. Eden Investments & Estates 19. Prestige Southcity Holdings 20. Prestige Realty Ventures
Auditor	The statutory auditor of the Company, Deloitte Haskins & Sells, Chartered Accountants
Bengaluru Metropolitan Region	As defined under the Bengaluru Metropolitan Region Development Authority Act, 1985
BMA	Bengaluru Metropolitan Area
BMP	Bengaluru Mahanagar Palike
Board or Board of Directors	The board of directors of the Company or a committee thereof
BWSSB	Bengaluru Water Supply and Sewage Board
CapitaMalls India	CapitaMalls India Development Fund
CDP	Comprehensive Development Plan
Completed Projects	Projects which have been completed by the Company and/or the Subsidiaries and/or Associates
CMIDF	CapitaMalls India Development Fund
CRISIL	Credit Rating and Information Services of India Limited
CMCs	City Municipal Councils
Developable Area	Total area which we develop in each project, and includes carpet area, common area, service and storage area, as well as other open areas, including car parking
Directors	Directors on the Board, as may be appointed from time to time
Equity Shares	Equity shares of face value of ₹ 10 each of the Company
EGM	Extra ordinary general meeting
ERP	Enterprise Resource Planning
KIADB	Karnataka Industrial Areas Development Board
Land Bank	Lands in which we hold interest, but on which there is no development as of the date hereof
Land Reserves	Our Land Reserves are lands to which our Company and/or our Subsidiaries and/or Associates

Term	Description
	and/or Other Development Entities have right, title or interest, or land from which such entities can derive economic benefit through a documented framework (such as with third party individuals or corporate entities), or where such entities have executed a joint development agreement or an agreement to sell/lease or a MoU or an agreement to transfer development rights. Our Land Reserves comprises of lands underlying our Ongoing Projects, Upcoming Projects and Land Bank but does not include lands over which our Completed Projects are situated.
Leasable Area	That part of the Developable Area which relates to our economic interest in such project where all or part of such project is leased
Significant Subsidiaries	1. Downhills Holiday Resorts Private Limited 2. Prestige Amusments Private Limited 3. Foothills Resorts Private Limited 4. ICBI (India) Private Limited 5. Northland Holding Company Private Limited 6. Pennar Hotels and Resorts Private Limited 7. Prestige Bidadi Holdings Private Limited 8. Prestige Leisure Resorts Private Limited 9. Prestige Shantinikethan Leisures Private Limited 10. Cessna Garden Developers Private Limited 11. Prestige Valley View Estates Private Limited 12. K2K Infrastructure India Private Limited 13. Valdel Xtent Outsourcing Solutions Private Limited 14. Village De Nandi Private Limited 15. Villaland Developers Private Limited 16. West Palm Developments Private Limited 17 Prestige Property Management and Services (Prestige Property Management and Services is a partnership firm in which the Company holds a majority control)
SPVs	Special Purpose Vehicles
MAHTI	Minimum Annual Household Threshold Income
Memorandum of Association or Memorandum	The Memorandum of Association of the Company, as amended from time to time
Ongoing Projects	Such projects of the Company for which (i) construction or development activities have commenced; (ii) all approvals for commencing construction and development have been obtained; and (iii) where any right and/or interest in the land is held directly by the Company and/or the Subsidiaries and/or Associates in which the Company has a stake
Other Development Entities	1. Thomsun Realtors Private Limited; and 2. Silver Oak Projects
Promoters	Irfan Razack, Rezwan Razack and Noaman Razack
Promoter Group	The promoter group of the Company as determined in terms of Regulation 2(1)(zb) of the SEBI Regulations
Registered Office	The Falcon House, No. 1, Main Guard Cross Road, Bengaluru 560 001
RevPAR	Revenue Per Available Room
Saleable Area	That part of the Developable Area relating to our economic interests
sq. ft.	square feet
Subsidiaries	1. Downhills Holiday Resorts Private Limited 2. Prestige Amusments Private Limited 3. Foothills Resorts Private Limited 4. ICBI (India) Private Limited 5. Northland Holding Company Private Limited 6. Pennar Hotels and Resorts Private Limited 7. Prestige Bidadi Holdings Private Limited 8. Prestige Construction Ventures Private Limited 9. Prestige Leisure Resorts Private Limited 10. Prestige Mangalore Retail Ventures Private Limited 11. Prestige Mysore Retail Ventures Private Limited 12. Prestige Shantinikethan Leisures Private Limited 13. Cessna Garden Developers Private Limited 14. Prestige Valley View Estates Private Limited 15. Prestige Whitefield Investment and Developers Private Limited 16. K2K Infrastructure India Private Limited

Term	Description
	17. Valdel Xtent Outsourcing Solutions Private Limited 18. Village De Nandi Private Limited 19. Villaland Developers Private Limited 20. West Palm Developments Private Limited 21. Prestige Garden Resorts Private Limited
Upcoming Projects	Such projects for which (i) approvals for the conversion of the land (wherever applicable) have been obtained; (ii) all approvals for commencing construction and development have not been obtained as of the relevant date; and (iii) where any right and/or interest in the land is held directly by the Company and/or the Subsidiaries and/or Associates in which the Company has a stake
"we" or "us" or "our"	Prestige Estates Projects Limited, the Subsidiaries, Associates and Other Development Entities

Issue Related Terms

Term	Description
Allocation or Allocated	Allocation of the Equity Shares offered in the Issue following the determination of the Issue Price to Applicants on the basis of the ASBA Applications submitted by them and in accordance with the Allotment Criteria
Allotment or Allotted or Allot	Unless the context otherwise requires, the issue and allotment of the Equity Shares pursuant to the Issue including pursuant to the exercise of the Over Allotment Option, if any
Allottees	Eligible QIBs to whom the Equity Shares are Allotted pursuant to the Issue
Allotment Criteria	The method as finalised by the Company based on which the Equity Shares offered in the Issue will be Allocated and Allotted to successful Applicants, in this case being the proportionate method
Applicant	An Eligible QIB that submits an ASBA Application in accordance with the provisions of this Red Herring Prospectus
Application Amount	The highest value indicated by the Applicant in the ASBA Application to subscribe for the Equity Shares applied for in the ASBA Application
ASBA	Application supported by blocked amount
ASBA Application	An application by an Applicant, whether physical or electronic, offering to subscribe for the Equity Shares in the Issue at any price at or above the Floor Price or within the Price Band, as the case may be, including any revisions thereof, pursuant to the terms of the Red Herring Prospectus and which shall also be an authorisation to an SCSB to block the Application Amount in the ASBA Account maintained with such SCSB. The ASBA Application will also be considered as the application for Allotment for the purposes of this Red Herring Prospectus and the Prospectus. The price per Equity Share and the number of Equity Shares applied for under an ASBA Application may only be revised upwards and any downward revision in price per Equity Share and/or the number of Equity Shares applied for under an ASBA Application or withdrawal of the ASBA Application is not permitted
ASBA Account	An account maintained with the SCSB by the Applicant and specified in the ASBA Application for blocking the Application Amount
Basis of Allocation	The basis on which Equity Shares offered in the Issue will be Allocated to successful Applicants in the Issue and the CAN will be dispatched, as described in "***Issue Procedure***"
Book Running Lead Managers or BRLMs	CLSA India Limited and J.P. Morgan India Private Limited
CAN or Confirmation of Allocation Note	Note, advice or intimation sent to the Applicants who have been Allocated Equity Shares offered in the Issue, confirming the Allocation of Equity Shares to such Applicants after the determination of the Issue Price in terms of the Basis of Allocation approved by the Stock Exchanges, and shall constitute a valid, binding and irrevocable agreement on part of the Applicant to subscribe to the Equity Shares Allocated to such Applicant at the Issue Price
Cap Price	The higher end of the Price Band, if any, announced by the Company, above which the Issue Price will not be finalised and above which no ASBA Applications will be accepted
CLSA	CLSA India Limited
Designated Branches	All branches designated as "Designated Branches" for ASBA Applications by the SCSBs which shall collect the ASBA Applications
Designated Date	The date on which funds blocked by the SCSB are transferred from the ASBA Accounts of the successful Applicants to the Public Issue Account or unblocked, as the case may be, after the Prospectus is filed with the RoC

Term	Description
Eligible QIB or Eligible Qualified Institutional Buyer	A qualified institutional buyer, as defined under Regulation 2(1)(zd) of the SEBI Regulations, provided that, with respect to this Issue, this term shall not include foreign venture capital investors and multilateral and bilateral development financial institutions
Floor Price	The price below which the Issue Price will not be finalised and the Equity Shares offered in the Issue shall not be Allotted. The Floor Price will be decided by the Company in consultation with the Book Running Lead Managers in accordance with the SEBI Approval, if applicable, and shall be announced at least one day prior to the Issue Opening Date. Any ASBA Application made at a price per Equity Share below the Floor Price will be rejected
Floor Price / Price Band Announcement	The announcement of either the Floor Price or the Price Band, made by the Company at least one day prior to the Issue Opening Date. The Floor Price/Price Band Announcement will include the details on whether the Issue Size will be up to 46,926,230 Equity Shares or 21926230 Equity Shares
Institutional Placement Programme or IPP	Institutional placement programme in which offer, allocation and allotment of equity shares is made under Chapter VIII-A of the SEBI Regulations
Issue	The offer and issuance of up to 42,660,210 Equity Shares, with a right to Allot an additional up to 4,266,020 Equity Shares pursuant to exercise of the Over Allotment Option, to Eligible QIBs, pursuant to Chapter VIII-A of the SEBI Regulations and in accordance with the SEBI Approval or the offer and issuance of up to 19,932,937 Equity Shares, with a right to Allot an additional up to 1,993,293 Equity Shares pursuant to the exercise of the Over Allotment Option, to Eligible QIBs, pursuant to Chapter VIII-A of the SEBI Regulations, as the case may be
Issue and Placement Agreement	The issue and placement agreement dated January 15, 2013, among the Company and the Book Running Lead Managers in relation to the Issue
Issue Closing Date	The last date up to which the ASBA Applications shall be accepted, which date shall be announced along with the Floor Price / Price Band Announcement
Issue Opening Date	The date on which the Designated Branches and the members of the Syndicate will start accepting the ASBA Applications, which date shall be announced along with the Floor Price / Price Band Announcement
Issue Period	The period between the Issue Opening Date and Issue Closing Date, inclusive of both dates during which Eligible QIBs can submit their ASBA Applications to the SCSBs and the members of the Syndicate (in the Specified Cities)
Issue Price	The price at which the Equity Shares offered in the Issue will be Allotted to the successful Applicants, and indicated in the CAN, which shall be equal to or greater than the Floor Price, or within the Price Band, as the case may be
Issue Size	The aggregate size of the Issue, comprising of Equity Shares not exceeding 46,926,230 Equity Shares or 21,926,230 Equity Shares, as the case may be, including the additional number of Equity Shares that the Company may Allot pursuant to the exercise of the Over Allotment Option, each Allotted at the Issue Price
JPM	J.P. Morgan India Private Limited
Over Allotment Option	The right, exercisable by the Book Running Lead Managers, in consultation with the Company in case of over subscription in the Issue, to Allot an additional up to 4,266,020 Equity Shares or 1,993,293 Equity Shares, as the case may be, as per the SEBI Regulations, on or prior to dispatch of CANs
Price Band	Price band, if any, announced by the Company for the Issue, of a minimum price (Floor Price) and a maximum price (Cap Price), which will be decided by the Company in consultation with the Book Running Lead Managers in accordance with the SEBI Approval, if applicable and which shall be announced at least one day prior to the Issue Opening Date
Pricing Date	The date on which the Company in consultation with the Book Running Lead Managers finalises the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with the provisions of the Companies Act, containing, *inter alia*, the Issue Size, the Issue Price and certain other information
Public Issue Account	The account opened with the Public Issue Account Bank in terms of Section 73 of the Companies Act to receive monies from the ASBA Accounts on the Designated Date
Public Issue Account Agreement	Public issue account agreement dated [●], 2013 among the Company, the BRLMs and the Public Issue Account Bank
Public Issue Account Bank	The bank which is clearing member and registered with SEBI as a banker to the issue with whom the Public Issue Account will be opened and in this case being HDFC Bank Limited
QIB or Qualified Institutional Buyer	A qualified institutional buyer, as defined under Regulation 2(1)(zd) of the SEBI Regulations

Term	Description
Red Herring Prospectus	This red herring prospectus issued in accordance with the provisions of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered in the Issue and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Registrar to the Issue	Link Intime India Private Limited having its office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078, Maharashtra, India
Revision Form	The form used by the Applicants, to modify the number of Equity Shares applied for or the price per Equity Share in any of their ASBA Applications or any previous Revision Form(s). Applicants are not allowed to revise the price per Equity Share or the number of Equity Shares applied for downwards
SEBI Approval	The approval of the SEBI obtained pursuant to letters dated December 18, 2012 to issue and allot up to 46,926,230 Equity Shares subject to certain conditions. Please see – "Issue Procedure – SEBI Approval"
Self Certified Syndicate Bank(s) or SCSB(s)	A banker to the issue registered with SEBI, which offers the facility of ASBA and a list of which is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1330923506730.html
Specified Cities	Cities as specified in the SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Baroda and Surat
Stock Exchanges	The BSE and the NSE
Syndicate Agreement	The agreement dated [●], 2013 among the Syndicate and the Company in relation to the Issue
Syndicate ASBA Bidding Centres	Centres in the Specified Cities where the Applicants can register their ASBA Applications with a member of the Syndicate
Syndicate or members of the Syndicate	The BRLMs
TRS or Transaction Registration Slip	The slip or document issued by a member of the Syndicate or the SCSB (only on demand), as the case may be, to the Applicant as proof of registration of the ASBA Application
Working Day	Any day, other than Saturdays and Sundays, on which commercial banks in Mumbai and Bengaluru are open for business, provided however, for the purpose of the time period between the Issue Closing Date and listing of the Equity Shares offered pursuant to the Issue on the Stock Exchanges, "Working Days", shall mean all days excluding Sundays and bank holidays in Mumbai in accordance with the SEBI Circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010
U.S. Issue	The offer and sale of the Equity Shares in the United States to institutions that are "qualified institutional buyers" as defined in Rule 144A under the U.S. Securities Act.

Conventional and General Terms

Term	Description
AS	Accounting Standards issued under the Companies Act
BSE	BSE Limited
CAGR	Compounded annual growth rate
CDSL	Central Depository Services (India) Limited
Civil Procedure Code	Code of Civil Procedure, 1908
Client ID	Beneficiary account identity
Companies Act	Companies Act, 1956
Competition Act	The Competition Act, 2002
Consolidated FDI Policy	Circular 1 of 2012, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, effective from April 10, 2012
CRR	Cash Reserve Ratio
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
Depository Participant or DP	A depository participant as defined under the Depositories Act
DP ID	Depository participant identity
EBITDA	Earnings Before Interest Tax Depreciation and Amortisation
EPS	Earnings per share, i.e., profit after tax for a financial year divided by the weighted average number of equity shares during the financial year
Equity Listing Agreement	The equity listing agreements entered by the Company with each of the Stock Exchanges
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations thereunder

Term	Description
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
FIIs	Foreign institutional investors (as defined under the FII Regulations) registered with SEBI
Financial year or fiscal year or fiscal or FY	Period of 12 months ended March 31 of that particular year
FVCI or foreign venture capital investors	Foreign venture capital investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GoI or Government	Government of India
Gratuity Act	Payment of Gratuity Act, 1972
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
I.T. Act	Income Tax Act, 1961
IMF	International Monetary Fund
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
Insurance Company	An insurance company registered with the Insurance Regulatory and Development Authority in India
Land Acquisition Act	Land Acquisition Act, 1894
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs
MoU	Memorandum of Understanding
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NCR	National Capital Region
Non-Resident	A person resident outside India, as defined under the FEMA and includes a Non-Resident Indian
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
PAN	Permanent Account Number allotted under the I.T. Act
PFIC	Passive Foreign Investment Company
Portfolio Investment Scheme	The portfolio investment scheme of RBI specified in Schedule 2 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
Rule 144A	Rule 144A under the U.S. Securities Act
RoC	The Registrar of Companies, Karnataka
Rs./ ₹/Rupee	Indian Rupees
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEZ	Special Economic Zone
Supreme Court	Supreme Court of India
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S. QIB	A qualified institutional buyer, as defined under Rule 144A under the U.S. Securities Act and which is also an Eligible QIB
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S. Securities Act	The U.S. Securities Act of 1933
VCF(s) or Venture capital funds	Venture capital funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

SUMMARY OF THE ISSUE

This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Red Herring Prospectus, including in "***Risk Factors***", "***Use of Proceeds***", "***Placement***" and "***Issue Procedure***".

The following is a general summary of the terms of the Issue:

Issuer	Prestige Estates Projects Limited
Issue Size*	Up to 42,660,210 Equity Shares, with a right to Allot an additional up to 4,266,020 Equity Shares pursuant to exercise of the Over Allotment Option, or upto 19,932,937 Equity Shares with a right excersiable by the Book Running Lead Managers in consultation with the Company to Allot an additional up to 1,993,293 Equity Shares in case of over subscription, at the Issue Price, as the case may be
Over Allotment Option*	In case of over subscription in the Issue, the Book Running Lead Managers in consultation with the Company, can exercise the right to Allot an additional up to 4,266,020 Equity Shares or 1,993,293 Equity Shares, as the case may be, on or prior to dispatch of CANs
Issue Price*	The price at which the Equity Shares offered in the Issue will be Allotted to the successful Applicants in terms of the SEBI Approval, if applicable (please see-"***Issue Procedure-SEBI Approval***") Basis of Allocation, Allotment Criteria and the CAN. Please see "***Issue Procedure***"
Eligible Investors	Eligible QIBs. Please note that foreign venture capital investors and multilateral and bilateral development financial institutions are not eligible to participate in this Issue. Please see "***Issue Procedure – Qualified Institutional Buyers***"
Class of Equity Shares	The Equity Shares offered in the Issue are securities of the Company of the same class and in all respects uniform with the Equity Shares listed and traded on the Stock Exchanges. For details, see "***Description of the Equity Shares***"
Equity Shares issued and outstanding immediately prior to the Issue	328,073,770 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares
Price Band	The Price Band, if any, as decided by the Company in consultation with the Book Running Lead Managers, which shall be announced at least one day prior to the Issue Opening Date
Floor Price	The Floor Price, as decided by the Company in consultation with the Book Running Lead Managers in accordance with the SEBI Approval, if applicable, which shall be announced at least one day prior to the Issue Opening Date
Cap Price	The higher end of the Price Band, if any, announced by the Company, above which the Issue Price will not be finalised and above which no ASBA Applications will be accepted

Listing	(i) Applications for in-principle approval, in terms of clause 24(a) of the Equity Listing Agreement, for listing and admission of the Equity Shares offered in the Issue and for trading on the Stock Exchanges, were made and approval has been received from each of the Stock Exchanges; and (ii) the application for the final listing and trading approval will be made after Allotment of the Equity Shares pursuant to the Issue
Lock-up	The Company has agreed that it will not, without the prior written consent of the Book Running Lead Managers, from the date of the Issue and Placement Agreement and for a period of up to 90 days from the Allotment, directly or indirectly: (a) issue, offer, lend, sell, pledge, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares; (c) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe for or purchase Equity Shares in depository receipt facilities or enter into any such transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or (d) announce any intention to enter into any transaction whether any such transaction described in (a) or (b) above is to be settled by delivery of the Equity Shares, or such other securities, in cash or otherwise. The Promoters have agreed that, without the prior written consent of the Book Running Lead Managers, they will not, during the period commencing on the date of the Issue and Placement Agreement and ending 90 days after the date of Allotment (the "**Lock-up Period**"), directly or indirectly: (a) issue, offer, lend, sell, pledge, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares; (c) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe for or purchase Equity Shares in depository receipt facilities or enter into any such transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or (d) announce any intention to enter into any transaction whether any such transaction described in (a) or (b) above is to be settled by delivery of the Equity Shares, or such other securities, in cash or otherwise. The restrictions in the foregoing paragraph shall not apply to (a) any inter-se transfer of Equity Shares between the Promoters and the Promoter Group, provided that the restrictions set forth in the previous paragraph shall continue to apply for the remaining period to the transferee and that such transferee shall be bound by the restrictions in the preceding paragraph until the Lock-up Period set forth herein has expired; and (b) any sale, transfer or disposal of such Equity Shares to the extent such sale, transfer or disposal is mandatorily required for compliance with applicable Indian law, including compliance with minimum public shareholding requirements applicable to the Company.

Transferability Restrictions	The Equity Shares Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the Stock Exchanges. Please see "***Purchaser Representations and Transfer Restrictions***"
Closing	The Allotment of the Equity Shares offered pursuant to this Issue is expected to be made on or about [●], 2013
Use of Proceeds	Net proceeds of the Issue (after deduction of fees, commissions and expenses) are expected to total approximately ₹ [●] million. Please see "***Use of Proceeds***"
Risk Factors	Please see "***Risk Factors***" for a discussion of factors you should consider before deciding whether to subscribe for the Equity Shares offered in the Issue.
Ranking	The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum and the Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including rights in respect of voting and dividends. The shareholders will be entitled to participate in dividends and other corporate benefits, if any, declared by the Company after the Allotment of the Equity Shares issued pursuant to the Issue, in compliance with the Companies Act, the Equity Listing Agreement and other applicable laws and regulations.
Security Codes for the Equity Shares	**ISIN:** INE811K01011 **BSE Code:** 533274 **NSE Code:** PRESTIGE

*****Please note that the Company, in consultation with the Book Running Lead Managers, may, issue and Allot only up to 19,932,937 Equity Shares, with an additional up to 1,993,293 Equity Shares, pursuant to exercise of the Over Allotment Option, in accordance with Chapter VIII-A of the SEBI Regulations, in which case the Company will not be required to and will not comply with the terms of the SEBI Approval.

SELECTED FINANCIAL INFORMATION

*The following selected financial information is extracted from and should be read in conjunction with, the (i) audited consolidated summary financial statements of the Company as of and for the fiscal years ended March 31, 2012, 2011 and 2010; (ii) audited unconsolidated summary financial statements of the Company as of and for the fiscal years ended March 31, 2012, 2011 and 2010; and as of and for the six months period ended September 30, 2012; and (iii) the audited standalone condensed financial statements of each of the Significant Subsidiaries for the six months period ended September 30, 2012 included elsewhere in this Red Herring Prospectus. You should refer to the section titled "**Management's Discussion and Analysis of Financial Condition and Results of Operation**", included elsewhere in this Red Herring Prospectus, for further discussion and analysis of the financial statements of the Company. The financial statements of the Company are prepared in accordance with Indian GAAP and have been audited by Deloitte Haskins & Sells, Chartered Accountants.*

The financial information included in this Red Herring Prospectus does not reflect the Company's results of operations, financial position and cash flows for the future and its past operating results are no guarantee of its future operating performance.

PRESTIGE ESTATES PROJECTS LIMITED

CONSOLIDATED SUMMARY FINANCIAL STATEMENTS

Consolidated Summary Balance Sheet

(Amount in Rs. Million)

		As at March 31,		
		2012	**2011**	**2010**
I. EQUITY AND LIABILITIES				
(1) Shareholders' funds				
(a) Share capital		3,280.70	3,280.70	2,625.00
(b) Reserves and surplus		17,530.30	17,154.20	3,957.40
(c) Capital reserve arising on consolidation		698.90	707.40	1,055.00
	A	**21,509.90**	**21,142.30**	**7,637.40**
(2) Minority interest	**B**	2,668.30	2,239.90	2,721.40
(3) Non-current liabilities				
(a) Long-term borrowings		6,930.10	5,597.10	5,571.00
(b) Deferred tax liabilities (Net)		125.30	81.60	6.80
(c) Other Long-term liabilities		1,058.40	1,025.60	543.00
(d) Long-term provisions		35.50	28.40	21.60
	C	**8,149.30**	**6,732.70**	**6,142.40**
(4) Current liabilities				
(a) Short-term borrowings		10,653.60	7,248.90	9,060.80
(b) Trade payables		2,267.10	1,959.00	1,951.70
(c) Other current liabilities		11,846.10	8,743.70	9,362.80
(d) Short-term provisions		2,294.80	3,642.30	325.50
	D	**27,061.60**	**21,593.90**	**20,700.80**
Total (A + B + C+ D)		**59,389.10**	**51,708.80**	**37,202.00**

		As at March 31,		
		2012	2011	2010
II. ASSETS				
(1) Non-current assets				
(a) Fixed assets				
(i)Tangible assets		13,845.50	10,192.10	9,241.50
(ii) Intangible assets		16.50	0.20	0.70
(iii) Capital work-in-progress		5,216.30	2,935.30	1,989.90
		19,078.30	**13,127.60**	**11,232.10**
(b) Goodwill (arising on consolidation)		1,599.70	1,078.30	1,098.40
(c) Non-current investments		866.00	2,010.40	636.90
(d) Deferred tax assets (net)		6.30	3.20	4.40
(e) Long-term loans and advances		5,836.70	3,672.80	1,844.90
(f) Other non-current assets		373.40	367.70	150.10
	E	**27,760.40**	**20,260.00**	**14,966.80**
(2) Current assets				
(a) Current investments		874.30	260.80	9.40
(b) Inventories		15,661.70	14,271.90	12,501.90
(c) Trade receivables		8,490.30	9,345.50	3,623.50
(d) Cash and Bank balances		2,012.80	3,311.60	1,578.90
(e) Short-term loans and advances		4,433.40	4,147.10	4,506.80
(f) Other current assets		156.20	111.90	14.70
	F	**31,628.70**	**31,448.80**	**22,235.20**
Total (E + F)		**59,389.10**	**51,708.80**	**37,202.00**

PRESTIGE ESTATES PROJECTS LIMITED

CONSOLIDATED SUMMARY FINANCIAL STATEMENTS

Consolidated Summary Statement of Profits and Losses

(Amount in Rs. Million)

	For the year ended March 31,		
	2012	**2011**	**2010**
Revenue from Operations	10,522.50	15,431.10	10,250.50
Other Income	342.10	682.30	609.60
Total revenue (I)	**10,864.60**	**16,113.40**	**10,860.10**
Expenses			
Cost of sales on projects	4,199.10	8,838.80	6,239.00
Cost of contractual projects	32.80	131.20	5.20
Property and facilities operating expenses	1,733.00	1,508.60	817.10
Employee benefits expense	844.40	548.10	491.70
Finance costs	1,192.70	1,234.20	782.50
Depreciation and amortization expense	605.40	606.10	490.60
Other expenses	746.90	665.90	457.00
Total expenses (II)	**9,354.30**	**13,532.90**	**9,283.10**
Profit before tax (III = I - II)	**1,510.30**	**2,580.50**	**1,577.00**
Tax expense			
Current tax	591.30	822.80	330.00
Income tax pertaining to earlier years	(8.20)	15.20	(21.10)
Deferred tax	43.20	75.90	(26.40)
Total (IV)	**626.30**	**913.90**	**282.50**
Profit for the year (V = III - IV)	**884.00**	**1,666.60**	**1,294.50**
Share of profits from associates (Net) (VI)	(65.00)	51.00	171.70
Profit after tax (before adjustment for Minority interest) (VII = V - VI)	**819.00**	**1,717.60**	**1,466.20**
Share in (profit) / loss to Minority interest (VIII)	7.00	(8.10)	35.70
Profit after tax and Minority interest (VII - VIII)	**826.00**	**1,709.50**	**1,501.90**
Earning per equity share (equity shares, par value of Rs. 10 each)			
Basic & Diluted EPS	2.52	5.86	5.72

PRESTIGE ESTATES PROJECTS LIMITED

CONSOLIDATED SUMMARY FINANCIAL STATEMENTS

Consoldiated Summary Statement of Cash Flows

(Amount in Rs. Million)

		For the year ended March 31,		
		2012	**2011**	**2010**
I. CASHFLOW FROM OPERATIONS				
Profits before taxation		**1,510.30**	**2,580.50**	**1,577.00**
Add: Adjustments for				
Depreciation		605.40	606.10	490.60
Preliminary expenses		-	-	1.80
Provision for doubtful debts		0.30	4.50	7.00
		605.70	**610.60**	**499.40**
Less: Incomes / credits considered separately				
Interest income		229.80	254.80	84.90
Dividend income		2.30	14.80	5.30
Provisions written back		-	8.50	0.20
Profit on sale of fixed assets		52.80	46.20	272.00
Profit on sale of investment		-	0.30	1.50
Share of profit from partnership firms (Net)		33.70	335.10	232.80
		318.60	**659.70**	**597.70**
Add: Expenses / debits considered separately				
Loss on sale of investments		-	-	5.50
Loss on sale of Fixed Assets		19.70	26.70	23.30
Financial expenses		1,192.70	1,234.20	782.50
		1,212.40	**1,260.90**	**811.30**
Operating profit before changes in working capital		**3,009.80**	**3,792.30**	**2,290.00**
Adjustments for:				
(Increase) / decrease in Trade Recievables		776.70	(5,791.90)	(1,105.50)
(Increase) / decrease in Inventories		(2,986.40)	(752.90)	(1,932.10)
(Increase) / decrease in Long-term & Short-term loans and advances		(1,022.20)	(833.10)	(7.40)
Increase / (decrease) in Current & Non-current liabilities		4,557.40	(1,116.60)	(1,880.80)
Increase / (decrease) in Current & Non-current provisions		(936.70)	1,718.40	180.40
Increase / (decrease) in preliminary expenses		-	-	(1.60)
		388.80	**(6,776.10)**	**(4,747.00)**
Cash generated from / (used in) operations		**3,398.60**	**(2,983.80)**	**(2,457.00)**
Direct taxes (paid)/refund		(1,040.90)	(12.50)	(304.20)
Net cash generated from / (used in) operations	A	**2,357.70**	**(2,996.30)**	**(2,761.20)**

		For the year ended March 31,		
		2012	**2011**	**2010**
II. CASHFLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets		(3,968.90)	(3,234.60)	(1,544.20)
Sale proceeds of fixed assets		164.20	132.10	685.10
Inter corporate deposits (Net)		111.50	(938.00)	412.90
Changes in Partnership current account (increase)/decrease		338.20	1,572.00	(415.20)
Current & Non-Current Investments made		(1,571.00)	(3,632.90)	(499.60)
Proceeds from Current & Non-Current Investments		741.60	1,954.40	42.10
Change in Other Non current assets (increase)/decrease		(5.70)	(367.70)	(58.80)
Interest received		9.00	172.70	6.20
Dividend received		2.30	14.80	5.30
Changes in Other bank balances (increase)/decrease		(420.60)	464.70	(204.80)
Advance paid - purchase of property / Investment		(1,651.00)	-	(4.20)
Share of profit from firms		-	-	(12.90)
Net cash from / (used in) investing activities	B	**(6,250.40)**	**(3,862.50)**	**(1,588.10)**
III. CASHFLOW FROM FINANCING ACTIVITIES				
Secured loans availed		14,832.30	5,899.30	20,508.80
Secured loans repaid		(11,877.50)	(7,849.90)	(15,737.90)
Unsecured loans taken		83.10	27.10	458.20
Repayment of unsecured loans		(410.50)	(359.30)	(119.70)
Inter corporate deposits taken/repaid (net)		478.40	(35.10)	141.40
Dividend payout including tax		(455.80)	(23.40)	-
Financial expenses		(1,089.80)	(1,246.90)	(783.80)
Net proceeds from issue of shares		49.60	11,479.70	0.60
Proceeds from issue of debentures		116.40	339.70	439.70
Share application money received		34.30	0.30	(96.80)
Share application money refunded		(99.30)	-	-
Capital contribution in Partnership firm		0.90	-	(1.00)
Current account contribution in Partnership firm		415.80	26.30	103.80
Advance for debenture application money		-	66.20	-
Repayment of Debenture application money		-	-	(550.00)
Net cash from / (used in) financing activities	C	**2,077.90**	**8,324.00**	**4,363.30**
Total increase / (decrease) in cash and cash equivalents during the year (A + B + C)		**(1,814.80)**	**1,465.20**	**14.00**
Cash and cash equivalents opening balance		3,173.50	1,356.20	1,301.90
Cash acquired on new acquisitions		97.10	360.70	40.70
Cash released on disinvestment		(1.70)	(8.60)	(0.40)
Cash and cash equivalents closing balance		**1,454.10**	**3,173.50**	**1,356.20**

		For the year ended March 31,		
		2012	**2011**	**2010**
Reconciliation of Cash and cash equivalents with balance sheet				
Cash and bank balances as per Balance Sheet		2,012.80	3,311.60	1,578.90
Less : Fixed Deposits & Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments		558.70	138.10	222.70
Cash and cash equivalents at the end of the year as per cash flow statement above		1,454.10	3,173.50	1,356.20

PRESTIGE ESTATES PROJECTS LIMITED

UNCONSOLIDATED SUMMARY FINANCIAL STATEMENTS

Unconsolidated Summary Balance Sheet

(Amount in Rs. Million)

		At at September 30,	As at March 31,		
		2012	2012	2011	2010
I. EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share capital		3,280.70	3,280.70	3,280.70	2,625.00
(b) Reserves and surplus		18,939.20	17,989.50	17,156.60	3,651.20
	A	**22,219.90**	**21,270.20**	**20,437.30**	**6,276.20**
(2) Non-current liabilities					
(a) Long-term borrowings		1,805.30	1,518.30	2,554.20	2,900.60
(b) Deferred tax liabilities (Net)		128.80	125.30	81.50	4.30
(c) Other Long-term liabilities		268.70	237.60	161.20	208.30
(d) Long-term provisions		36.30	30.40	23.70	18.00
	B	**2,239.10**	**1,911.60**	**2,820.60**	**3,131.20**
(3) Current liabilities					
(a) Short-term borrowings		11,032.40	9,650.10	6,837.10	8,515.50
(b) Trade payables		2,397.90	2,151.50	1,944.20	1,838.80
(c) Other current liabilities		14,257.20	10,195.80	6,005.70	8,411.10
(d) Short-term provisions		731.50	1,841.20	3,471.80	311.30
	C	**28,419.00**	**23,838.60**	**18,258.80**	**19,076.70**
Total (A + B + C)		**52,878.00**	**47,020.40**	**41,516.70**	**28,484.10**
II. ASSETS					
(1) Non-current assets					
(a) Fixed assets					
(i)Tangible assets		4,217.70	4,287.70	4,229.20	4,458.00
(ii) Intangible assets		4.10	1.10	-	-
(iii) Capital work-in-progress		1,529.20	1,263.50	1,011.70	570.20
		5,751.00	**5,552.30**	**5,240.90**	**5,028.20**
(b) Non-current investments		6,579.50	6,417.20	5,923.70	3,845.10
(c) Long-term loans and advances		7,846.10	5,575.20	3,247.80	2,014.50
(d) Other non-current assets		130.30	256.10	238.50	104.70
	D	**20,306.90**	**17,800.80**	**14,650.90**	**10,992.50**

		At at September 30,	As at March 31,		
		2012	2012	2011	2010
(2) Current assets					
(a) Current investments		1,105.40	870.40	256.90	0.40
(b) Inventories		14,890.90	12,004.10	8,644.30	7,891.40
(c) Trade receivables		7,631.90	8,313.20	10,113.40	3,947.50
(d) Cash and Bank balances		1,834.30	1,173.60	2,873.60	1,256.40
(e) Short-term loans and advances		6,618.90	6,533.90	4,819.60	4,318.30
(f) Other current assets		489.70	324.40	158.00	77.60
	E	**32,571.10**	**29,219.60**	**26,865.80**	**17,491.60**
Total (D + E)		**52,878.00**	**47,020.40**	**41,516.70**	**28,484.10**

PRESTIGE ESTATES PROJECTS LIMITED

UNCONSOLIDATED SUMMARY FINANCIAL STATEMENTS

Unconsolidated Summary Statement of Profits and Losses

(Amount in Rs. Million)

		For the period ended September 30,	For the year ended March 31,		
		2012	2012	2011	2010
Revenue from Operations	A	4,605.90	7,454.70	13,850.00	9,496.70
Other Income	B	466.70	537.60	764.80	434.80
Total Revenue (A + B)	C	**5,072.60**	**7,992.30**	**14,614.80**	**9,931.50**
Expenses					
Purchases of Stock of units		57.40	53.50	34.80	-
Cost of sale on projects		2,145.20	3,365.40	9,181.80	6,307.40
Property and facilities operating expenses		419.40	635.70	547.20	443.80
Employee benefits expense		311.10	456.40	390.60	303.40
Finance costs		430.50	765.10	787.20	660.80
Depreciation and amortization expense		159.60	324.50	332.30	349.30
Other expenses		244.20	575.00	457.40	259.70
Total Expenses	D	**3,767.40**	**6,175.60**	**11,731.30**	**8,324.40**
Profit before Tax (C - D)	E	**1,305.20**	**1,816.70**	**2,883.50**	**1,607.10**
Tax expense					
Current tax		355.00	487.50	758.00	240.00
Income tax pertaining to earlier years		(3.00)	(5.10)	12.60	(21.10)
Deferred tax		3.50	43.80	77.10	(28.70)
Total	F	**355.50**	**526.20**	**847.70**	**190.20**
Profit after Tax (E - F)	G	**949.70**	**1,290.50**	**2,035.80**	**1,416.90**
Earning per equity share (equity shares, par value of Rs. 10 each)					
Basic & Diluted EPS-Rs.*		2.89	3.93	6.98	5.40

*Basic and diluted EPS for the period ended September 30, 2012 is not annualized.

PRESTIGE ESTATES PROJECTS LIMITED

UNCONSOLIDATED SUMMARY FINANCIAL STATEMENTS

Unconsolidated Summary Statement of Cash Flows

(Amount in Rs. Million)

		For the period ended September 30,	For the year ended March 31,		
		2012	2012	2011	2010
I. CASHFLOW FROM OPERATIONS					
Profits before taxation		**1,305.20**	**1,816.70**	**2,883.50**	**1,607.10**
Add: Adjustments for					
Depreciation		159.60	324.50	332.30	349.30
		159.60	**324.50**	**332.30**	**349.30**
Less: Incomes / credits considered separately					
Interest income		287.50	369.90	298.00	70.20
Dividend income		72.80	2.10	34.50	4.70
Impairment in Investment written back		-	-	-	0.20
Profit on sale of fixed assets		-	0.10	22.10	1.30
Share of profit from firms		84.60	147.90	401.60	349.60
Unrealised exchange gain		9.80	-	-	-
		454.70	**520.00**	**756.20**	**426.00**
Add: Expenses / debits considered separately					
Loss on sale of investments		-	-	-	4.70
Finance costs		430.50	765.10	787.20	660.80
Provision for doubtful debts		-	-	4.50	-
Loss on sale of fixed assets		0.10	7.00	-	-
		430.60	**772.10**	**791.70**	**665.50**
Operating profit before changes in working capital		**1,440.70**	**2,393.30**	**3,251.30**	**2,195.90**
Adjustments for:					
(Increase) / decrease in Trade Recievables		681.40	1,800.20	(6,170.30)	(1,409.70)
(Increase) / decrease in inventories		(2,886.80)	(3,468.30)	(757.80)	(754.30)
(Increase) / decrease in Long-term & Short-term loans and advances		(1,922.40)	(1,087.90)	(953.40)	(13.10)
Increase / (decrease) in Current & Non-current liabilities		4,680.70	4,436.70	(1,665.80)	(1,764.80)
Increase / (decrease) in Current & Non-current provisions		(910.30)	(1,180.10)	1,744.40	22.10
		(357.40)	**500.60**	**(7,802.90)**	**(3,919.80)**
Cash generated from / (used in) operations		**1,083.30**	**2,893.90**	**(4,551.60)**	**(1,723.90)**
Direct taxes (paid)/refund		(211.90)	(946.60)	38.00	(209.00)
Net cash generated from / (used in) operations	A	**871.40**	**1,947.30**	**(4,513.60)**	**(1,932.90)**

		For the period ended September 30,	For the year ended March 31,		
		2012	2012	2011	2010
II. CASHFLOW FROM INVESTING ACTIVITIES					
Capital expenditure on fixed assets		(347.50)	(665.10)	(609.20)	(798.90)
Sale proceeds of fixed assets		0.20	109.90	55.30	7.10
Inter corporate deposits given (net)		602.80	(1,753.40)	(938.00)	407.70
Changes in Partnership current account		(110.50)	522.70	1,297.50	(87.20)
Current & Non-current Investments made		(1,747.20)	(1,529.30)	(1,926.00)	(852.00)
Advance paid for purchase of shares		(1,118.30)	(1,650.00)	-	-
Proceeds from sale of / refunds from Current & Non-current Investments		1,403.80	740.50	0.30	231.30
Changes in Other Non-current Assets (increase)/decrease		125.80	(17.60)	(133.80)	(58.80)
Interest received		122.20	203.50	217.50	15.30
Dividend received		72.80	2.10	34.50	4.70
Changes in other bank balances (increase)/decrease		(181.50)	(297.30)	127.80	(166.40)
Net cash from / (used in) investing activities	B	**(1,177.40)**	**(4,334.00)**	**(1,874.10)**	**(1,297.20)**
III. CASHFLOW FROM FINANCING ACTIVITIES					
Secured loans availed		3,047.00	9,452.50	3,930.10	19,791.40
Secured loans repaid		(1,342.30)	(7,781.20)	(6,086.30)	(15,667.70)
Unsecured loans taken		105.70	84.30	20.30	462.50
Repayment of Unsecured loans		(149.20)	(199.30)	(374.90)	(107.90)
Repayment of Debenture application money		-	-	-	(550.00)
Inter corporate deposits taken/repaid (net)		9.50	61.50	(31.90)	(20.30)
Dividend payout including tax		(457.60)	(455.80)	-	-
Financial expenses		(427.90)	(772.60)	(801.40)	(662.70)
Net Proceeds from IPO		-	-	11,476.80	-
Net cash from / (used in) financing activities	C	**785.20**	**389.40**	**8,132.70**	**3,245.30**
Total increase / (decrease) in cash and cash equivalents during the year (A + B + C)		**479.20**	**(1,997.30)**	**1,745.00**	**15.20**
Cash and cash equivalents opening balance		825.50	2,822.80	1,077.80	1,062.60
Cash and cash equivalents closing balance		**1,304.70**	**825.50**	**2,822.80**	**1,077.80**

		For the period ended September 30,	For the year ended March 31,		
		2012	2012	2011	2010
Reconciliation of Cash and cash equivalents with balance sheet					
Cash and bank balances as per Balance Sheet		1,834.30	1,173.60	2,873.60	1,256.40
Less : Fixed Deposits & Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments		529.60	348.10	50.80	178.60
Cash and cash equivalents at the end of the year as per cash flow statement above		**1,304.70**	**825.50**	**2,822.80**	**1,077.80**

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares.

If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and all or part of your investment may be lost. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein.

This Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus.

Risks Relating to our Company

Our business and profitability is significantly dependent on the performance of the real estate market generally in India, and in south India and Bengaluru in particular. Fluctuations in market conditions may affect our ability to sell our projects at expected prices, which could materially and adversely affect our revenues and earnings.

Our business is significantly dependent on the performance of the real estate market generally in India, and particularly in south India and Bengaluru, where almost all our projects are located, and could be adversely affected if market conditions deteriorate. The real estate business is in turn significantly affected by changes in government policies, economic and other conditions, such as economic slowdown, demographic trends, employment levels, availability of financing, rising interest rates and declining demand for real estate, or the public perception that any of these events may occur. These factors can adversely affect the demand for, and pricing of, our Completed Projects (which have not been either sold or leased), Ongoing Projects and Upcoming Projects, as well as adversely affect the value of our Land Bank, and, as a result, may materially and adversely affect our financial condition, results of operations, cash flows, our ability to service our debts and the trading price of our Equity Shares. Owing to the global economic slowdown during 2008 and 2009 and its impact on the financial markets, our management deferred the launch of new projects during Fiscal Years 2008, 2009 and for the 10 months ended January 2010. As we typically take 12 to 18 months to incur sufficient project costs to be able to recognize revenue, none of the projects reached the required thresholds for revenue to be recognized in Fiscal Year 2012. As a result of this, our total consolidated revenues decreased from ₹ 16,113.4 million in Fiscal Year 2011 to ₹ 10,864.6 million in Fiscal Year 2012 and our profit after tax decreased from ₹ 1,709.5 million in Fiscal Year 2011 to ₹ 826.0 million in Fiscal Year 2012. For details of our revenue recognition method, see "*Management's Discussion and Analysis of Financial Conditions and Results of Operation – Significant Accounting Policies – Revenue Recognition*".

We believe that the success of our projects depends on the general economic growth and demographic conditions in India. In addition, the condition of the real estate sector in India, particularly market prices for developable land and finished units and projects, has a significant impact on our revenues and results of operations. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting our Financial Results – Variations in Prices for our Properties*".

As of December 15, 2012, 77.02 per cent. of the total Developable Area of our Ongoing Projects and Upcoming Projects and 80.20 per cent. of our Land Bank are located in Bengaluru. For details regarding the break-up of our Ongoing Projects, Upcoming Projects and Land Bank in Bengaluru and in south India generally, see "*Business*". The real estate market in south India, and in Bengaluru in particular, may perform differently from, and may be subject to market conditions and regulatory developments that are different from, real estate markets in other parts of India. See "*Industry Overview – The Bengaluru Real Estate Market*". We cannot assure you that the demand for our properties in south India or in Bengaluru will grow, or will not decrease, in the future.

Our business is significantly dependent on the availability of real estate financing in India. Difficult conditions in the Indian economy and the global financial markets generally have affected and may continue to materially and adversely affect our business and results of operations.

Since the second half of 2007, the global credit markets have experienced, and may continue to experience, significant dislocations and liquidity disruptions which have arisen from, amongst other things, the liquidity disruptions in the United States and the European Union credit and sub-prime residential mortgage markets, and more recently, the sovereign debt crisis in Greece and the European Union generally. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. These and other related events, such as the collapse of a number of financial institutions, have had and continue to have a significant adverse impact on the availability of credit and the confidence of the financial markets, globally as well as in India.

The global economy and financial markets have also experienced extreme levels of instability, and there is substantial volatility in markets, including, without limitation, stock markets, foreign exchange markets, commodity markets, fixed income markets and credit markets, which in turn has adversely affected the economy in India. The GDP growth rate of India decelerated to 6.5 per cent. in Fiscal Year 2012 compared with 8.4 per cent. growth in Fiscal Year 2011 (*Source: Centre for Monitoring Indian Economy, November 2012*). According to RBI's Second Quarter Review of Monetary Policy 2011-2013, the baseline projection of GDP growth from Fiscal Year 2012 to Fiscal Year 2013 was revised downwards to 5.8 per cent. (*Source: Second Quarter Review of Monetary Policy 2012-2013, Press Statement by Dr. D. Subbarao, Governor, Reserve Bank of India, October 30, 2012*). A press release issued by the Indian Ministry of Finance on November 30, 2012 estimates GDP growth for India in the first half of Fiscal Year 2013 at 5.4 per cent. *(Source: Growth Rate Below Our Expectations: Says Finance Ministry, Press Information Bureau, Government Of India, November 30, 2012)*.

The inflation rate in India remained at approximately 9 per cent. for both Fiscal Year 2011 and Fiscal Year 2012. The Reserve Bank of India raised interest rates numerous times between March 2010 and October 2011 to address inflation concerns, with the series of rate hikes increasing repo rates by 375 basis points from 4.75 per cent. to 8.50 per cent during that period (*Source: Bloomberg*). However, the Reserve Bank of India has recently started taking measures to address liquidity and credit flow concerns in the economy. The interest rates were reduced by 50 basis points in April 2012 and have not been raised since. The CRR of scheduled commercial banks was reduced four times by 175 basis points, from 6.00 per cent. to 4.25 per cent. of their net demand and time liabilities, during the period from January 28, 2012 to November 3, 2012 (*Source: Reserve Bank of India*). Changes in interest rates have also had a significant impact on the real estate financing and the demand for residential real estate projects. Rising interest rates affect a prospective customer's ability to obtain affordable financing for purchase of our properties, particularly the purchase of completed residential developments by individuals and sale or lease of commercial projects. Availability of credit to such customers, affects the affordability of, and hence the market demand for, our real estate developments. These factors may adversely affect our business and lead to decreases in the sales of, or market rates for, the development of projects; delays in the release of finances for certain of the projects in order to take advantage of future periods of more robust real estate demand; decreases in rental or occupancy rates for the commercial or retail properties; insolvency of key contractors resulting in construction delays; insolvency of key tenants in the commercial and retail properties; inability of customers to obtain credit to finance purchase of our properties. In any of these circumstances, our results of operations and business prospects may be materially and adversely affected.

We cannot assure you that global or Indian economic conditions will not deteriorate further and, accordingly, that our financial condition and results of operations will not be further adversely affected. As a result of the prevailing conditions of the global and Indian credit markets, buyers of property may remain cautious, rentals of commercial properties may continue to face downward pressure and consumer sentiment and market spending may turn more cautious in the near-term.

Our audited summary financial statements and related financial disclosure in this Red Herring Prospectus as at and for the six month period ended September 30, 2012 are on an unconsolidated basis, and are not comparable with prior periods.

Our audited summary financial statements as of and for the six month period ended September 30, 2012 are presented on an unconsolidated basis, and therefore do not present the consolidated results of operations, financial condition or cash flows of our Company for such period. Certain financial statements of certain subsidiaries and one of our Associates are included in "*Financial Statements*". See "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Basis of Presentation of financial statements – Our financial statements as of and for the six month period ended September 30, 2012 are not presented on a consolidated basis*" for details of the

audited unconsolidated summary financial statements of our Company and audited unconsolidated financial statements of certain of our Subsidiaries and one of our Associates presented in this Red Herring Prospectus, and their basis of presentation.

Accordingly, the audited unconsolidated summary financial statements of our Company and the audited unconsolidated financial statements of certain of our Subsidiaries and one of our Associates included in this Red Herring Prospectus may not reveal matters of significance in relation to our consolidated results of operations, financial condition or cash flows since March 31, 2012 in the same manner as they would if our financial statements were presented on a consolidated basis.

The Guidance Note on Accounting for Real Estate Transactions (Revised 2012) was issued by the ICAI on February 11, 2012 (the "**Guidance Note on Accounting for Real Estate Transactions**") and is applicable to all projects of our real estate development business which commenced on or after April 1, 2012 and also to projects which have already commenced but where revenue is being recognized for the first time on or after April 1, 2012. As such, we have applied the Guidance Note on Accounting for Real Estate Transactions for three of our real estate projects, namely *Prestige White Meadows*, *Prestige Technology Park III* and *Prestige Edwardian* under the Revised Revenue Recognition method. Accordingly, our audited unconsolidated summary financial statements for the six month period ended September 30, 2012 recognize revenue from these projects in a manner which differs from revenue recognition in respect of projects where revenue recognition had commenced on or prior to March 31, 2012 and as such, our September 2011 Reviewed Financial Results.

Our Company's audited unconsolidated summary financial statements and the unconsolidated audited financial statements of certain of our Subsidiaries and one of our Associates included in this Red Herring Prospectus cannot and are not intended to substitute the consolidated financial statements of our Company and the investors are cautioned against substituting such unconsolidated financial statements in making their investment decision.

Our Auditors have qualified their audit report on our consolidated financial statements, which may impact the financial statements, results of operation and the price of Equity Shares of our Company.

Our statutory auditor's report on the consolidated financial statements of the Company for the year ended March 31, 2012 includes a qualification with regard to the financial information of a certain jointly controlled entity and an associate for the year then ended, which were considered in the consolidated financial statements based on information compiled by the Company's management and were not subject to an audit by independent auditors. This financial information is contained in Annexure 1 to the report of the independent auditor on the audited consolidated summary financial statements included in "*Financial Statements*", which provides as follows:

Particulars:	**As at and for the year ended March 31, 2012: (₹ *millions*)**
Relating to a jointly-controlled entity:	
Assets:	672.0
Revenue:	1.1
Cash flows – (outflows)/inflows	99.6
Relating to an Associate:	
Share of Profits	2.2

This qualification may impact our financial statements and the results of operation of our Company. For further details, see the independent auditor's report as of and for the financial year ended March 31, 2012 in "*Financial Statements*".

We cannot assure you that our auditors will not qualify their opinions on their audit reports on the audited consolidated or unconsolidated financial statements of our Company in the future. Such a qualification in future audit reports may impact the financial statements, results of operations and the price of Equity Shares of our Company.

Our revenues are dependent on various factors and are therefore difficult to predict and can vary significantly from period to period, which could cause the price of the Equity Shares to fluctuate.

Under our existing business model, revenues in our real estate development business are derived primarily from the sale of commercial and residential developments, the leasing of commercial developments, retail developments and hospitality developments. While rental income can be relatively stable, revenues from sale of properties are dependent on various factors such as the size of our developments, the price at which such developments are sold, the extent to which they qualify for percentage of completion treatment under our revenue recognition policies, rights of lessors or third parties that could impair our ability to sell properties and general market conditions including those caused by the current global financial crisis. Our revenues are also recognized based on a percentage of estimated total costs, which estimate may vary, sometimes significantly. Further, while we make sales of properties, our ability to recognize revenue and profits will depend on the successful execution and completion of projects and the customers paying us the remaining amounts due under contract, after the payment of initial deposit.

The completion dates for our projects are estimates based on current expectations, market demands and management estimates and could change. Any changes in the construction schedule could affect revenue recognition in our financial statements. These factors may result in significant variations in our revenues and profits. Therefore, we believe that period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as indicative of future performance.

We recognise revenue based on the percentage of completion method of accounting. As a result, our revenues and development costs may fluctuate significantly from period to period. Further, the adoption of the Guidance Note on Accounting for Real Estate Transactions may have adverse effects on our financial condition and results of operations.

We recognise our revenues from the sale of properties on a percentage of completion basis and the timing of such revenue recognition depends on achieving a certain threshold of completion of our projects. This may result in uneven distribution of our revenues, with substantial revenues recognized at the time of completion of a particular project and prolonged periods in between such recognition of revenues. This may cause our financial results to fluctuate significantly from period to period. Further, we recognize revenues based on actual costs over estimated costs. We cannot assure you that these estimates will equal either the actual cost incurred or revenue received with respect to a particular project. The effect of such changes to estimates is recognised in the financial statements of the period in which such changes are determined. This may lead to significant fluctuations in revenues and development costs. Further, any significant change in such estimated costs may materially and adversely impact our financial condition and results of operations. Therefore, we believe that our financial position for a particular period may not accurately reflect our level of activity in that period or may not be indicative of our future performance or our level of activity for a particular period may not accurately reflect our financial position in that period. Such fluctuations in our revenues and costs could also cause our share price to fluctuate significantly. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Accounting Policies – Revenue Recognition*".

In addition, we have applied the Guidance Note on Accounting for Real Estate Transactions with effect from April 1, 2012. Pursuant to the requirements of the Guidance Note on Accounting for Real Estate Transactions, we have applied the new basis for determination of the reasonable level of development for all projects where revenues are recognized for the first time on or after April 1, 2012 (the "**Revised Revenue Recognition Method**").

For projects that commenced on or prior to March 31, 2012 and where revenue recognition had commenced on or prior to that date, a reasonable level of development is considered to have occurred when the construction and development costs incurred is in the range of 20 per cent. to 30 per cent. of the total estimated construction cost and development cost (the "**Old Revenue Recognition Method**").

The effect of applying the requirements of the Guidance Note on Accounting for Real Estate Transactions is that:

(a) the threshold required to trigger the recognition of revenue has changed from being between 20 per cent. to 30 per cent. (at the discretion of management) of the total construction and development cost for the project to 25 per cent. of such costs; and

(b) the project costs (including the cost of land, cost of development rights and borrowing costs) and not only construction and development costs are considered for purposes of determining the percentage completion of the projects.

As such, we have applied the Guidance Note on Accounting for Real Estate Transactions for three of our real estate projects, namely *Prestige White Meadows, Prestige Technology Park III* and *Prestige Edwardian*. Accordingly, our audited unconsolidated financial statements for the six month period ended September 30, 2012 recognize revenue from these projects in a manner which differs from revenue recognition in respect of projects where revenue recognition had commenced on or prior to March 31, 2012. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Basis of Presentation of Financial Statements - Our financial statements as of for the six month period ended September 30, 2012 are not presented on a consolidated basis*."

While we do not anticipate that the application of the Revised Revenue Recognition Method will have an adverse effect on our financial condition, it may adversely affect the way that we recognise revenue in the context of the business plans and timelines of the projects that we are currently developing, which could have an adverse effect on our financial condition.

Our contingent liabilities could adversely affect our financial condition.

We have substantial contingent liabilities, which could adversely affect our business and results of operations. Our contingent liabilities aggregated to ₹ 14,240.20 million on an unconsolidated basis as at September 30, 2012, and ₹ 6,769.70 million on a consolidated basis as at March 31, 2012. The contingent liabilities consist principally of corporate guarantees given on behalf of companies under the same management. If these entities are unable to pay or otherwise default on their obligations, their lenders may require us, pursuant to the relevant guarantee, to cover the full or remaining balance of their obligations. In the event that any of these contingent liabilities materialize, our results of operation and financial condition may be adversely affected. For further information, see "*Management's Discussion and Analysis of Condition and Results of Operations – Liquidity and Capital Resources – Contractual Obligations*".

The following significant Subsidiaries and Associates have contingent liabilities:

S. No.	Entity	Contingent liability as at September 30, 2012
		₹ *In million*
1.	ICBI India Private Limited	8.00
2.	Downhills Holiday Resorts Private Limited	92.40
3.	Pennar Hotels & Resorts Private Limited	92.40
4.	Foothills Resorts Private Limited	92.40
5.	Northland Holding Company Private Limited	2,146.40
6.	Cessna Garden Developers Private Limited	917.30
7.	West Palm Developments Private Limited	2.60

In the event that any of the above contingent liabilities fructify, then the same could adversely affect the financial condition of our Subsidiaries and Associates.

In addition to the contingent liabilities of our Significant Subsidiaries and Associates set out above, our other Subsidiaries may also have contingent liabilities. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Basis of Presentation of financial statements – Our financial statements as of and for the six month period ended September 30, 2012 are not presented on a consolidated basis*".

We will continue to be controlled by our Promoters after the completion of the Issue.

After the completion of the Issue, our Promoters will control, directly or indirectly, up to [●] per cent. of our outstanding Equity Shares. As a result, our Promoters will continue to exercise significant control over us, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other shareholders will be unable to affect the outcome of such voting. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our Promoters will act to resolve any conflicts of interest in our favor.

Our business and financial condition will suffer if we are unable to renew our commercial, retail and hospitality leases on favorable terms.

We receive rental income from the lease of commercial, retail and hospitality projects. In the six month period ended September 30, 2012, the Company's rental income (on an unconsolidated basis) was ₹ 967.60 million, which constituted 19 per cent. of our total revenue (on an unconsolidated basis). For Fiscal Year 2012, our rental income (on a consolidated basis) was ₹ 3,469.90 million, which constituted 32 per cent. of our total revenue (on a consolidated basis). When our leases expire, our tenants may not renew or may renew on terms less favorable to us than the terms of their original leases. In some cases, we also enter into long-term agreements with anchor tenants for periods up to 25 years. Our ability to enter into such long term arrangements is largely dependent on our pricing policy. If a tenant vacates a property, we can expect to experience a vacancy for some period of time, as well as incur higher leasing costs, than if a tenant renews a property in a timely manner. We have in certain cases also entered into letters of intent to commit tenants to the lease of commercial space in certain of our Ongoing Projects and Upcoming Projects prior to the completion of these developments. Our financial performance could be adversely affected if such prospective tenants fail to take up space and execute formal lease agreements.

We undertake some of our projects through joint ventures, project-specific Subsidiaries and Associates, which entail certain risks.

At present some of our projects are undertaken by way of joint ventures, such as our joint venture with CMIDF for development of retail and commercial projects in South Indian cities such as Bengaluru, Mysore, Mangalore, Hyderabad and Kochi. See "*Our Business – Our Joint Venture with CMIDF*". Certain of our joint venture arrangements restrict us from collaborating with parties other than our joint venture partner for the development of projects except where our joint venture partner declines a proposal made by us in which case we are allowed to offer such projects to a third party only on terms that are no more favourable than those offered to our joint venture partners. While we believe that such restrictions are market standard, they may inhibit our growth in the retail development segment. In addition, we plan to continue to undertake projects with or through joint ventures with third parties in the future.

Our joint venture partners may have or acquire business interests or goals that are inconsistent with our business interests or goals. Our joint venture partners may also enter into similar joint venture agreements and collaborate with other parties developing similar projects as ours. Any disputes that may arise between us and our joint venture partners may cause delay in completion, suspension or complete abandonment of the project. In addition, we may in certain circumstances be liable for the actions of our joint venture partners. Further, the success of these joint ventures depends, to a certain extent, on the satisfactory performance by the joint venture partners and the fulfilment of their obligations. Additionally, under certain joint venture agreements we along with our partners are required to provide additional funding into the joint venture entities. We cannot assure you that the capital contributions will be made as envisaged under the agreements, or at all. In addition, though our joint ventures confer rights on us to construct, develop, market and sell the developed properties, our joint venture partners have certain decision-making rights which may limit our flexibility to make decisions relating to such projects, and may cause delays or losses. Further, unlike under our joint development agreements, the Company in the joint venture framework agreements is responsible for the conversion of agricultural land, where required. Any delay or inability to convert such land may lead to delay or cancellation of such projects and may also subject us to penalties. As a result of this, our business, reputation and result of operations may be materially and adversely affected.

Certain of our joint ventures involve the participation of foreign investors. These joint venture agreements provide the investors with options to exit the joint venture, through the exercise of tag along rights, drag along rights, put option and call options. In the event that the investors exercise these rights, the completion of the project may be adversely affected. Further, joint venture agreements require investor consent before any restructuring, reorganization, change in capital structure, effecting amendments to the joint venture company's memorandum or articles of association and/or transfer of assets. Under certain joint ventures agreements, the investors are entitled to preferential dividends. Further, under certain joint venture agreements, investor consent is also required for the determination of minimum sale prices and rentals of the various components of the project. We may not be able to obtain these consents in time or at all, which may delay or defer proposed transactions and adversely affect our growth strategy.

While we believe that such restrictions are market standard, they may inhibit our growth potential, limit our flexibility to make decisions relating to the corresponding projects, cause delays and may materially and adversely affect our results of operations.

Further, the Company has equity interests in its Subsidiaries and Associates, each of which develop specific projects. Some of our Subsidiaries and Associates not only undertake the development but also continue to own and/or operate such developments subsequent to their completion. As a result, our financial condition and results of operations also depend on the performance of our Subsidiaries and Associates and the returns and other distributions we receive from them. In the event of non-performance by our Subsidiaries and Associates, losses incurred or lack of dividends or other distributions made by our Subsidiaries and Associates, our results of operations and financial condition may be adversely affected.

We enter into joint development agreements in relation to the development of majority of our projects, which entail certain risks, including loss of the payments made by us and payment of penalties.

We enter into joint development agreements with third party land owners in relation to the development of majority of our projects. As of December 15, 2012, we had entered into joint development agreements in relation to 277.72 acres or approximately 26.14 per cent. of our Land Reserves, and pursuant to these agreements we had paid approximately ₹ 4,439 million and are required to pay a further sum of ₹ 785 million under such agreements. Under these agreements, we are required to provide the owners of the land with either a refundable deposit, which is refundable upon the completion of the project and the joint development partners being given possession of their share of the units in the project pursuant to the agreement or a non-refundable deposit. Under these joint development agreements, in the event of any delay in the completion of the project within the time-frame specified, we are required to indemnify such parties with whom we have entered into joint development agreements and pay certain penalties as specified in these agreements. In the past, we have experienced delays in the completion and handover of projects. Continued delays in the completion of the construction of our projects will adversely affect our reputation. Such penalties payable by us will have an adverse effect on our financial condition and results of operations. Further, if we are required to pay penalties pursuant to such agreements and we decline to do so, we may not be able to recover the deposits made by us to the owners of the land, which could have an adverse effect on our business, financial condition and results of operations.

Certain of our joint development agreements, including the joint development agreement with M/s United Breweries (Holdings) Limited for Kingfisher Towers, do not contain an exception for delay caused due to factors beyond the control of the Company in relation to the imposition of penalties and only contain limited force majeure clauses. Consequently, we could be forced to pay penalty for certain events beyond our control, including for delays on part of the government authorities or other entities.

Further, under the terms of the joint development agreements, the underlying interest in land is not transferred to the Company until the completion of the project. In the event of a joint development project not being completed, any investment made by the Company in relation to the project would be lost. As a result of this, our business, financial condition and results of operations could be materially and adversely affected.

We have executed joint development agreements for the development of Prestige Alecto, one of our Completed Projects and for Prestige Excelsior, one of our Ongoing Projects, only with the leaseholders of the underlying land and not with the owners. In the event that the leaseholders commit a default under the lease agreement, or for any other reason the leasehold right of the leaseholder is terminated, we will be unable to acquire an interest in or derive benefits from the project. Furthermore, there is ongoing legal proceeding relating to the leaseholder's title to the underlying land for Prestige Alecto. Consequently, an adverse outcome in the legal proceeding may materially and adversely affect our interest in the project. See "*Legal Proceedings*".

We enter into memoranda of understanding, agreements to sell and similar agreements with land owners to acquire land, interests in land (including acquisitions of land and interests in land through investment in entities) or to enter into joint development agreements and we may not recover payments made with respect to such land.

We enter into memoranda of understanding, agreements to sell and similar agreements with land owners to acquire lands or interest in the lands (including acquisitions of land and interests in land through investment in entities) or to enter into joint development agreements in the future. We also make partial payments to such land owners or entities

and upon the successful completion of due diligence investigations we pay the remaining amount. We have entered into agreements to acquire 256.70 acres for our Land Reserves, which will constitute approximately 24.16 per cent. of our Land Reserves as of December 15, 2012. Pursuant to these agreements, we have paid approximately ₹ 1,404 million and are required to pay a further sum of ₹ 289.50 million under such agreements. Our inability to acquire such land or land development rights, or our failure to recover any payments made by us with respect to such land, may adversely affect our business, financial condition and results of operations.

We are subject to certain restrictions in relation to the land allotted to us by the Karnataka Industrial Areas Development Board.

One of our Subsidiaries has been allotted lands by the KIADB, pursuant to lease cum sale agreements dated January 28, 2008, March 14, 2007 and June 4, 2009 respectively, for an aggregate of approximately 8.15 acres of land in the Amani, Bellandur Khane, Varthur Hobli-Sarjapur-Marathalli area of Bengaluru for the exclusive development of knowledge parks or business process outsource units. In terms of the said agreements, the original applicant / promoter directors / shareholders or lessee company are required to hold a minimum of 51 per cent. interest / shareholding of the lessee company until the end of the lease period or execution of sale deed, whichever is later. Further, in the event that we are not able to carry out such development for which purpose the allotments were made, KIADB has the right to re-enter and take the possession of these lands and the lease may be withdrawn. Upon completion of the initial period of the lease (ranging between six to eleven years) and upon the satisfaction of the terms of allotment letters and lease cum sale agreements, we may purchase such land. As of December 15, 2012, we had paid a total of ₹ 380 million towards these lands and are not required to pay any additional amounts towards these lands.

Our Company has a minority shareholding in certain Associates in which other individual/entities together have a controlling interest. Consequently, our control and operations in respect of such Associates may be adversely affected.

Our Company has a minority shareholding in certain Associates in which other individual/entities together have a controlling interest. These include, Prestige Garden Constructions Private Limited, Babji Realtors Private Limited, Prestige Projects Private Limited and Exora Business Parks Private Limited. These Associates own lands, on some of which certain of our projects are being developed.

We cannot assure you that such other individuals/entities who hold controlling stakes in such Associates will act in our interest while exercising their rights in such Associates. Our inability to exercise control over entities which hold the lands on which certain of our projects are being constructed may result in delays or losses in relation to the construction of the said Projects which may in turn materially and adversely affect our business and results of operations. The details of the controlling interests of other individuals and entities are as below:

Entity	% of Controlling Interest held by other individuals/entitites as of December 15, 2012
Prestige Garden Constructions Private Limited	65.00
Babji Realtors Private Limited	75.50
Prestige Projects Private Limited	67.32
Exora Business Parks Private Limited	67.54

Our Company, our Promoters and certain of our directors, and our Subsidiaries and Associates are involved in legal proceedings, which if determined against such parties may have an adverse effect on our reputation, business and results of operations.

We are involved in legal proceedings and claims in India. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. For example, certain civil suits have been instituted against the Company relating to, among others, title to land on which we are developing our projects. We are also involved in tax proceedings. There are also consumer complaints pending against us which allege that we have delayed in the delivery of possession of apartments and have been deficient in our service.

Irfan Razack, Rezwan Razack, Noaman Razack, B.G. Koshy, Jagdeesh K. Reddy and Dr. Pangal Ranganath Nayak, who are the Promoters and / or Directors of the Company, are involved in certain legal proceedings which are civil

in nature and may include the attachment of certain of their property, including the property on which the registered office of the Company is located. Irfan Razack, Rezwan Razack, B.G. Koshy and Dr. Pangal Ranganath Nayak are also parties to civil suits as a member in a partnership firm. Further, Irfan Razack and Rezwan Razack are also parties to tax proceedings.

Our Subsidiaries and Associates are also involved in legal proceedings, including civil and tax proceedings, which are pending at different levels of adjudication before various courts and tribunals.

We cannot assure you that these legal proceedings will be decided in favor of us, our Promoters or Directors or our Subsidiaries or Associates. In addition, should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and our liabilities. Any adverse decision may have an adverse effect on our reputation, business and results of operations.

We had entered into certain contracts with certain of our Subsidiaries and Associates and other entities in which our directors were interested for which we had not received prior approval from the Government of India as required. Anything done in pursuance of such contracts may be voidable at the option of the Board.

We have in the past entered into certain contracts with certain of our Subsidiaries and Associates and other entities in which our directors were interested for which we had not received prior approval from the Government of India as required. In this regard we submitted appropriate applications before the Company Law Board, Chennai, to compound the offences in this respect. The process will entail the payment of compounding fees / penalties and in relation to such payment of penalties, an order from the Company Law Board, Chennai is awaited. Rejection of our application will have an adverse impact on our continuing relationships with such entities and may expose us to legal liability. We cannot assure you that similar instances will not occur in the future and any adverse outcome in those may materially and adversely affect our business, financial condition and results of operations.

We face intense competition in our business from real estate companies in India, based on the availability and cost of land. We may not be able to compete effectively, particularly in certain regional markets.

We operate in highly competitive markets, and competition in these markets is based primarily on the availability and cost of land. We also face competition from other real estate companies in India in bidding for new property development projects.

Although, our operations have historically focused on projects in and around Bengaluru, we have expanded in other cities across South India. As we intend to diversify our regional focus, particularly in South Indian cities other than Bengaluru, we face the risk that some of our competitors, who are also engaged in real estate development, may be better known in other regional markets, enjoy better relationships with landowners and joint venture partners, gain early access to information regarding attractive parcels of land, have more experience in undertaking real estate development in such other markets and may be better placed to acquire such land. Some of our competitors have greater land bank or financial resources than we do. They may also benefit from greater economies of scale and operating efficiencies. Competitors may, whether through consolidation or growth, present more attractive and/or lower cost solutions than we do, causing us to lose market share to our competitors. There can be no assurance that we can continue to compete effectively with our competitors in the future, and failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

We compete with other retail real estate developers seeking suitable retail tenants. Increasing competition could result in price and supply volatility which could materially and adversely affect or results of operations and financial condition.

We may not be successful in expanding our real estate business into new geographical areas and markets in which we do not have significant experience.

We have expanded our business, outside of our traditional geographic focus, to new areas such as Mangalore, Mysore, Hyderabad, Chennai, Goa and Kochi and various locations within some cities such as Bengaluru. See "*Our Business – Our Strategy – Continue to expand our geographical presence in South Indian cities*". We face risks with projects in geographic areas in which we do not possess the same level of familiarity with the development,

ownership and management of properties, including adjusting our construction methods to different geographies; establishing good relations with the local landowners and joint venture partners; obtaining the necessary construction and raw materials and labor in sufficient amounts and on acceptable terms; obtaining necessary governmental approvals and the building permits under unfamiliar regulatory regimes; understanding the requirements of the local laws and market practice; attracting potential customers in a market in which we do not have significant experience; hiring new employees and acquiring infrastructure at reasonable cost; and competing with established local players familiar with these geographies. In particular areas, demand for property may reduce which may impact our strategy and ability to execute projects in such areas. We may not be able to successfully manage the risks of such an expansion, which could have a material adverse effect on our revenues, earnings and financial condition.

Leasing our completed developments instead of selling them, and the securitization of our future rental receipts, could affect our cash flows and results of operations.

In addition to the sale of completed residential and commercial developments, we generate revenue in our real estate development business by leasing completed developments of our commercial business, retail business and hospitality business. Leasing, as opposed to selling, completed developments reduces cash flows in the short-term and increases the period over which cash is recovered from such projects. Further, our strategy of leasing certain properties is also subject to the prevailing rates applicable to rentals, risks arising from the fall of rental rates, recoverability of rent, market price of land and such other factors which may affect our operations.

In addition, we enter into arrangements with banks to securitize the revenue generated from the lease of our completed commercial, hospitality and retail developments, in terms of which the banks pay us a lump sum, in the form of a loan, at the time we lease the property, with all subsequent rentals from our tenants paid directly to the bank. The bank exercises a lien on a bank account into which the lease rentals are paid, until the loan is repaid. The transfer of credit balance in this account can be made by the bank without recourse to the Company. Lease payments may only be utilised for the payment of the sum due under the loan. If our tenants fail to make any rental payments, we are obligated to make the payment owed to the bank which could materially and adversely affect our cash flows and results of operations.

Our Company's indebtedness, inability to make payments or refinance our debt and the conditions and restrictions imposed by the financing arrangements could require us to use our cash flows for the repayment of debt, enter into financing at higher costs and subject us to fluctuations in interest rates, which could adversely affect our ability to conduct our business and operations.

As of September 30, 2012, our Company's outstanding indebtedness (on an unconsolidated basis) was ₹ 13,386.00 million, out of which ₹ 127.60 million was unsecured and ₹ 13,258.40 million was secured. Our Company may incur additional indebtedness in the future. Our Company's indebtedness could have several consequences, including but not limited to the following:

- A portion of our cash flow will be used towards repayment of our existing debt, which will reduce the availability of cash to fund working capital needs, capital expenditures, acquisitions and other general corporate requirements. During the six months ended September 30, 2012, our interest charges were ₹ 897.50 million (on an unconsolidated basis), which amounted to 187 per cent. of our net cash inflows (on an unconsolidated basis) during such period and our loan repayments were ₹ 1,557 million (on an unconsolidated basis), which amounted to 325 per cent. of our net cash inflows (on an unconsolidated basis). Our net cash inflows are computed as our total cash inflows during the period including cash outflows towards investment activities;

- our ability to obtain additional financing in the future at reasonable terms may be restricted; and

- fluctuations and increase in prevailing interest rates may affect the cost of our borrowings, with respect to existing floating rate obligations and new loans.

Our loan agreements with certain banks and financial institutions for term loans and working capital loans, contain restrictive covenants, which include, but are not limited to, requirements that we obtain consent from the lenders prior to altering our capital structure, amending our constitutional documents, effecting any scheme of

amalgamation or reconstitution, permitting any change in the ownership or control (whereby there will be a change in our beneficial ownership), varying the shareholding of our Promoters, declaring dividends, investing any funds by way of deposits or loans or in the share capital of any other concern, undertaking any new project or implementing any scheme of expansion/diversification, entering into borrowing arrangements with other banks or financial institutions, undertaking guarantee obligations, changing our accounting year and/or accounting methods, creating any charge or lien on the security, changing the composition of our board of directors. Additionally, some of the loan agreements contain financial covenants that require us to provide additional security if demanded by the lender. In addition, some of our loans are secured by fixed and other assets.

There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe is required to operate and grow our business. For example, our ability to meet our obligations under joint venture agreements to contribute to capital or our ability to guarantee the borrowing of our subsidiary and associate entities and special purpose vehicles could be impacted by our failure to obtain requisite consent on favorable terms, or at all. Furthermore, a default, including our inability to service our debt, on some of our loans may also trigger cross-defaults under some of the other loan agreements, whereby our failure to honor the payment due under one particular facility will be deemed to be a default under several of our other facilities, and all moneys owed by us to such lenders may be accelerated or declared immediately due and payable. Many of our loan agreements allow our lenders to call upon additional security in relation to existing loans. Further, under the terms of certain of our loan agreements, the relevant lender can appoint a nominee director on our Board in the case of default in the payment of outstanding principal or interest.

Our interest in several of the projects being developed by us are encumbered in favor of our lenders. For instance, Jammu and Kashmir Bank Limited has a charge over the 245 acres of land on which our Ongoing Project Golfshire is being developed, as well as on the present and future rent receivables from that project. Further, under the terms of our ₹ 1,000.00 million term loan from Housing Development Finance Corporartion Limited, upon the occurrence of an event of default the lender obtains a right to enforce the security created in its favor, to enter into and take possession of the assets of the Company and transfer the assets comprised within the security by way of lease, license, sale or otherwise. During the subsistence of an event of default, without the prior approval of the lender, we shall not, among other things, (i) undertake any new projects, (ii) expand any existing projects, (iii) modify the charter documents, (iv) make any investments whether by way of deposits, loans or investments in share capital in any entity and (vii) issue any further share capital whether on a preferential basis or alter the capital structure of the Company. The operation of these provisions in the loan agreement could adversely affect our business, reputation, financial condition and cash flows.

Our Company's ability to make payments on and refinance our indebtedness will depend on our ability to generate cash from our future operations. We may not be able to generate enough cash flow from operations or obtain enough capital to service our debt. In addition, we may need to refinance some or all of our indebtedness on or before maturity and we cannot assure you that we shall be able to do so at commercially reasonable terms, or at all. This may require us to take actions such as selling assets, seeking additional equity financing or reducing or delaying capital expenditures, including development of our Ongoing Projects and Upcoming Projects. We may not be able to take these actions, if necessary, on commercially reasonable terms or at all. In addition, lenders under our credit facility could foreclose on and sell our assets if we default under our credit facilities.

As of September 30, 2012 our Company had unsecured loans (on an unconsolidated basis) amounting to ₹ 127.60 million and repayment of these loans may be called by lenders at any time. This requirement to refinance loans at short notice may have a material and adverse effect on our business operations and financial condition. Furthermore, as on September 30, 2012 the Company had ₹ 13,258.40 million of debt (on an unconsolidated basis) which bears interest at floating rates linked to the prime lending rates of our lenders, as determined from time-to-time in accordance with the relevant financing agreements. Upward fluctuations in interest rates could therefore increase the cost of both existing and new debt, which may have a material and adverse effect on our business operations and financial conditions.

We intend to utilize a portion of the proceeds of the Issue towards the prepayment and repayment of certain of our existing debt obligations. Under the terms of certain of our loan agreements, prior consent of certain lenders and payment of applicable charges is required for the prepayment of certain loans. If we are unable to obtain such

consent or pay such charges, we may be unable to utilize the proceeds of the Issue in the manner set out in this Red Herring Prospectus. See "*Use of Proceeds*".

Our Promoters have given personal guarantees in relation to certain of our debt facilities provided to the Company, its Associates and Subsidiaries, which if revoked may require alternative guarantees, repayment of amounts due or termination of the facilities.

Our Promoters have given personal guarantees in relation to certain of our debt facilities provided to the Company, aggregating ₹ 13,244.80 million (on an unconsolidated basis) as of September 30, 2012. In the event that any of the guarantees are revoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows.

Our Company has given corporate guarantees in relation to certain debt facilities provided to our Subsidiaries and certain Associates, which if claimed on, may require our Company to pay the guaranteed amounts.

As of September 30, 2012, our Company had given corporate guarantees in relation to certain debt facilities provided to our Subsidiaries and certain Associates in respect of which such entities have drawn down amounts aggregating to ₹ 13,356.30 million. For more details see "*Management's Discussion and Analysis of the Financial Conditions and Results of Operations – Contractual Obligations*". If these Subsidiaries and Associates default in their payment obligations, the relevant lenders may enforce the guarantee obligations against our Company. If our Company is required to pay the guaranteed amount, our results of operations and financial conditions may be adversely affected. Additionally, in the event these guarantees are revoked, our relevant Subsidiaries and Associates may be required to substitute such guarantees, failing which our creditors may revoke the debt facilities, in part or full.

Certain of our land acquisition transactions may not be completed on account of sellers' inability to satisfy pre-conditions to the sale and we may not be able to recover advances made in relation to such transactions.

As part of our land acquisition process, we enter into purchase agreements or memoranda of understanding with third parties prior to the transfer of interest or conveyance of title of the land to us. Such third parties may own the land themselves or have contracts to purchase such land from the current owners. We enter into these agreements after making certain advance payments in order to ensure that such third parties can satisfy certain pre-conditions, such as the acquisition of land and the conversion of land for non-agricultural purposes, within the time frames stipulated under these agreements. There can be no assurance that these third parties will be able to satisfy these conditions within the time frames stipulated or at all. In addition, such third parties may at any time decide not to sell us the land identified.

In the event that we are not able to acquire this land, we may not be able to recover all or part of the advance monies paid by us to these third parties, which amounted to approximately ₹ 123 million as of December 15, 2012 and a further sum of ₹ 162 million was required to be paid to these land owners under these agreements. Further, in the event that these agreements are either invalid or have expired, we may lose the right to acquire these lands and also may not be able to recover the advances made in relation to the land. Also, any failure on our part to perform our obligations, or any delay in performing our obligations under these agreements, may lead to us being unable to acquire these lands as the agreements may also expire. Any failure to complete the purchases of land, renew these agreements on terms acceptable to us or recover the advance monies from the relevant counterparties could adversely affect our business, financial condition and results of operations.

Our Company owns land, and is the registered owner of 47.34 acres of land, which accounts for 4.46 per cent. of our total Land Reserves.

Our Company owns a total of 47.34 acres of land, which aggregates to 4.46 per cent. of our total Land Reserves. Our Subsidiaries owns a total of 407.74 acres of land, which aggregates to 38.38 per cent. of our total Land Reserves. Our Associates own a total of 226.49 acres of land in which the Company's proportionate share is 72.92 acres, and which aggregated to 6.86 percent. of the total Land Reserves. As a result, our Subsidiaries and Associates will have control over a significant portion of the Land Reserves and thereby limit our flexibility to make decisions

relating to such Land Reserves. Further, our Company enters into joint development agreements with third party land owners in relation to the development of a majority of our projects. Pursuant to the joint development agreements, our Company develops the land parcel and the built up area is shared between land owner and our Company based on an agreed ratio. For risks relating to joint development agreement, see the risk factor titled "*We enter into joint development agreements in relation to the development of majority of our projects, which entail certain risks, including loss of the payments made by us and payment of penalties*".

Our title and development rights or other interests over land may be subject to legal uncertainties and defects which may have an adverse impact on our ability to develop and market projects developed on such lands. Further, inadequate or doubtful title may expose us to the risks of litigation.

There may be various legal defects and irregularities to the title to the lands that we own or on which we have development rights or other interests in, directly or indirectly, and which we may not be able to fully identify, resolve or assess. Prior to any agreement for purchase and/or development of land with respect to any land or any right therein, we usually verify the history and title of the land based on available documents and information by undertaking a due diligence process and obtain title opinion from experts. See "*Our Business – Our Real Estate Project Development and Execution Methodology*". However, there can be no assurance that such documents and information is accurate, authentic or complete. Our rights in respect of these lands may be compromised by improper execution or non registration of relevant property documents, encumbrances created in favor of third parties that is not registered (due to which such encumbrances would not appear in the records maintained in this regard), the absence of conveyance by all right holders, rights of adverse possessors, non-procurement of *khata* in the name of the owner, ownership claims of family members of prior owners, or other defects that we may not be aware of. Thus, we may not be able to assess or identify all the relevant risks and liabilities associated with defects or irregularities of title. Any acquisition made by us in reliance on our assessment of such information, or the assessment of such information by a third party, is subject to risks and potential liabilities arising from the inaccuracy or incompleteness of such information. If such information later proves to be inaccurate, any defects or irregularities of title may result in our loss of title or rights over land, and the cancellation of our development plans in respect of such land. Any inability to identify defects or irregularities of title, and any inability to correct any such defects or irregularities of title, on lands that we plan to develop may have a material and adverse effect on our business, financial condition and results of operations.

Additionally, property records in India have not been fully computerized and are generally maintained manually with physical records of all land related documents, which are also manually updated. This updating process can take a significant amount of time and can result in inaccuracies or errors and increase the difficulty of obtaining property records and/or materially impact our ability to rely on them. As a result, the title of the real property in which we may invest may not be clear or may be in doubt.

Further, legal disputes in respect of land title can take several years and can entail considerable expense to resolve if they become the subject of court proceedings and their outcome can be uncertain. If we or the owners of the land, which is the subject of our agreements, are unable to resolve such disputes with these claimants, we may either lose our interest in such land or may be rendered unable to commence or continue development thereon. Certain of our projects, even if classified as Completed Projects, are subject to litigation relating to title of underlying land. If the outcome of such litigation is not favorable to us, we may be subject to liabilities, which may not be ascertainable. The failure to obtain good title to a particular plot of land may materially prejudice the success of any development for which that plot is a critical part and may require us to write-off expenditure in respect of the development. For details of litigation relating to land, see "*Legal Proceedings*".

Some of our projects are executed through joint ventures in collaboration with third parties or by entering into joint development agreements where the title to land remains with the land owner during the term of the project. In some of these projects, the title to the land may be owned by one or more such third parties. In such instances, there can be no assurance that the persons with whom we have entered into joint ventures or joint development agreements, as the case may be, have clear title to such land and that there are no encumbrances on such land.

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

Our inability to procure contiguous parcels of land, on terms that are acceptable to us or at all, may affect our future development activities.

We acquire parcels of land at various locations, over a period of time, for future development. These parcels of land are subsequently consolidated to form a contiguous landmass, upon which we undertake development. However, we may not be able to acquire such parcels of land, at all or on terms that are acceptable to us, which may affect our ability to consolidate parcels of land into a contiguous mass. Failure to acquire such parcels of land may cause delays or force us to abandon or modify the planned development of the land, which in turn may result in a failure by us to realize the value of our investment in acquiring such parcels of land. Accordingly, our inability to acquire contiguous parcels of land may adversely affect our business, financial condition and results of operations. In the event we are not successful in acquiring these lands, this could cause us to change, delay or abandon entire projects, which in turn could cause our business to suffer.

Our Company has a substantial level of sundry debtors.

As of September 30, 2012, the aggregate amount owed to the Company (on an unconsolidated basis) by its debtors was ₹ 7,631.90 million. General economic conditions may adversely affect the financial conditions of our debtors, and may result in defaults by some of these debtors. In the event of defaults by our debtors, we may suffer a liquidity shortfall and incur additional costs, including legal expenses, in recovering the sums due and payable to us. If we are unable to recover the sums due and payable to us, or if the recoveries made by us are significantly lower than the aggregate amount owed to us, it may have an adverse impact on our business, financial condition or results of operations.

Some of the properties on which we are developing projects are the subject matter of litigation to which we are not a party.

It has come to our attention that some of the properties on which we are developing projects, such as, Forum Thomsun Mall, Forum Vijaya Mall, Prestige Polygon, Prestige Hillside Retreat, Prestige Spectra and Prestige Silver Crest are the subject matter of litigation to which we are not a party. We are not able to predict the impact of such litigation on us or our projects. The details of our Company's interest in these projects are given below:

Name of the Project	**Interest of the Company in the Project land**
Forum Thomsun Mall	Pursuant to an agreement dated April 17, 2008 amongst Pinnacle Six Limited, our Company, Thomsun Realtors Private Limited and individual promoters of Thomsun, we have acquired 0.002 per cent. shareholding in Thomsun Realtors Private Limited. We also have the right to an increased stake of up to 25 per cent. in Thomsun Realtors Private Limited upon fulfillment of certain capital commitments specified in the aforementioned agreement.
Forum Vijaya Mall	The Company holds 50 per cent. in Vijaya Productions Private Limited, the entity that owns the underlying land, and through which the project is being developed.
Prestige Polygon	Prestige Construction Ventures Private Limited is a subsidiary of our Company wherein our Company holds 60.00 per cent of the equity share capital.
Prestige Hillside Retreat	The Company has entered into a joint development agreement with the owners to develop their land as residential project on area sharing basis with 75 per cent. of the built up area being allotted to the Company and 25 per cent. to the owners.
Prestige Silver Crest	The Property bearing Sy. No. 27/1 measuring 2.35 Acres was purchased by Hitech Properties (now known as Prestige Hitech Projects) and this entity is now developing a residential project Prestige Silver Crest on the property. The Company holds 92.35 per cent. shareholding in Prestige Hitech Projects.

Our growth may require additional capital, which may not be available on terms acceptable to us.

We expect to finance our growth through equity issuances, including through the Net Proceeds of this Issue, as well as through debt financing. See "*Use of Proceeds*". We may not be successful in obtaining additional funds in a

timely manner, on favorable terms or at all. In addition, the availability of borrowed funds for our business may be greatly reduced, and the lenders may require us to invest increased amounts of equity in a project in connection with both new loans and the extension of facilities under existing loans. If we do not have access to additional capital, we may be required to delay, scale back or abandon some or all of our acquisition plans or growth strategies or reduce capital expenditures and the size of our operations.

Delays in the completion of our Ongoing Projects and Upcoming Projects or complying with our construction contract schedules could result in cost over-runs.

Property developments typically require substantial capital outlay during the construction period which may take an extended period of time to complete, and before a potential return can be generated. The time and costs required to complete a property development may be subject to substantial increases due to many factors, including shortages of, or price increases with respect to, construction materials (which may prove defective), equipment, technical skills and labor, acquisition of land, construction delays, unanticipated cost increases, changes in the regulatory environment, adverse weather conditions, third party performance risks, environmental risks, changes in market conditions, delays in obtaining the requisite approvals and permits from the relevant authorities and other unforeseeable problems and circumstances. Any of these factors may lead to delays in, or prevent the completion of a project and result in costs substantially exceeding those originally budgeted for. The cost overruns may not be adequately compensated by contractual indemnities and which may affect our financial condition and results of operations. The Company, its Subsidiaries and Associates are not insured against cost overrun risks. In addition, any delays in completing our projects as scheduled could result in dissatisfaction among our customers, resulting in negative publicity and lack of confidence among future buyers for our projects. Additionally, we may not achieve the economic benefits expected of such projects. In the event there are any delays in the completion of such projects, our relevant approvals and leases may be terminated. We have in the past experienced delays in the completion and handover of our projects. Further, the sale agreements into which we enter with our residential and commercial customers contain penalty clauses pursuant to which we are liable to pay penalty for any delay in the completion and handover of the units to the customers. The amount of such penalties as specified in the agreement vary between 6 per cent. to 7 per cent. per annum. As a result, in large residential projects, the aggregate of all penalties in the event of any delay may adversely affect the overall profitability of the project and therefore adversely affect our results of operations. For the period starting April 1, 2009 to September 30, 2012, we have paid ₹ 72.97 million as damages and penalties in connection with delays and non-delivery of units under pending consumer court litigation.

Furthermore, there is a lag between the time we acquire land and/or development rights and the time that we can construct and develop such project and sell our inventories. The actual timing of the completion of a project may be different from its forecasted schedule. Given that the real estate market both for land and developed properties is relatively illiquid, there may be high transaction costs as well as little or insufficient demand for land or developed properties at the expected rental or sale price, as the case may be, which may limit our ability to respond promptly to market events, such as changes in the prices of the raw materials we utilize in our projects. Further, our profitability could be materially and adversely affected if we purchase land at high prices and we have to sell or lease our developed projects during weaker economic periods at prices lower than those estimated originally. The risk of owning undeveloped land and unsold inventories can be substantial and the market value of the same can fluctuate significantly as a result of changing economic and market conditions.

The success of our residential, commercial, hospitality and retail real estate development businesses is dependent on our ability to anticipate and respond to consumer requirements.

The growth of the Indian economy has led to changes in the way businesses operate in India and the growing disposable income of India's middle and upper income classes has led to a change in lifestyle, resulting in a substantial change in the nature of their demands. Increasingly, consumers are seeking better housing and better amenities in new residential developments. The growth and success of our commercial business depends on the provision of high quality office space to attract and retain clients and on our ability to anticipate the future needs and expansion plans of these clients. In our retail business, we believe that an increase in disposable incomes, demographic changes, the change in perception of branded products and the entry of international retail players has led to a greater demand for access to luxury brands. The growth and success of our retail business therefore depends on being able to achieve the right mix of tenants in our malls to attract more customers to the outlets which lease retail space from us. The increase of disposable income and change in lifestyle has also led to an increased

proportion of income being spent on tourism and travel. The growth and success of our hospitality business is therefore dependant on our ability to identify suitable hospitality projects in high-tourism locations, partner with the right operator for the management of that hospitality project and ensure that, in conjunction with the operator, we deliver acceptable standards of hospitality and service.

Given the current global economic crisis, we face an increasing pressure to service our customers commensurate to their expectations at attractive prices, which may not be profitable to us. Consequently, our inability to meet our customers' preferences or our failure to anticipate and respond to customer needs accordingly could materially and adversely affect our business and results of operations. If we fail to anticipate and respond to consumer requirements, we could lose potential clients to competitors, which in turn could materially and adversely affect our business and prospects.

Our hospitality business is subject to a number of risks.

We are currently in the process of developing three hotels and one serviced apartment block, which we will own but will be operated and managed by national and international hotel operators. We do not yet have definitive arrangements in place for one serviced apartment development. We do not have extensive experience in this business and rely on the operators to manage our hospitality projects. We may not be able to compete effectively with established and new competitors in this business. Our success in the development of hotels, resorts and serviced accommodation will depend on our ability to forecast and respond to demand in an industry in which we have limited experience and we therefore depend on our operators. In addition, the performance of the hotel industry is also closely linked with the performance of the general economy and any economic downturn would affect our business.

The success of the hospitality business is also subject to our ability to successfully partner with management companies to operate the hotels, resorts and serviced accommodation profitably and obtaining all requisite statutory approvals. We have currently entered into agreements with MarriottHilton International Co. and Oakwood Management Services India Private Limited, among others (collectively the "**Operators**") to operate and manage our hotels. Under these arrangements, we are required to develop the hospitality properties while our Operators operate and manage the hotels, resorts and serviced apartments, in return for a stipulated management fee.

The success of this business depends on our ability to develop hotels, resorts and serviced apartments at appropriate locations and to successfully operate these hotels, resorts or serviced apartments. In addition, the role of our Operators is critical to the uninterrupted operations of these hospitality projects. If our hospitality partners fail to meet their obligations, experience financial or other difficulties or suffer a decline in reputation, the projects may suffer and as a result our business and results of operations may be materially and adversely affected. In addition, in the event that these arrangements with our Operators are not successful, our reputation as a hospitality partner for future projects may be materially and adversely affected.

In the event that we are able to and do replace any of our hotel, resort or serviced apartment operators, we may experience significant disruptions at the affected hotels, which may adversely affect our business, results of operations and financial condition.

We are dependent on our suppliers for adequate and timely supply of key raw materials at competitive rates and have not entered into any long term supply contracts with our suppliers. Further, increased raw material costs may adversely affect our results of operations.

Our principal raw materials include steel and cement. In our business, timely procurement of these raw materials, the quality of the material and the price at which it is procured, plays an important role in the successful execution of any project. We typically execute purchase orders on a spot basis with our suppliers for each project and have not entered into any long-term supply contracts with our suppliers. Accordingly, we cannot assure you that we would be able to procure raw materials in a timely manner and at competitive prices or that we will not be affected in the event of any shortfall of supply since we do not have any definitive arrangements with our suppliers, which may adversely affect our business. If, for any reason, our primary suppliers of raw materials curtail or discontinue their delivery of such materials to us in the quantities we need and at prices that are competitive, our reputation and ability to meet our material requirements for our projects could be impaired, our construction schedules could be disrupted and our business could suffer.

Further, the prices and supply of these and other raw materials depend on factors not under our control, including general economic conditions, competition, production levels, transportation costs and import duties.

We depend on various sub-contractors or specialist agencies to construct and develop our projects.

We primarily rely on third parties for the implementation of our projects and generally enter into several arrangements with third parties. Accordingly, the timing and quality of construction of our properties depends on the availability and skill of those sub-contractors. During the construction phase of one of our projects, an accident occurred damaging the building and causing three casualties among the contract workers. Part of the building under construction by one of our contractors had to be rebuilt after the accident. Similar incidents may occur in the future. Although we believe that our relationships with third party sub-contractors are cordial, we cannot assure you that skilled sub-contractors will continue to be available at reasonable rates and in the areas in which we conduct our operations.

We hold an insignificant stake in Thomsun Realtors Private Limited and Silver Oak Projects which is engaged in the development of certain of our projects, because of which the control and operations in respect of such projects may be adversely affected.

We currently hold 0.002 per cent. of the shareholding in Thomsun Realtors Private Limited which is engaged in developing our retail and hospitality project at Kochi, India. While we have the right to an increased stake in Thomsun Realtors Private Limited upon fulfillment of certain capital commitments specified in the joint venture agreement executed by and amongst CapitaRetail Kochi, our Company, Thomsun Realtors Private Limited and individual promoters of Thomsun Realtors Private Limited for the purpose of development of the Forum Mall at Kochi on April 17, 2008, we cannot assure you that the capital infusion will be made in time as envisaged under that agreement, or at all. We are also entitled to 1.00 per cent. of the share of profits in our partnership firm, Silver Oak Projects, which is engaged in developing certain of our residential projects in Bengaluru, India. Consequently, our inability to hold a significant stake in Thomsun Realtors Private Limited as envisaged, or in Silver Oak Project will impact our control and operations in relation to the project being undertaken by these entities.

India has stringent labor legislation that protects the interests of workers, and if our employees unionize, we may be subject to industrial unrest, slowdowns and increased wage costs.

India has stringent labor legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labor policies, and our business may be adversely affected.

Further, we operate in a labor-intensive industry and our contractors hire casual labor in relation to specific projects. If we are unable to negotiate with the workmen or the contractors, it could result in work stoppages or increased operating costs as a result of higher than anticipated wages or benefits. In addition, we may not be able to procure required casual labor for our existing or future projects. Additionally, a large number of laborers we employ come from different parts of India. There is a trend among these laborers to return to their home states after a short period of time. If we are unable to substitute these laborers when required, our business, financial conditions, results of operations and cash flow could be adversely affected.

We appoint contract labor at certain of our project sites and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations and financial condition.

The Company appoints independent contractors who in turn engage on-site contract labor for the performance of certain operations at our project sites. Although our Company does not engage these laborers directly, it may be held responsible for any wage payments to be made to such laborers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition.

Our business is subject to extensive regulation by the Government of India, state governments and local authorities with which we may not comply with, and which may require more time and cost to comply with.

The real estate industry in India is heavily regulated by the Government of India, state governments and local authorities. Property developers need to comply with a number of requirements mandated by Indian laws and regulations, including policies and procedures established by local authorities such as requirement of payment of stamp duty and registration of property documents. There are also various land ceiling legislations that regulate the amount of land that can be held under single ownership. Prior to the commencement of construction, we are required to obtain clearance from pollution control boards, approvals from local airports and air force bases and state telecommunications authorities (in connection to the height of the construction), fire services as well state police authorities. After obtaining all such clearances and approvals, we are required to obtain planning permission from the relevant municipal authorities. We may have to revise our strategies and plans to be able to adapt to new laws, regulations or policies that may come into effect from time to time with respect to the real estate sector and which may impose significant monetary costs on us. Although we believe that our projects are in compliance with applicable laws and regulations, there could be instances of non-compliance, which may subject us to regulatory action in the future, including penalties, seizure of land and other legal proceedings. The planning permission granted by local municipal authorities is usually subject to compliance with the terms and conditions of all licenses and permits granted in connection with the project. Any non-compliance could lead to a cancellation of planning permission granted, and consequentially a cancellation of such project. Further, due to the possibility of unanticipated regulatory developments, the amount and timing of future expenditure to comply with these regulatory requirements may vary substantially from those currently in effect.

We are required to obtain, renew and maintain statutory and regulatory permits, licenses and approvals for execution of our projects and our operations from time to time. Any delay or inability to obtain such approvals may have an adverse impact on our business.

We require certain statutory and regulatory permits, licenses and approvals (including approvals related to the conversion of agricultural land to non-agricultural land in certain cases) to execute our projects and operate our business. Further, applications need to be made at appropriate stages for such approvals.

We also require sanction of our project plans from relevant statutory authorities for commencement of our projects. Such sanctions are typically granted for a limited period and may elapse in the event construction is not commenced within the prescribed time period.

Additionally, we require completion certificates to be delivered to us upon completion of a project or a phase of the project. While, we have applied for a few of these approvals and permits, we cannot assure you that we will receive these approvals on time or at all in relation to execution of our projects. Further, in the future we will be required to apply for fresh approvals and permits for our projects. While we believe we will be able to obtain such approvals or permits at such times as may be required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time frames anticipated by us or at all.

In relation to our Ongoing Projects and Upcoming Projects, we make applications for renewals in relation to certain approvals or licenses that have expired but have not yet received these approvals or licenses. If we fail to obtain the necessary approvals and permits or if there is any delay in obtaining these approvals and permits, it may disrupt the schedule of development and sale or letting of our projects, impede the execution of our business plans and may materially and adversely affect our business and financial condition. If we do not receive such approvals in time or at all, the classification of certain of our Ongoing Projects may be changed to Upcoming Projects.

We have various projects which are in various stages of development and we are in the process of making the applications to regulatory authorities in connection with the development of these projects. The proposed use and development plans for these properties may be subject to further changes, as we may determine are necessary in light of various factors such as prevailing economic conditions, preferences of our customers and laws and regulations applicable to us from time to time.

There can be no assurance that the consents or other approvals required from third parties, which include central, state and local governmental bodies, in connection with the construction and development of these projects will be issued or granted to us in a timely manner or at all. It is possible that some projects will be located in areas that will

require significant infrastructure support, including roads, electrical power, telecommunications, water and waste treatment. We may be dependent on third parties, including local authorities, to provide such services. Any delay or failure by any third party to provide such additional services or a failure to obtain any required consents and approvals on acceptable terms or in a timely manner may affect our ability to execute or complete existing and/or new development projects.

Compliance with, and changes in, environmental, health and safety and labor laws and regulations may materially and adversely affect the development of our projects and our financial condition and results of operations.

We are subject to environmental, health and safety regulations in the ordinary course of our business, including governmental inspections, licenses and approvals of our project plans and projects prior to and during construction.

We are required to conduct an environmental assessment for most of our projects before receiving regulatory approval. If environmental problems arise during or after the commencement of construction of a project or if the government authorities amend and impose more stringent regulations, we will have to be in full compliance with applicable regulatory requirements at all times. We may need to incur additional expenses to comply with such new regulations or undertake remedial measures which may increase the cost of the development of the property. Further, we are subject to various labor laws and regulations governing our relationship with our employees and other contractors, including in relation to minimum wages, working hours, overtime, working conditions, hiring and terminating employees, contract labor and work permits.

We cannot assure you that we will be in compliance with current and future environmental, health and safety, and labor laws and regulations at all times, and any potential liabilities arising from any failure to comply therewith will materially and adversely affect our business, financial condition and results of operations.

We are dependent on our Directors and senior management team and the loss of key members or failure to attract skilled personnel may adversely affect our business.

We believe we have a team of professionals to effectively oversee the operations and growth of our business. Our success is substantially dependent on the expertise and services of our Directors, and led by our Chairman and Managing Director, Irfan Razack, as well as our Joint-Managing Director, Rezwan Razack, Whole-Time Director Noaman Razack and our senior management team. These Directors provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. We cannot assure you that we will be able to retain any or all of the key members of our management. The loss of the services of such key members of our management team could have a material adverse effect on our business and the results of our operations.

Further, our ability to maintain our leadership position in the real estate development sector depends on our ability to attract, train, motivate, and retain highly skilled personnel. In the event we are unable to do so, it could have an adverse effect on our business and results of operations.

We conduct due diligence and assessment exercises prior to undertaking a project, but may not be able to assess or identify certain risks and liabilities.

Prior to undertaking a project, we conduct due diligence and assessment exercises in relation to land, and assess the financial viability of the project. See "*Our Business – Our Real Estate Project Development and Execution Methodology*". Due to the nature of industry in which we operate, certain potential risks and liabilities may not come to our notice while conducting such exercises, such as title defects and suitability of the land for the proposed development. In addition, we may not correctly estimate the cost of the project when budgeting for the project. Consequently, we may face unexpected liabilities and such unexpected liabilities may materially and adversely affect our financial condition and results of operations.

Our ability to pay dividends in the future may be effected by any material adverse effect on our future earnings, financial condition or cash flows.

Our ability to pay dividends in future will depend on the earnings, financial condition and capital requirements and that of our Subsidiaries and the dividends they distribute to us. Our business is capital intensive and we may make additional capital expenditure to complete various real estate projects. Our ability to pay dividends is also restricted

under certain financing arrangements. We may be unable to pay dividends in the near- or medium-term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our projects, financial condition and results of operations.

The statements contained in this Red Herring Prospectus with regard to our Ongoing Projects, Upcoming Projects, Land Bank and the area expressed to be covered by our projects are based on management estimates and may be subject to change. In addition, industry statistical and financial data contained in this Red Herring Prospectus may be incomplete or unreliable.

The Developable Area, Saleable Area, Leaseable Area and general composition of our land presented herein with regard to Ongoing Projects and Upcoming Projects, are based on management estimates. Further, the classification of projects as Ongoing Projects, Upcoming Projects and Land Bank are based on internal management classifications, and may therefore not be precise. For example, some of our projects which have not been converted for non-agricultural use or for which requisite approvals have not been obtained or renewed may be classified as Land Bank even though we may have executed joint development agreements in relation to such projects and this may affect the classification of our projects between Upcoming Projects and Land Bank. The square footage that we may develop in the future with regards to a particular property may differ from what is presented herein based on various factors such as prevailing market conditions, title defects, an inability to obtain the required regulatory approvals, and a change in the development norms (such as floor space index or zoning) or our understanding of what such development norms are. Moreover, title defects may prevent us from having valid rights enforceable against all third parties to lands over which we believe we hold interests or development rights, rendering our management's estimates of the area and make-up of our land incorrect and subject to uncertainty.

We have also not independently verified data from government and industry publications and other sources contained herein and therefore cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or our industry are subject to the statistical and other data upon which such discussions are based, and may not being verified by us and may be incomplete or unreliable.

We may not be successful in identifying suitable parcels of lands for our development activities, build or develop saleable projects or anticipate and respond to customer demand in a timely manner.

Our ability to identify suitable parcels of land is fundamental to our business and involves certain risks such as identifying and acquiring appropriate land parcels in appropriate locations, and meeting the demands and expectations of our customers. See "*Our Business – Our Real Estate Project Development and Execution Methodology – Identification of Potential Projects and Land*".

Our decision to acquire land and undertake a project involves an assessment of the size and location of the land, the preferences of potential customers, the economic potential of the region, the proximity of the land to civic amenities and urban infrastructure, the willingness of landowners to sell the land to us on terms which are commercially acceptable to us, the ability to enter into an agreement to buy land from multiple owners, the availability and cost of financing such acquisitions, the existence of encumbrances, government directives on land use, and the ability to obtain permits and approvals for land acquisition and development.

Any failure to identify suitable projects, build or develop saleable properties or anticipate and respond to customer demand in a timely manner, or any failure to acquire suitable land may cause us to change, delay or abandon entire projects, which in turn could materially and adversely affect our competitive position, business, financial condition and results of operation. We also cannot assure you that we will undertake the development of projects on all properties which we have acquired or in which we have acquired an interest.

Our insurance policies provide limited coverage and we may not be insured against some business risks, potentially leaving us uninsured against some business risks.

We maintain insurance on property and equipment in amounts believed to be consistent with industry practices and our insurance policies cover physical loss or damage to our property and equipment arising from a number of specified risks including burglary, fire, landslides and other perils. Notwithstanding the insurance coverage that we carry, we may not be fully insured against some business risks such as cost overruns and the occurrence of an

accident that causes losses in excess of limits specified under the relevant policy, or losses arising from events not covered by insurance policies, could materially and adversely affect our financial condition and results of operations.

Further, we have insurance for damage to most of our Ongoing Projects caused by fire and natural disasters, such as earthquakes. Although we believe we have industry standard insurance for Ongoing Projects, if a fire or natural disaster substantially damages or destroys some or all of our Ongoing Projects, the proceeds of any insurance claim may be insufficient to cover rebuilding costs as a result of inflation, changes in building regulations or environmental issues as well as other factors.

We receive certain tax benefits under the provisions of the Income Tax Act, which if withdrawn, may adversely affect our financial condition and results of operations

Our business enjoys various tax benefits under the Income Tax Act, and is also expected to benefit from SEZ related tax benefits. Section 80-IB of the I.T. Act provides for deduction for income tax purposes of 100 per cent. of the profits from residential projects approved before the 31 March 2008 provided the area of each dwelling unit is not more than 1,000 sq. ft. in Delhi and Mumbai or within 25 kilometers of the municipal limits of these cities and 1,500 sq. ft. in rest of India.

The total amount of tax deductions claimed by us under Section 80-IB of the I.T. Act was ₹ 29 million, ₹ 95 million, ₹ 184 million and ₹ 423 million for the six month period ended September 30, 2012 (on an unconsolidated basis), Fiscal Year 2012, Fiscal Year 2011 and Fiscal Year 2010, respectively, which constituted 2 per cent., 5 per cent., 6 per cent. and 26 per cent. of our profit before tax and extraordinary items. Section 80IAB of the I.T. Act provides for deductions in respect of profits and gains by an undertaking or enterprise engaged in development of SEZs provided that the project is notified under the Special Economic Zones Act, 2005, after 1 April 2005. A deduction of 100 per cent. of the profits and gains derived from the notified projects for a period of 10 consecutive years. In the event that these benefits are no longer available to us due to any change in law or a change in the nature of our property developments, the effective tax rates payable by us will increase and consequently our financial condition may be adversely affected. For details, see the "*Note on Possible Tax Benefits* Available to our Company and to its shareholders".

Registered trademark over the name and logo "Prestige Group" in relation to certain goods in the nature of paper and printed material is held by our Promoter and members of our Promoter Group.

The Company holds the registered trademark for the name 'Prestige Group' and logo "Prestige Group with device of bird" for various classes of goods and services. However, the registered trademark for name and logo 'Prestige Group' in relation to certain goods in the nature of paper and printed materials is held by Prestige Amusements Private Limited. The use of the trademark in relation to these classes of goods has been licensed to us in terms of the licensing agreements dated December 30, 2005 between Prestige Constructions and the Company and dated March 28, 2008 between Prestige Amusements Private Limited and the Company respectively for a one time fixed consideration of ₹ 10,000. In the event that the licensing agreement is terminated, we may have to discontinue the use of the name and logo 'Prestige Group' for these classes of goods. For details of licensing agreement see the chapter entitled "*Our Business – Intellectual Property*".

We have entered into, and will continue to enter into, related party transactions.

We have entered into transactions with several related parties, including our Promoters, Directors and Promoter Group entities. The transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest.

Our business may suffer if we are unable to sustain the quality of our property management services.

As part of our business, we provide property management services to our completed residential, commercial and retail developments. See "*Our Business – Our Real Estate Services Business – Property Management Services*". These services include, among others, security management, building maintenance and the operation of leisure facilities such as swimming pools and fitness centres. We believe that our property management services are an integral part of our business and are important to the successful marketing and promotion of our property

developments. If owners of the projects that we have developed elect to discontinue the services provided by our property management subsidiary, our property management business would be adversely impacted, which in turn could adversely affect the attractiveness of our developments.

Any failure in our IT systems could adversely impact our business.

Any delay in implementation or disruption of the functioning of our IT systems could disrupt our ability to track, record and analyze work in progress or causing loss of data and disruption to our operations, including an inability to assess the progress of our projects, process financial information or manage creditors/debtors or engage in normal business activities. This could have a material adverse effect on our business.

Our operations and our work force are exposed to various hazards and we are exposed to risks arising from construction related activities that could result in material liabilities, increased expenses and diminished revenues.

There are certain unanticipated or unforeseen risks that may arise in the course of property development due to adverse weather and geological conditions such as storm, hurricane, lightning, flood, landslide and earthquake. Additionally, our operations are subject to hazards inherent in providing architectural and construction services, such as risk of equipment failure, impact from falling objects, collision, work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage. Under our joint development agreements, our Company is solely responsible for the death or injury suffered by any contracter, architect or third party appointed by our Company in the course of development of the project. Any such risk could result in exposing us to material liabilities, increase our expenses, adversely affect our reputation and may result in a decline in our revenues. We cannot assure that we may be able to prevent any such incidents in the future.

If we are unable to manage our growth strategy effectively, our business and financial results may be adversely affected.

Our business strategy includes the development of commercial, residential, hospitality and retail real estate developments in and around Bengaluru and in select new geographic markets across India, particularly in other cities in South India. See " *Our Business – Our Strategy – Continue to expand our geographical presence in South Indian cities*"; pursuant to this strategy, we have 50 Ongoing Projects and 20 Upcoming Projects as of December 15, 2012. As we grow and diversify, we may not be able to execute our projects efficiently on such increased scale, which could result in delays, increased costs and diminished quality, each adversely affecting our reputation. This future growth may strain our managerial, operational, financial and other resources. If we are unable to manage our growth strategy effectively, our business, financial condition and results of operations may be adversely affected. As the development of each real estate project presents unique challenges and risks to implementation, we cannot provide you any assurance that by increasing our geographical presence across India, and by undertaking more diverse projects, that our future real estate developments will not encounter delays or be unsuccessful. We similarly cannot assure you that we will be able, in carrying out our growth strategy, to complete our current and future development projects successfully or on time, acquire additional suitable land for development, or develop new projects on such land in the future.

Any downgrade in our developer rating could adversely affect our business.

We currently hold a DA1 developer rating issued to us by CRISIL, which is valid until March 2013. The rating indicates that we have an "*excellent ability to execute real estate projects as per specified qualified levels within the stipulated time schedule, and to transfer clean title.*" We have previously held a DA1 rating during the years 2003 to 2008 in recognition of the quality of our projects and our ability to deliver Completed Projects to our customers in a timely manner. Our rating was downgraded from DA1 to DA2 during Fiscal Year 2009, due to delays in the delivery of certain projects. We cannot assure you that our rating as a real estate developer will not be downgraded again in the future. Any decrease in our developer rating in the future may adversely affect our reputation and our business.

We may be classified as a passive foreign investment company, which could result in materially adverse U.S. tax consequences for U.S. investors that own Equity Shares.

We do not expect to be classified as a passive foreign investment company ("PFIC") for U.S. federal income tax purposes. However, PFIC status depends on facts that generally are not determinable until after the close of the taxable year. U.S. investors may be subject to materially adverse U.S. federal income tax consequences if we are classified as a PFIC. U.S. investors should consult their own tax advisers regarding our PFIC status, the tax considerations relevant to an investment in a PFIC and any U.S. federal elections that may be available. For additional details, see the section titled "*Taxation—Certain U.S. Federal Income Tax Considerations*".

Risks Relating to India

A slowdown in economic growth in India and other countries in which we operate could cause our business to suffer.

Our results of operations and financial condition are dependent on, and have been adversely affected by, conditions in financial markets in the global economy, and, particularly in India and the other countries in which we operate.

The uneven global recovery reflects several underlying issues and consequent risks. First, despite indications of a gathering recovery momentum, the U.S. economy remains dependent on the extension and expansion of monetary and fiscal stimulus in the form of the continuation of near-zero interest rates, quantitative easing and tax reliefs, raising questions on the sustainability of such policy approach and the impact of the eventual unwinding and reversal of these stimuli. In the second half of 2011, the global financial markets experienced significant volatility as a result of, among other things, the downgrading by Standard and Poor's Rating Group, a division of McGraw-Hill Companies, Inc. ("**Standard & Poor's**") of the long-term sovereign credit rating of the United States to "AA+" from "AAA" on August 5, 2011. On July 13, 2011, Moody's Investors Services Limited ("**Moody's**") placed the U.S. government under review for a possible credit downgrade, and on August 2, 2011, Moody's Investors Services Limited confirmed the U.S. government's existing sovereign rating, but stated that the rating outlook is negative. On July 10, 2012, Fitch Ratings Limited ("**Fitch**") affirmed its existing sovereign rating and outlook of the U.S. government. Should a further downgrade of the sovereign credit ratings of the U.S. government occur, it is foreseeable that the ratings and perceived creditworthiness of instruments issued, insured or guaranteed by institutions, agencies or instrumentalities directly linked to the U.S. government could also be correspondingly affected by any such downgrade. Instruments of this nature are widely used as collateral by financial institutions to meet their day-to-day cash flows in the short-term debt market.

In Europe, especially the Eurozone, large budget deficits and rising public debts have triggered sovereign debt finance crisis that resulted in the bailouts of Greece, Ireland, Portugal and Spain and elevated the risk of government debt defaults, forcing governments to undertake aggressive budget cuts and austerity measures, in turn underscoring the risk of global economic and financial market volatility. Moreover, in January 2012, Standard & Poor's downgraded the sovereign ratings of various European Union countries and entities, including France, Austria and the European Financial Stability Facility.

Japan has also experienced deflationary pressure since the early 1990s, made worse by the devastating earthquake and tsunami of March 2011 and the consequent damage to its nuclear industry. In emerging and developing economies, particularly China, India, Brazil and Russia, risks to macroeconomic and financial stability have arisen from the influx of short-term capital, excessive currency movements and pressures on general and asset price inflation. These have necessitated further policy tightening, introduction of liquidity management measures and imposition of some forms of capital controls.

The resulting economic pressure on the economies in which we operate, a general lack of confidence in the financial markets and fears of a further worsening of the economy have affected and may continue to affect the economic conditions in such countries. We cannot assure you that the markets in which we operate will undergo a full, timely and sustainable recovery. The economic turmoil may continue or take place in the future, adversely affect our business, results of operations and financial condition.

Any downgrade of credit ratings of India or Indian companies may adversely affect our ability to raise debt financing.

India's sovereign currency long-term debt is currently rated (i) "BBB-" (negative) by Standard & Poor's, (ii) "BBB-" (negative) by Fitch and (iii) "Baa3" (stable) by Moody's. Between April and June 2012, Standard and Poor's and Fitch each downgraded India's sovereign credit outlook from "stable" to "negative," citing the absence, or inadequacy, of domestic reforms. These ratings reflect an assessment of the Government's overall financial capacity to pay its obligations and its ability or willingness to meet its financial commitments as they become due.

No assurance can be given that Standard & Poor's, Fitch, Moody's or any other statistical rating organization will not downgrade the credit ratings of India. Any such downgrade would result in India's sovereign debt rating being rated speculative grade, which could adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our project expenditure plans, business and financial performance.

The market value of an investor's investment may fluctuate due to the volatility of the Indian and global securities markets.

Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities. The SENSEX, BSE's benchmark index, reduced by around 25 per cent., representing approximately 5,000 points, in the calendar year 2011 and subsequently increased by around 26 per cent., representing approximately 4,000 points in the calendar year 2012. The stock exchanges in India, in line with global developments, have witnessed substantial volatility in 2011 and 2012. However, as of 31 December 2012, 200 day volatility of the SENSEX as per Bloomberg data stood at a comparable figure of 13.42 relative to 12.90 for Dow Jones Industrial Average, 16.76 for the Hang Seng Index and 10.66 for Strait Times Index (Singapore).

The Indian Stock Exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements.

Land is subject to compulsory acquisition by the government and compensation in lieu of such acquisition may be inadequate. Further, the proposed Land Acquisition, Rehabilitation and Resettlement Bill, 2011 and the draft Real Estate (Regulation and Development) Bill, 2011 if enacted, may materially and adversely affect our business.

The right to own property in India is subject to restrictions that may be imposed by the government. In particular, the government under the provisions of the Land Acquisition Act, 1894 has the right to compulsorily acquire any land if such acquisition is for a "public purpose", after making payment of compensation to the owner. However, the compensation paid pursuant to such acquisition may not be adequate to compensate the owner for the loss of such property. The likelihood of such actions may increase as the central and state governments seek to acquire land for the development of infrastructure projects such as roads, railways, airports and townships. Any such action in respect of any of the projects in which we are investing or may invest in the future may adversely affect our business, financial condition or results of operations. Under the terms of certain approvals obtained by us for our projects, we have entered into relinquishment deeds with the local authorities such as the Bengaluru Development Authority, under which we have relinquished the area reserved for parks and open spaces and proposed road widening in the development plan, in favor of the Bengaluru Development Authority free of cost. Further, in relation to our land bank held in Prestige Garden Resorts Private Limited, we have relinquished 1 acre and 33 guntas of land in favor of the National Highway Authority of India for a compensation of 107.30 million paid to us.

Further, the Land Acquisition, Rehabilitation and Resettlement Bill, 2011 (the "**Land Acquisition Bill**") was introduced before the Indian Parliament to govern processes in relation to land acquisition in India. The Land Acquisition Bill has not been approved by the Indian Parliament yet and there is uncertainty on whether it will be enacted in its current form or amended or enacted at all. The Land Acquisition Bill incorporates additional restrictions on land acquisition (for instance, restrictions on the acquisition of certain types of agricultural land) and includes provisions relating to the compensation, rehabilitation and resettlement of affected persons. Under the Land Acquisition Bill, land can be acquired by the Government only for public purpose. The Land Acquisition Bill defines "public purpose" to include, among other things, the provision of land for planned development or the

provision of land in the public interest for use by the Government or public private partnerships or private companies for the production of public goods or the provision of public services. In the event of acquisition of land in the public interest for private companies, the consent of at least 80 per cent. of the project affected people is required to be obtained. Further, a minimum compensation as calculated in accordance with the Land Acquisition Bill is required to be paid to the persons whose land is acquired. Such minimum compensation is based on the market value of the land which is to be computed as the higher of: (i) the minimum land value specified in the Indian Stamp Act, 1899 for the registration of sale deeds or agreements to sell; or (ii) 50 per cent. of the total sale deeds or agreements to sell in which the highest sale price is mentioned, in the previous three years for similar type of land situated in the vicinity. Once the market value is calculated, it is doubled for land in rural areas. Then, the value of all assets attached to the land (such as trees, buildings, etc.) is to be added to this amount. On this amount, a 100 per cent solatium is required to be given to arrive at the final compensation figure. In addition, rehabilitation and resettlement benefits as determined under the Land Acquisition Bill are also required to be provided to every family affected by such acquisition, which include, the payment of a rehabilitation and resettlement amount, allotment of land for a house as per the Indira Awas Yojana in rural areas or a constructed house of at least 50 square meters plinth area in urban areas, payment of one-time subsistence allowance or payment of inflation adjusted annuity and provision of mandatory employment to members of the affected families.

Further, the Land Acquisition Bill proposes that it will apply to all cases of land acquisition where before the date of commencement of this legislation, a notification under Section 4 of the Land Acquisition Act, 1984 was issued but the award under Section 11 of the Land Acquisition Act, 1984 has not been made. In such cases, land acquisition proceedings under the Land Acquisition Act, 1984 will be considered lapsed upon the commencement of this legislation. The Land Acquisition Bill also imposes other restrictions, for example, no change from the purpose or related purposes for which the land is originally acquired is permitted and no change of ownership of the acquiring entity is permitted without obtaining specific permission from the appropriate Government. Further, the Land Acquisition Bill allows the States in India to provide for higher compensation that calculated under the Land Acquisition Bill. If the Land Acquisition Bill is enacted in its current form, we may be required to comply with its provisions regarding compensation and rehabilitation with retrospective effect in relation to our existing land acquisition proceedings which have commenced under the Land Acquisition Act, 1984 and also in relation to the land acquisitions that we make in the future. This will increase our cost of acquisition of land for development of our projects and could restrict our ability to acquire land or development rights over land, which could materially and adversely affect our business, financial condition and results of operations.

Further a draft Real Estate (Regulation and Development) Bill, 2011 (the "**Draft Real Estate Bill**") has been prepared by the Ministry of Housing and Urban Property Alleviation and is awaiting approval. The proposed legislation aims to regulate the planned development in the real estate sector in India.

We may be subject to certain State land ceiling laws which restrict our ability to purchase land for development.

Certain States in South India have imposed certain statutory restrictions on the maximum land area that may be held by any one legal entity in the said State. In the event that we decide to expand our business operations into such states where these laws are applicable, we will have to comply with these laws. Further, if a court of competent jurisdiction adjudicates that we are in violation of applicable land ceiling laws, our property rights, including those held through our various Subsidiaries, Associates and Other Development Entities may be compulsorily acquired by the concerned state government, which may have a material adverse effect on our business, financial condition and future plans.

There may be less information available about the companies listed on the Indian securities markets compared with information that would be available if we were listed on securities markets in certain other countries.

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of the markets in the United States and certain other countries. The SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about companies listed on an Indian stock exchange compared with information that would be available if that company was listed on a securities market in certain other countries.

Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of its Equity Shares may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The Government of India has in recent years sought to implement economic reforms and the current government has implemented policies and undertaken initiatives that continue the economic liberalization policies pursued by previous governments. There can be no assurance that liberalization policies will continue in the future. The rate of economic liberalization could change, and specific laws and policies affecting power or real estate sector, foreign investment and other matters affecting investment in our securities could change as well. The newly elected government may announce new policies or withdraw existing benefits, which may be applicable to our sector. Any significant change in such policies could adversely affect business and economic conditions in India, generally, and our results of operations and financial condition, in particular.

Restrictions on foreign investment in the real estate sector may hamper our ability to raise additional capital.

Circular 1 of 2012 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, imposes certain conditions on investment in townships, housing, built-up infrastructure and construction development in India. It permits foreign direct investment of up to 100 per cent. without prior approval subject to the project fulfilling certain specified conditions. The circular, however, is subject to differing interpretations. For example, foreign direct investment is subject to the condition that for joint ventures with Indian partners the minimum capitalisation should be USD 5 million. However, there is some ambiguity on what is meant by "minimum capitalisation". In addition, although the circular stipulates that funds have to be brought in within six months of commencement of business of the Company, the term "commencement of business of the Company" has not been defined or explained and may also be subject to differing interpretations.

There can be no assurance as to the position the Government of India will take in interpreting the provisions of the circular. Our Company's inability to raise additional capital as a result of these and other restrictions may adversely affect the business and prospects of our Company.

Further, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Foreign direct investment in construction, township, housing and built-up infrastructure cannot be repatriated for a period of three years from the completion of minimum capitalisation. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. An Authorised Dealer Bank can allow the remittance of proceeds, net of taxes, only when the security has been held on a repatriation basis. In all other cases, approval from RBI will be required to repatriate. We cannot assure investors that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

The real estate industry in India has witnessed significant downturns in the past, and any significant downturn in the future could adversely affect our business, financial condition and results of operations.

Economic developments within and outside India adversely affected the property market in India and our overall business in the recent past. The global credit markets have experienced, and may continue to experience, significant volatility and may continue to have an adverse effect on the availability of credit and the confidence of the financial markets, globally as well as in India. As a result of the global downturn, the real estate industry also experienced a downturn. It resulted in an industry-wide softening of demand for property due to a lack of consumer confidence, decreased affordability, decreased availability of mortgage financing, and resulted in large supplies of apartments.

Even though the global credit and the Indian real estate markets have shown signs of recovery, market volatility and economic turmoil may continue to exacerbate industry conditions or have other unforeseen consequences, leading to uncertainty about future conditions in the real estate industry. These effects include, but are not limited to, a

decrease in the sale of, or market rates for, our projects, delays in the release of certain of our projects in order to take advantage of future periods of more robust real estate demand and the inability of our contractors to obtain working capital. We cannot assure you that the government's responses to the disruptions in the financial markets will restore consumer confidence, stabilize the real estate market or increase liquidity and availability of credit. Any significant downturn in future would have an adverse effect on our business, financial condition and results of operations.

A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.

According to a report released by RBI, India's foreign exchange reserves totalled over US$ 287.6 billion as of July 6, 2012. Foreign exchange reserves have declined recently and may have adversely affected the valuation of the Rupee. Further declines in foreign exchange reserves could adversely affect the valuation of the Rupee and could result in reduced liquidity and higher interest rates that could adversely affect our future financial performance and the market price of the Equity Shares.

Natural calamities could have a negative impact on the Indian economy which may have an adverse affect on our business and results of operations.

India has experienced floods, earthquakes, tsunamis, cyclones and droughts in recent years. Such natural catastrophes could disrupt our operations. For example in December 2004, Southeast Asia, including the eastern coast of South India, experienced a tsunami and in October 2005, the State of Jammu and Kashmir experienced an earthquake, both of which caused significant loss of life and property damage. We cannot assure the prospective investors that such events will not occur in the future or that our results of operations and financial condition will not be adversely affected.

Terrorist attacks, civil disturbances, regional conflicts and other acts of violence in India and abroad may disrupt or otherwise adversely affect our business and its profitability.

Certain events that are beyond our control, such as terrorist attacks and other acts of violence or war, including those involving India, the United Kingdom, the United States or other countries, may adversely affect financial markets worldwide and could potentially lead to a severe economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy. Southern Asia has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighboring countries, including India, Pakistan and China. India witnessed a major terrorist attack in Mumbai on 26 November 2008, which led to an escalation of political tensions between India and Pakistan. Political tensions could create a perception that there is a risk of disruption of services provided by India-based companies, which could have an adverse effect on our business, future financial performance and price of the Equity Shares. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that are protracted or involve the threat or use of nuclear weapons, our operations might be significantly affected.

India has from time to time experienced social and civil unrest and hostilities, including riots, regional conflicts and other acts of violence. Events of this nature in the future could have a material adverse effect on our ability to develop its business. As a result, our business, results of operations and financial condition may be adversely affected.

Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our Company's financial condition. Our failure to successfully adopt IFRS could have a material adverse effect on the price of our Equity Shares.

Our financial statements, including the financial statements provided in this Red Herring Prospectus, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. For details, see "*Presentation of Financial Industry and other Information*". Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar

with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

India has decided to adopt the "Convergence of its existing standards with IFRS" and not the "International Financial Reporting Standards "IFRS". These "IFRS based / synchronized Accounting Standards" are referred to in India as IND (AS). Public companies in India, including our Company, may be required to prepare annual and interim financial statements under IND (AS) in accordance with the roadmap for the convergence which IFRS announced by the Ministry of Corporate Affairs, Government of India ("**MCA**"), through the press note dated January 22, 2010. The MCA, through a press release dated February 25, 2011, announced that it will implement the converged accounting standards in a phased manner after various issues, including tax related issues, are resolved. Accordingly, whether the Company's financial results would vary materially due to the convergence to IND (AS) is also not possible to quantify given that the accounting principles as laid down in the IND (AS) are to be applied to transactions and balances carried in books of accounts as on the date of the applicability of the converged standards (i.e. IND (AS)) and for future periods.

Furthermore, we have made no attempt to quantify or identify the impact of the differences between Indian GAAP and IFRS or to quantify the impact of the difference between Indian GAAP and IFRS as applied to its financial statements. There can be no assurance that the adoption of IND-AS will not affect our reported results of operation or financial condition. Any failure to successfully adopt IND-AS would have an adverse effect on the price of the Equity Shares.

Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

Our articles of association, regulations of our board of Directors and Indian law govern our corporate affairs. Legal principles related to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

Investors may not be able to enforce a judgment of a foreign court against us.

We are a limited liability company incorporated under the laws of India. All of the directors named herein are residents of India and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside India or enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Procedure Code on a statutory basis. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside India which the Government has by notification declared to be in reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the same nature of amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties.

The United Kingdom, Singapore and Hong Kong have been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the Civil Procedure Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii)where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Procedure Code, a court in India shall, upon the production of any document purporting to be a

certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

The suit must be brought in India within 3 years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian Court would enforce foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered and any such amount may be subject to income tax in accordance with applicable laws.

Property litigation is common in India and may be prolonged over several years.

Property litigation particularly litigation with respect to land ownership is common in India (including public interest litigation) and is generally time consuming and involves considerable costs. If any property in which we have invested is subject to any litigation or is subjected to any litigation in future, it could delay a development project and/or have an adverse impact, financial or otherwise, on us.

Our business may be adversely affected by changes in competition law in India.

The Competition Act, 2002, as amended (the "**Competition Act**"), was enacted for the purpose of preventing practices having an adverse effect on competition in India and has mandated the Competition Commission of India (the "**CCI**") to regulate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India are void and may result in substantial penalties. Any agreement among competitors which directly or indirectly determines purchase or sale prices, directly or indirectly results in bid rigging or collusive bidding, limits or controls production, supply, markets, technical development, investment or the provision of services, or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or types of goods or services or number of customers in the relevant market or any other similar way, is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. Further, the Competition Act prohibits the abuse of dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and may be punished. For example, the CCI had imposed a fine on DLF Limited one of India's real estate companies, of ₹ 6,300 million for abuse of its dominant position in relation to the construction of a residential complex in Gurgaon, India and have directed that certain conditions, which the CCI has deemed unfair, to be modified in the agreements entered into with the apartment allottees. If we or any of our employees are required to comply with any order of the CCI or are penalised under the Competition Act, our reputation and business may be adversely affected.

On March 4, 2011, the Government of India notified and brought into force the provisions under the Competition Act in relation to combinations (the "**Combination Regulation Provisions**") with effect from June 1, 2011. The Combination Regulation Provisions require that acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset and turnover based thresholds, shall be mandatorily notified to and pre-approved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011. These regulations, as amended, set out the mechanism for implementation of the Combination Regulation Provisions under the Competition Act. The manner in which the Competition Act and the CCI affect the business environment in India may also adversely affect our business, financial condition and results of operations.

*We cannot predict the effect on our business of the proposed enactment of the Companies Bill, 2012 (the "**Companies Bill**") in India*

In December 2012, the Companies Bill was tabled before and passed by the lower house of the Indian Parliament. The Companies Bill provides, inter alia, for significant changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures and corporate social responsibility. The Companies Bill has not yet been tabled before the upper house of the Indian Parliament. The Companies Bill will require the approval of the upper house of the Indian Parliament, as well as the approval of the President of India and

publication in the Official Gazette before becoming law. There is therefore no certainty that the Companies Bill will be passed in its current form, or at all. Our business and operations may be adversely affected and subject to regulatory uncertainty if the legislation is enacted. We have not determined the impact of this legislation on our business.

Risks Associated with the Equity Shares

The price of the Equity Shares may be highly volatile after the Issue.

The price of the Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including: volatility in the Indian and global securities market; our operations and performance; performance of our competitors and the perception in the market about investments in the real estate industry; adverse media reports on us or the Indian real estate industry; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalization and deregulation policies; and significant developments in India's fiscal and environmental regulations. There can be no assurance that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequently.

Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless the company has obtained Government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian would receive upon the sale of such securities, if any, and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

Fluctuation in the exchange rate between the Rupee and the United States dollar could have a material adverse effect on the value of Equity Shares, independent of our operating results.

The Equity Shares are quoted in Rupees on the BSE and the NSE. Any dividends in respect of the Equity Shares will be paid in Rupees and subsequently converted into US dollars for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the net proceeds received by shareholders.

The exchange rate between the Rupee and the U.S. dollar has changed substantially in the last two decades and could fluctuate substantially in the future, which may have a material adverse effect on the value of the Equity Shares and returns from the Equity Shares, independent of our operating results.

Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

The Indian securities markets are smaller than securities markets in certain other economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative

effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

Future issuances or sales of the Equity Shares could significantly affect the trading price of the Equity Shares.

The future issuances of Equity Shares by us or the disposal of Equity Shares by any of the major shareholders or the perception that such issuance or sales may occur may significantly affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares.

There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the BSE and the NSE in a timely manner or at all and any trading closures at the BSE and the NSE may adversely affect the trading price of your Company's Equity Shares.

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. In addition, we are required to deliver the Red Herring Prospectus and Prospectus to the Registrar of Companies for registration under the applicable provisions of the Companies Act and the SEBI Regulations. Approval requires all other relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE and the NSE. Any failure or delay in obtaining the approval would restrict investors' ability to dispose of their Equity Shares.

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the U.S. The BSE and the NSE have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on, either of the BSE and the NSE could adversely affect the trading price of the Equity Shares.

There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

Subsequent to listing, our Company will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our Company's circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform our Company of the percentage limit of the circuit breaker from time to time, and may change it without its knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Sale of Equity Shares by any holder may give rise to tax liability in India, as discussed in the "*Taxation*" in this Red Herring Prospectus.

MARKET PRICE INFORMATION

As of the date of this Red Herring Prospectus, 328,073,770 Equity Shares have been issued and are fully paid up. The Equity Shares are listed on the BSE and the NSE. As the Equity Shares are actively traded on the BSE and the NSE, the stock market data has been given separately for each of these Stock Exchanges. The Equity Shares have been listed on the BSE and the NSE since October 27, 2010.

The table set forth below indicates the high and low prices of the Equity Shares and the volume of trading activity for the specified periods. The closing prices of the Equity Shares on the BSE and the NSE on January 14, 2013 were ₹ 176.10 and ₹ 174.30 per Equity Share, respectively.

The high, low and average market prices of the Equity Shares for the periods indicated, are as below:

BSE									
Year ending March 31,	**Date of High**	**High (₹)[1]**	**Volume on date of High (No. of Equity Shares)[2]**	**Volume on date of High (In ₹ million)**	**Date of Low**	**Low (₹)**	**Volume on Date of Low (No. of Equity Shares)**	**Volume on Date of Low (In ₹ million)**	**Average (₹)[3]**
2011	November 1, 2010	216.40	581,788	127.08	March 16, 2011	108.10	3,471	0.38	152.06
2012	April 27, 2011	156.90	50,399	7.86	December 20, 2011	60.20	5,129	0.30	106.64

(Source: www.bseindia.com)

NSE									
Year ending March 31,	**Date of High**	**High (₹)[1]**	**Volume on date of High (No. of Equity Shares)[2]**	**Volume on date of High (In ₹ million)**	**Date of Low**	**Low (₹)**	**Volume on Date of Low (No. of Equity Shares)**	**Volume on Date of Low (In ₹ million)**	**Average (₹)[3]**
2011	November 1, 2010	216.00	4,316,610	946.11	March 18, 2011	105.65	673,035	74.11	152.28
2012	April 27, 2011	157.75	208,778	32.45	December 20, 2011	59.9	161,942	9.56	106.70

(Source: www.nseindia.com)

Notes:

[1] High, low and average prices are of the daily closing prices.
[2] In case of two days with the same closing price, the date with the higher volume has been considered.
[3] Average price represents the average of the daily closing prices of each day for each year presented.

Monthly high and low prices and trading volumes on the Stock Exchanges for the six months preceding the date of filing of this Red Herring Prospectus:

BSE									
Month	**Date**	**High (₹)[1]**	**Volume (No. of Equity Shares)[2]**	**Volume on date of High (In ₹ million)**	**Date**	**Low (₹)**	**Volume (No. of Equity Shares)**	**Volume on Date of Low (In ₹ million)**	**Average (₹)[3]**
December 2012	December 20, 2012	183.85	203,703	37.29	December 13, 2012	160.55	4.10	4.10	170.70
November 2012	November 29, 2012	168.65	38,364	6.45	November 20, 2012	155.05	10,566	1.64	160.53
October 2012	October 29, 2012	156.65	62,121	9.76	October 3, 2012	133.95	80,924	10.85	146.19
September	September 26,	142.75	90,476	12.72	September 3,	106.70	757,646	80.39	122.36

BSE									
Month	**Date**	**High (₹)** [1]	**Volume (No. of Equity Shares)** [2]	**Volume on date of High (In ₹ million)**	**Date**	**Low (₹)**	**Volume (No. of Equity Shares)**	**Volume on Date of Low (In ₹ million)**	**Average (₹)** [3]
2012	2012				2012				
August 2012	August 22, 2012	118.95	58,160	6.93	August 31, 2012	104.80	6,023	0.63	113.36
July 2012	July 10, 2012	122.85	14,345	1.77	July 23, 2012	103.60	26,992	2.85	114.22
June 2012	June 8, 2012	122.20	10,493	1.26	June 5, 2012	109.85	1,646	0.18	116.03

(Source: www.bseindia.com)

NSE									
Month	**Date**	**High (₹)** [1]	**Volume (No. of Equity Shares)** [2]	**Volume on date of High (In ₹ million)**	**Date**	**Low (₹)**	**Volume (No. of Equity Shares)**	**Volume on Date of Low (In ₹ million)**	**Average (₹)** [3]
December 2012	December 20, 2012	184.15	730,608	133.77	December 13, 2012	160.55	151,887	24.31	170.77
November 2012	November 29, 2012	169.30	609,224	102.43	November 16, 2012	155.45	59,320	9.35	160.70
October 2012	October 29, 2012	157.30	278,468	43.85	October 3, 2012	132.70	192,147	25.74	146.56
September 2012	September 26, 2012	142.50	332,113	46.40	September 3, 2012	105.90	203,720	21.59	122.40
August 2012	August 22, 2012	119.00	178,581	21.30	August 31, 2012	103.95	114,804	11.94	113.44
July 2012	July 10, 2012	122.90	150,613	18.51	July 23, 2012	104.45	86,884	9.16	114.52
June 2012	June 8, 2012	120.65	665,586	79.12	June 5, 2012	109.95	18,697	2.09	116.19

(Source: www.nseindia.com)

Notes:

[1] High, low and average prices are of the daily closing prices.
[2] In case of two days with the same closing price, the date with the higher volume has been considered.
[3] Average Price represents the average of the daily closing prices of each day for each year presented.

Market price on October 31, 2012, the first working day following the Board Meeting approving the Issue was:

Date	BSE				NSE			
	Open	**High**	**Low**	**Close**	**Open**	**High**	**Low**	**Close**
October 31, 2012	150.80	157.40	147.30	153.80	150.70	157.45	146.15	154.70
Volume				217,759				737,094

(Source: www.bseindia.com, www.nseindia.com)

Details of the volume of business transacted during the last six months on the Stock Exchanges:

Period	BSE (No. of Equity Shares)	NSE (No. of Equity Shares)
December 2012	1,334,310	7,700,524
November 2012	872,979	5,962,491
October 2012	1,921,454	9,924,907
September 2012	2,967,725	7,843,467
August 2012	933,416	1,026,462
July 2012	422,312	1,903,671
June 2012	265,087	1,927,880

(Source:www.bseindia.com,www.nseindia.com)

USE OF PROCEEDS

The total proceeds of the Issue will be approximately ₹ [●] million. After deducting fees and expenses of approximately ₹ [●] million, the net proceeds of the Issue will be approximately ₹ [●] million.

Subject to compliance with applicable laws and regulations, the Company intends to use the net proceeds of the Issue towards prepayment and repayment of existing debt of the Company, expanding business operations in Chennai and general corporate purposes.

As of September 30, 2012, the amount of the total outstanding loans (secured and unsecured) of the Company (on an unconsolidated basis) was ₹ 13,386.00 million. The Company has entered into various financing arrangements with banks and financial institutions, for secured and unsecured loans. The Company intends to utilize a portion the net proceeds of the Issue towards the prepayment and repayment of certain of the existing debt of the Company. Prepayment of loans may be subject to consent of the lenders and payment of prepayment charges. In view of the requirements of its business and the dynamic nature of the industry, the Company may have to revise its business plan from time to time and consequently the fund requirements of the Company may also change. Accordingly, the Company may reduce or increase the amount of repayments of loan.

Subject to supervision of the Audit Committee and the Board as required under the provisions of the Equity Listing Agreement, the management of the Company will have flexibility in deploying the proceeds received by the Company from the Issue. Pending utilisation of the net proceeds of the Issue as described above, the Company intends to temporarily invest the funds in interest bearing instruments including deposits with banks and investments in mutual funds.

CAPITALISATION STATEMENT

The following table sets forth the Company's capitalisation and total debt, on a standalone basis, as of September 30, 2012 and as adjusted to give effect to the Issue. This table should be read in conjunction with "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and our financial information contained in "***Financial Statements***".

(In ₹ million)

	As of September 30, 2012	As adjusted for the Issue*
Shareholders' funds		
Equity share capital	3,280.70	[●]
Reserves and surplus	18,939.20	[●]
Total shareholders' funds (A)	**22,219.90**	**[●]**
Loan funds		
Secured loans	13,258.40	**[●]**
Unsecured loans	127.60	**[●]**
Total loan funds (B)	**13,386.00**	**[●]**
Total (A+B)	**35,605.90**	**[●]**

** To be included in the Prospectus after determination of the Issue Price.*

Notes:

There will be no further issue of Equity Shares whether by way of public issue, issue of bonus shares, preferential allotment, rights issue, qualified institutions placement or in any other manner during the period commencing from the date of registering this Red Herring Prospectus with the RoC until the Equity Shares offered in the Issue have been listed on the Stock Exchanges or the Application Amounts are refunded, on account of *inter alia*, refusal of the listing of such Equity Shares by the Stock Exchanges.

DIVIDENDS

The Company does not have a formal dividend policy. Dividend amounts are determined from year to year in accordance with the Board's assessment of the Company's earnings, capital requirements, overall financial position and other factors prevailing at the time.

The dividend paid by the Company in the last two fiscals is as provided below:

	Financial Year 2011	Financial Year 2012
Face value per Equity Share (₹)	10.00	10.00
Dividend (₹ Million)*	393.70	393.70
Dividend per equity share (₹)	1.20	1.20
Dividend rate (% to paid up capital)	12.00%	12.00%

** Excluding corporate dividend tax*

The amounts paid as dividends in the past are not necessarily indicative of the Company's dividend policy or dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of the Company or for an investment in the Equity Shares offered in the Issue.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our audited consolidated summary financial statements as of and for the years ended March 31, 2012, 2011 and 2010, and our Company's audited unconsolidated summary financial statements as of and for the six months ended September 30, 2012 and the schedules and notes thereto, which appear elsewhere in this Red Herring Prospectus and are prepared in accordance with the Companies Act, 1956, and Indian GAAP. Indian GAAP differs in certain material respects from U.S. GAAP and IAS/IFRS.

*References to the financial statements as of and for the year ended March 31, 2012 are to the financial statements for that year and references to the financial statements as of and for the six months ended September 30, 2012 are to the financial statements for that period, each presented in accordance with the format prescribed under the revised Schedule VI (the "**Revised Schedule VI**") pursuant to Notification S.O. 447(E) dated 28 February 2011 issued by the Ministry of Corporate Affairs, Government of India. Financial information relating to the years ended March 31, 2011 and 2010 has been reclassified in accordance with the Revised Schedule VI.*

For the purpose of this section, unless the context requires otherwise, references to "Fiscal Year 2013", "Fiscal Year 2012", "Fiscal Year 2011", and "Fiscal Year 2010" are to the financial year ended March 31 of the relevant year, and references to "year" are to the financial year of the Company.

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" for a discussion of certain factors that may affect our business, results of operations or financial condition.

BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

Basis of presentation in accordance with Revised Schedule VI

Pursuant to Notification S.O. 447(E) dated 28 February 2011, the old Schedule VI was replaced with the Revised Schedule VI, which significantly changes the presentation of, and disclosure made in, the financial statements of Indian companies. Accordingly, we have modified the manner in which we present our consolidated financial statements as of and for the year ended March 31, 2012 and our Company's unconsolidated financial statements as of and for the six months ended September 30, 2012 so that the presentation of such financial statements is consistent with the Revised Schedule VI, which became applicable to us during Fiscal Year 2012. In connection with this exercise, we have reclassified our consolidated financial statements as of and for the years ended March 31, 2011 and 2010 in order to provide comparability with our consolidated financial statements as of and for the year ended March 31, 2012.

The adoption of the Revised Schedule VI does not impact the recognition and measurement principles followed for the preparation of our financial statements. However, it does have a significant impact on the presentation of, and disclosure made in our financial statements, particularly with respect to the presentation of the statement of assets and liabilities. As a result, for financial periods ending Fiscal Year 2012 and for subsequent periods, we have presented all financial statements, consolidated and unconsolidated, in accordance with the Revised Schedule VI.

The discussion in this section:

(a) sets out the composition of the results of operations and cash flows as of and for the six month periods ended September 30, 2012, based on our Company's audited unconsolidated summary financial statements, presented in accordance with the format prescribed by the Revised Schedule VI; and

(b) compares (i) financial condition, the results of operations and cash flows for the year ended March 31, 2012, based on our audited consolidated summary financial statements as of and for the year ended March 31, 2012, presented in accordance with the format prescribed by the Revised Schedule VI with that as of

and for the years ended March 31, 2011 and (ii) the financial condition, results of operations and cash flows as of and for the year ended March 31, 2011, based on our audited consolidated summary financial statements as of and for the year ended March 31, 2011, reclassified in accordance with the format prescribed by the Revised Schedule VI with that as of and for the year ended March 31, 2010.

Our financial statements as of and for the six month period ended September 30, 2012 are not presented on a consolidated basis

Our financial statements as of and for the six month period ended September 30, 2012 are presented on an unconsolidated basis, and therefore do not present the consolidated results of operations and financial condition of our Company for such period. Financial statements of our Significant Subsidiaries are included in "*Financial Statements*", as explained below.

In accordance with the provisions of our Listing Agreement with the BSE and NSE, on November 3, 2011, we published the unconsolidated reviewed financial results of our Company for the quarter ended and half-year ended September 30, 2011 (the "**September 2011 Reviewed Financial Results**"). On account of the use of management estimates in the application of our revenue recognition policies (see " – *Significant Accounting Policies – Revenue Recognition*" below), the application of the Guidance Note on Accounting for Real Estate Transactions, (see "– *Lack of Comparability of Periods under Discussion the Guidance Note on Accounting for Real Estate Transactions*", below) and the fact that the September 2011 Reviewed Financial Results are unaudited, the September 2011 Reviewed Financial Results are not comparable to our audited unconsolidated summary financial statements as of and for the six month period ended September 30, 2012, included in this Red Herring Prospectus.

Unconsolidated Financial Statements of our Company and Significant Subsidiaries

The following table sets forth the entities (which includes the Company and all its Significant Subsidiaries) and the period for which the audited financial statements have been included in this Red Herring Prospectus, presented on an unconsolidated basis in "*Financial Statements*":

No.	Name of entity	Period Audited: (*six month period ended*)
1.	Prestige Estates Projects Limited[1, 2]	September 30, 2012
2.	Prestige Amusement Private Limited	September 30, 2012
3.	Prestige Leisure Resorts Private Limited	September 30, 2012
4.	ICBI (India) Private Limited	September 30, 2012
5.	Prestige Shantiniketan Leisures Private Limited	September 30, 2012
6.	Prestige Valley View Estates Private Limited	September 30, 2012
7.	Prestige Bidadi Holdings Private Limited	September 30, 2012
8.	K2K Infrastructure (India) Private Limited	September 30, 2012
9.	Valdel Xtent Outsourcing Solutions Private Limited	September 30, 2012
10.	Downhills Holiday Resorts Private Limited	September 30, 2012
11.	Pennar Hotels & Resorts Private Limited	September 30, 2012
12.	Village-De-Nandi Private Limited	September 30, 2012
13.	Foothills Resorts Private Limited	September 30, 2012
14.	Northland Holding Company Private Limited	September 30, 2012
15.	Cessna Garden Developers Private Limited	September 30, 2012
16.	West Palm Developments Private Limited	September 30, 2012
17.	Villaland Developers Private Limited	September 30, 2012
18.	Prestige Property Management and Services	

Notes:
(1) Our Company.
(2) Includes share of profit from partnership firms. See Note 25 to the audited unconsolidated summary financial statements of our Company as of and for the six month period ended September 30, 2012 presented in "*Financial Statements*".

As the financial statements of our Significant Subsidiaries are presented on an unconsolidated basis for the periods indicated above, principles of consolidation are not applied, such as the line-by-line addition of book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard ("**AS**") 21. See "- *Significant Accounting Policies – Principles of consolidation*", below. Accordingly, no attempt should be made to

calculate the consolidated financial position and results of operations of our Company on the basis of the unconsolidated financial statements of our Company and our Significant Subsidiaries, taken together.

The following table sets forth the Subsidiaries for which financial statements are included in our consolidated audited financial statements for each Fiscal Year, but which are not included in this Red Herring Prospectus. The following table also includes the share of total revenue and non-current assets which each such subsidiary accounted for in our audited consolidated summary financial statements as of and for the year ended March 31, 2012:

No.	Subsidiary	Share of Total Revenue for Fiscal Year 2012		Share of Total Non-Current Assets for Fiscal Year 2012	
		(₹ in millions)	*(%)*	*(₹ in millions)*	*(%)*
1.	Prestige Construction Ventures Private Limited	607.00	5.59	96.10	0.35
2.	Prestige Mangalore Retail Ventures Private Limited	Nil	Nil	1401.10	5.10
3.	Prestige Mysore Retail Ventures Private Limited	Nil	Nil	692.30	2.52
4.	Prestige Whitefield Investment & Developers Private Limited	Nil	Nil	1,849.50	6.73
	TOTAL:	**607.00**	**5.59**	**4,039.00**	**14.70**

Financial Information of our Associates

Where we directly or indirectly through Subsidiaries hold more than 20 per cent. of the equity, investments in associates are accounted for using the equity method. See " – *Significant Accounting Policies – Principles of Consolidation*", below. Accordingly, our audited unconsolidated summary financial statements do not reflect the share of profit/(loss) from associates for the six month period ended September 30, 2012. See " – *Results of Operations*", below, for a description of the share of profit/(loss) from Associates, and the percentage of total revenue from operations which such Associates accounted for, for each of Fiscal Years 2012, 2011 and 2010.

With respect to our joint ventures, note 36 of the audited unconsolidated summary financial statements of our Company as of and for the six month period ended September 30, 2012 presented in "*Financial Statements*" includes certain details of non-current assets, current assets, non-current liabilities, current liabilities, income, expenses, contingent liabilities and capital commitments for each of CapitaLand Retail Prestige Mall Management Private Limited, Prestige Garden Resorts Private Limited and Vijaya Productions Private Limited, which are, and are accounted for, as joint ventures.

LACK OF COMPARABILITY OF PERIODS UNDER DISCUSSION

Fluctuations – Revenue Recognition

Our revenue recognition is based on the number of projects that are under execution during a particular period and those that qualify for revenue recognition in accordance with our accounting policy. See "–*Significant Accounting Policies – Revenue Recognition*", below. Further, the time it takes to develop a project varies depending on a variety of factors, including the size of a project, and we aim to develop and sell our Land Bank within a development time of 24 to 48 months from the time the approvals to commence construction are received. This may lead to significant fluctuations in our revenues from period to period.

The Guidance Note on Accounting for Real Estate Transactions

The Guidance Note on Accounting for Real Estate Transactions is applicable to all projects in real estate which commenced on or after April 1, 2012 and also to projects which have already commenced but where revenue is being recognised for the first time on or after April 1, 2012.

The Guidance Note on Accounting for Real Estate Transactions provides that the percentage completion method for revenue recognition is applied when the outcome of a real estate project can be estimated reliably when all of the following conditions are satisfied: (a) total project revenues can be estimated reliably; (b) it is probable that the economic benefits associated with the project will flow to the enterprise; (c) the project costs to complete the project and the stage of project completion at the reporting date can be measured reliably; and (d) the project costs attributable to the project can be clearly identified and measured reliably so that actual project costs can be compared with prior estimates. "Project Costs" are defined in the Guidance Note on Accounting for Real Estate Transactions as comprising (a) cost of land and cost of development rights; (b) borrowing costs (which are incurred

directly in relation to a project or which are apportioned to a project); and (c) construction and development costs (which include costs that relate directly to the specific project and costs that may be attributable to project activity in general and can be allocated to the project).

In addition, the Guidance Note on Accounting for Real Estate Transactions provides for a "rebuttable presumption" that the outcome of a real estate project can be estimated reliably and that revenue should be recognized under the Percentage of Completion Method when a reasonable level of development is achieved. A reasonable level of development is achieved if: (a) all critical approvals necessary for the commencement of the project have been obtained (including environmental and other clearances, approval of plans, designs, etc., title to land or other rights to development/construction and change in land use); (b) the expenditure incurred on construction and development costs is not less than 25 per cent. of the construction and development costs; (c) at least 25 per cent. of the saleable project area is secured by contracts or agreements with buyers; and (d) at least 10 per cent. of the total revenue as per the agreements of sale or any other legally enforceable documents are realized at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

Accordingly, the Guidance Note on Accounting for Real Estate Transactions provides that when the outcome of a real estate project can be estimated reliably and the conditions (as set out above) are satisfied, project revenue and project costs associated with the real estate project should be recognized as revenue and expenses by reference to the stage of completion of the project activity at the reporting date.

The project costs which are recognized in the statement of profit and loss by reference to the stage of completion of the project activity are matched with the revenues recognized resulting in the reporting of revenue, expenses and profit which can be attributed to the proportion of work completed.

Change in the basis of determination of 'reasonable level of development'

Pursuant to the requirements of the Guidance Note on Accounting for Real Estate Transactions, we have applied the new basis for determination of the reasonable level of development as mentioned above for all projects where revenues are recognized for the first time on or after April 1, 2012.

For projects that commenced on or prior to March 31, 2012 and where revenue recognition had commenced on or prior to that date, a reasonable level of development is considered to have occurred when the construction and development costs incurred is in the range of 20 per cent. to 30 per cent. of the total estimated construction cost and development cost.

The effect of applying the requirements of the Guidance Note on Accounting for Real Estate Transactions is that:

(a) the threshold required to trigger the recognition of revenue has changed from being between 20 per cent. to 30 per cent. (at the discretion of management) of the total construction and development cost for the project to 25 per cent. of such costs; and

(b) the project costs (including the cost of land, cost of development rights and borrowing costs) and not only construction and development costs are considered for purposes of determining the percentage completion of the projects.

As such, we have applied the Guidance Note on Accounting for Real Estate Transactions for three of our real estate projects, namely *Prestige White Meadows*, *Prestige Technology Park III* and *Prestige Edwardian*. Accordingly, our audited unconsolidated financial statements for the six month period ended September 30, 2012 recognize revenue from these projects in a manner which differs from revenue recognition in respect of projects where revenue recognition had commenced on or prior to March 31, 2012. See " *– Basis of Presentation of Financial Statements – Our financial statements as of for the six month period ended September 30, 2012 are not presented on a consolidated basis*."

OVERVIEW

We have over 26 years of experience in real estate development, and are one of the leading real estate developers in South India. As of December 15, 2012 we had completed 166 real estate projects of approximately 48.22 million sq. ft. We have developed a diversified portfolio of real estate projects focusing on projects in the residential (including apartments, villas, plotted developments and integrated townships), commercial (including corporate office blocks, built-to-suit facilities, technology parks and campuses and SEZs), hospitality (including hotels, resorts, spas and serviced apartments) and retail (including shopping malls) segments of the real estate industry. As of December 15, 2012 we own or hold development rights for 66.45 million sq. ft. of Developable Area, which includes 33.53 million sq. ft. of Saleable Area and 10.21 million sq. ft. of Leasable Area.

Our Promoters have been associated with the real estate business since 1981. We were established as Prestige Estates and Properties, a partnership firm, in 1986 and subsequently converted into a private company on June 4, 1997 and into a public company on November 10, 2009. We are experienced in various aspects of the real estate development business, including land identification and acquisition, development, design, project management, sales and marketing, interiors and the provision of property services in relation to real estate projects.

We believe that we have established a strong brand image, have a successful track record of execution and a diversified portfolio of real estate projects. In the period between December 2007 and December 2012, we have completed:

- 13 residential projects with a Developable Area of 13.86 million sq. ft. (of which the Saleable Area is 10.58 million sq. ft.). This includes developments such as *Prestige Neptune's Courtyard* and *Prestige Shantiniketan*;

- 20 commercial projects with a Developable Area of 12.52 million sq. ft. (of which the Saleable Area is 6.22 million sq. ft., and the Leasable Area is 2.70 million sq. ft.). This includes projects such as *UB City Exora Business Park* Block I, and *Cessna Business Park* Blocks I to VI;

- three hospitality projects with a Developable Area of 0.86 million sq. ft., (of which the Leasable Area is 0.62 million sq. ft.). This includes projects such as *Oakwood Premier Prestige Serviced Apartments* and *Prestige Golfshire Clubhouse and Spa*; and

- two retail projects with a Developable Area of 0.69 million sq. ft. (of which the Leasable Area is 0.26 million sq. ft.). This includes projects such as *The Collection at UB City* and *Forum Value Mall.*

Historically, our real estate projects have been focused in the Bengaluru Metropolitan Region, but we have gradually expanded our geographical reach to include other South Indian cities, such as Chennai, Kochi, Hyderabad, Mysore and Mangalore. We intend to continue our expansion in South Indian cities in future. See "– *Our Strategy – Continue to expand our presence in South Indian cities*", below.

As of December 15, 2012 we had 50 Ongoing Projects which comprised 24 residential projects with a Developable Area of 24.39 million sq. ft. (of which the Saleable Area is 17.89 million sq. ft.), 15 commercial projects with a Developable Area of 13.47 million sq. ft. (of which the Saleable Area is 3.43 million sq. ft. and the Leasable Area is 5.26 million sq. ft.), four hospitality projects with a Developable Area of 1.87 million sq. ft. (of which the Leasable Area is 1.27 million sq. ft.) and seven retail projects with a Developable Area of 6.21 million sq. ft. (of which the Leasable Area is 2.27 million sq. ft.).

As of December 15, 2012 we had 20 Upcoming Projects, which comprised 14 residential projects with a Developable Area of 15.27 million sq. ft. (of which the Saleable Area is 10.14 million sq. ft.), four commercial projects with a Developable Area of 4.74 million sq. ft. (of which the Saleable Area is 2.08 million sq. ft. and the Leasable Area is 1.03 million sq. ft.), and two retail projects with a Developable Area of 0.51 million sq. ft. (of which the Leasable Area is 0.38 million sq. ft.).

Our real estate projects have achieved recognition at a variety of real estate awards, such as the *CNBC Asia Pacific Property Awards* and the *International Property Awards, Asia Pacific.* We were named *Developer of the Year* in the *Realty Plus Excellence Awards 2012 South* in the residential category. We were awarded *Certificate of Excellence for Overall Achievement Award Professional Award of the year* as *at the Real Estate Excellence Awards, 2008*.

In addition to our Ongoing Projects and Upcoming Projects, we have access to Land Bank, which consists of land upon which there is no present development. As of December 15, 2012, our Land Bank aggregated approximately 452.65 acres, in which our economic interest is 323 acres. We believe that continuing to build our Land Bank is critical to our growth strategy and we intend to continue acquiring land in strategic locations across Bengaluru and South India in order to maximize opportunities for projects in the future. See "*Our Business– Our Strategy – Continue to expand and develop our Land Bank.*" As of December 15, 2012, the total land forming part of our Land Reserves was 1,062.43 acres.

We typically develop our projects (1) through joint development agreements with land-owners, in terms of which we acquire the development rights to the underlying land; (2) through joint ventures with third parties, with whom we establish SPVs for the purposes of developing projects through such joint venture SPVs; or (3) in fewer occasions, through acquiring land ourselves and retaining the sole development rights in respect of any project. As of December 15, 2012, 28.35 million sq. ft., or 42.67 per cent., of Ongoing Projects and Upcoming Projects are being developed through joint development agreements (which include 11.04 per cent. joint development agreements entered into by the joint venture SPV), and 13.07 million sq. ft., or 19.67 per cent., of our Ongoing Projects and Upcoming Projects are being developed by joint venture SPVs. See "*Our Business– Our Joint Development and Joint Venture Models*", below.

We have entered into joint ventures with CMIDF, an associate of CapitaMalls Asia Limited for development of retail and commercial projects in South Indian cities such as Bengaluru, Mysore, Mangalore, Hyderabad and Kochi. See "*Our Business– Our Joint Venture with CMIDF*", below.

While our real estate development business continues to be our primary focus, we also offer a variety of services through our real estate services business. This includes the provision of property management services for our commercial and residential developments, sub-leasing and fit-out services, project and construction management services, interior solutions services, mall management services (which include the retail real estate projects that we complete pursuant to our joint ventures with CMIDF) and the operations of our hospitality projects.

Our unconsolidated total revenue for the six month period ended September 30, 2012 was ₹ 5,072.6 million, and our consolidated total revenue for the Fiscal Year 2012, Fiscal Year 2011 and Fiscal Year 2010 was ₹ 10,864.6 million, ₹ 16,113.4 million and ₹ 10,860.10 million, respectively.

FACTORS AFFECTING OUR FINANCIAL RESULTS

A number of general factors have affected and we expect will continue to affect our financial condition and performance. The factors affecting us are discussed below.

Sales volume and rate of progress of construction and development

For the properties we intend to sell, we follow the percentage of completion method of revenue recognition. See "*– Significant Accounting Policies – Revenue Recognition*". Under this method, our revenue from sales depends upon the volume of bookings we are able to obtain for our developments as well as the rate of progress of construction of our projects. Our bookings depend upon our ability to identify suitable types of developments that will meet customer preferences and market trends, and to market and pre-sell our projects. The rate of construction progress depends on various factors, including the availability of labor and raw materials, the prompt receipt of regulatory clearances, access to utilities such as electricity and water, and the absence of contingencies such as litigation and adverse weather conditions. This revenue recognition method is applicable to developments that we intend to sell and for which we have entered into a sale agreement prior to completion of construction; it is not applicable to developments that we intend to lease. Accordingly, for projects to which the percentage completion method of revenue recognition is applicable, the faster we are able to construct and incur costs for projects, the sooner we can

commence recognition of revenue. In addition, we can recognize revenue sooner in proportion to the progress of construction.

Variations in prices for our properties

The prices of our properties are determined principally by market forces of supply and demand. We typically price our sales and rental properties by reference to market rates for similar types of properties in their locality. The sales and rental prices of our properties therefore depend on the location, number, square footage and mix of properties we sell or rent during each financial period, and on prevailing market supply and demand conditions at the time we complete development of our real estate projects. Supply and demand conditions in the real estate market in the areas in which we operate, and hence the prices we may charge for our properties, are affected by various factors outside our control, including prevailing economic, income and demographic conditions, interest rates available to clients requiring financing, the availability of comparable properties completed or under development, changes in governmental policies relating to zoning and land use, changes in applicable regulatory schemes, and competition from other real estate development firms.

Variations in rentals of commercial retail projects

We receive lease income, consisting of income from rental to third parties on our commercial real estate developments and space in our retail developments, upon completion of these projects. Our lease income depends on the ability of our commercial and retail tenants to pay rent at the levels that we determine as well as the supply of and lease rentals for similar properties in such areas. We also generate revenues from our hotel properties upon completion. Our revenue from hospitality operations (recognized under facilities, rental and maintenance income) depends on the occupancy and room rates we are able to obtain from our hotels, the actions of our competitors and continued growth in business and leisure tourism in India.

Cost and availability of land

Our business is dependent on the availability of suitable land for our projects and the cost at which we or our joint venture and/or joint development partners are able to acquire such lands. Our growth is linked to the availability of land in areas where we intend to develop projects. Any government regulations that restrict the acquisition of land or increased competition for land may adversely affect our operations. In addition, excess supply of land will lower the cost of the land and may lower the market value of our projects.

The cost of acquiring land, which includes the amounts paid for freehold rights, leasehold rights, cost of registration and stamp duty, represents a substantial part of our project costs. We acquire land from the government, governmental authorities and private parties. The land we acquire from governmental or development authorities is generally through a tender process, where the highest bidder is selected for allotment of land. Any change in regulation, such as the adoption of new land acquisition legislation, may adversely affect our ability or the ability of our joint venture and/or joint development partners to acquire land.

Increasingly, we acquire the right to develop projects through joint development agreements and/or joint ventures with land-owners, who typically either share the sale proceeds in a pre-determined proportion depending upon the nature of the project and the location of the land or to receive a pre-determined percentage of the developed area which such party may market at its expense. Any increase in the cost of land acquired by our joint venture and/or joint development partners may result in an increase in the share or consideration they seek from us for a project, thereby increasing our costs. See "*Our Business – Our Joint Development and Joint Venture Models*". Accordingly, we believe that the increased use of this model to obtain development rights over land has allowed us to gain access to land for the development of our projects with a minimal initial cash investment. See "*Our Business – Our Competitive Strengths – Access to Land Bank through Joint Development/ Joint Venture Model*".

Construction costs

Construction costs include the cost of raw materials, such as steel and cement, as well as payments to construction contractors. Raw material prices, particularly those of cement and steel, can be volatile and are subject to factors affecting the Indian and international commodity markets. The timing and quality of construction of the projects we

develop depends on the availability and skill of these contractors and consultants, as well as contingencies affecting them, including labor and raw material shortages and industrial action such as strikes and lockouts.

Availability of financing on favorable terms and Securitization of rental receipts

The sale of residential and commercial properties accounts for a substantial majority of our income. One of the major factors affecting demand for our residential and commercial properties is the availability of financing at reasonable rates for our potential customers. The RBI had increased key interest rates numerous times between March 2010 and October 2011 to address inflation concerns, with the series of rate hikes increasing repo rates by 375 basis points from 4.75 per cent. to 8.50 per cent during that period (Source: Bloomberg), which we believe affected sales of our properties for Fiscal Year 2012 as some of our potential customers were unwilling to bear the higher interest burden on home loans. As of December 7, 2012, the base rate for the five major banks was between 9.75 per cent. and 10.50 per cent. (Source: RBI). In addition, the availability of credit has an impact on the growth of businesses, particularly new businesses' expansion plans, and thus has an impact on the demand for new office space.

The number of property developments that a developer can undertake during any particular period is limited due to the substantial amount of capital required to fund land acquisitions and to pay the cost of construction. In addition, our business requires a significant amount of working capital and long term funding. We generally finance our capital requirements from the cash flows generated from our business operations, proceeds from the issuances of equity shares and borrowings from banks and financial institutions. Accordingly, the availability of financing on favorable terms is critical to our business.

In addition, increasing competition in the South Indian real estate sector has led to a larger number of real estate developers seeking to raise debt financing from bank lenders for the development of projects. See "*Industry Overview – Competitiveness and Growth Potential of the South Indian Real Estate Market*". We believe that our credit record allows us to access debt financing at favorable rates of interest. Our average cost of borrowings on unconsolidated basis for the six month periods ended September 30, 2012 was 13.67 per cent. and for Fiscal Years 2012, 2011 and 2010 was 14.32 per cent., 13.57 per cent. and 14.16 per cent.

Furthermore, our cash flows are impacted by our practice of securitizing our rental receipts. With respect to revenue we generate from the lease of commercial, retail and hospitality projects, we enter into arrangements with banks to securitize our future rental receipts. Pursuant to these arrangements, the bank pays us a lump sum at the time we rent out the property. This lump sum payment is reflected in our cash flow statements as cash generated from financing activities. If our tenants fail to make any rental payments, we remain obligated to make the payments owed to the bank.

General economic and real estate conditions in South India

All of our operations are located in India, and the economic condition of India, particularly South India, has a significant impact on our revenues and results of operations. See "*Industry Overview – The Real Estate Sector in India*".

We believe that the success of our projects depends on the general economic growth and demographic conditions in South India. In addition, the condition of the real estate sector in South India, particularly market prices for developable land and finished projects, has a significant impact on our revenues and results of operations. Demand drivers for real estate in India, particularly in South India, where we focus most of our operations, include, among other things, high regional employment, the improvement and development of roads and public transportation.

Further, the global economy and financial markets have also experienced extreme levels of instability, and there is substantial volatility in markets, including, without limitation, stock markets, foreign exchange markets, commodity markets, fixed income markets and credit markets, which in turn has adversely affected the economy in India. The GDP growth rate of India decelerated to 6.5 per cent. in Fiscal Year 2012 compared with 8.4 per cent. growth in Fiscal Year 2011 (*Source: Centre for Monitoring Indian Economy, November 2012*) According to the RBI's Second Quarter Review of Monetary Policy 2011-2013, the baseline projection of GDP growth from Fiscal Year 2012 to Fiscal Year 2013 was revised downwards to 5.8 per cent. A press release issued by the Indian Ministry of Finance on November 30, 2012 estimates GDP growth for India in the first half of Fiscal Year 2013 at 5.4 per cent. *(Source:*

Growth Rate Below Our Expectations: Says Finance Ministry, Press Information Bureau, Government Of India, 30 November 2012) The inflation rate in India remained at approximately nine per cent. for both Fiscal Year 2011 and Fiscal Year 2012. The RBI raised interest rates numerous times between March 2010 and October 2011 to address inflation concerns thereby leading to a rise in the bank lending rates. However, the RBI has off late started taking measures to address liquidity and credit flow concerns in the economy. The interest rates were reduced by 50 basis points in April 2012 and have not been raised since. The CRR of scheduled commercial banks was reduced four times by 175 basis points, from 6.00 per cent. to 4.25 per cent. of their net demand and time liabilities, during the period from January 28, 2012 to November 3, 2012 (Source: *Reserve Bank of India*). Changes in interest rates have also had a significant impact on the real estate financing and the demand for residential real estate projects. Rising interest rates affect a prospective customer's ability to obtain affordable financing for purchase of our properties, particularly the purchase of completed residential projects by individuals and the sale or lease of commercial projects. Availability of credit to such customers, affects the affordability of, and hence the market demand for, our real estate projects. These factors have in the past adversely affected our business leading to decreases in the sales of, or market rates for, the development of projects; delays in the release of finances for certain of the projects in order to take advantage of future periods of more robust real estate demand; decreases in rental or occupancy rates for the commercial or retail properties; insolvency of key contractors resulting in construction delays; insolvency of key tenants in the commercial and retail properties; inability of customers to obtain credit to finance purchase of our properties. In any of these circumstances, our results of operations and business prospects may be materially and adversely affected.

Government policies including taxes and duties

Section 80-IB of the Income Tax Act, 1961 provided for the deduction for income tax purposes of 100 per cent. of the profits from residential projects approved before March 31, 2008 provided the area of each dwelling unit is not more than 1,000 sq. ft. in Delhi and Mumbai or within 25 kilometers of the municipal limits of these cities and 1,500 sq. ft. in rest of India. We have historically benefitted from such provisions of the Income Tax Act. The total amount tax deductions we claimed under Section 80-IB of the Act on an unconsolidated basis was ₹ 423 million, ₹ 184 million, and ₹ 95 million for Fiscal Years 2010, 2011 and 2012, respectively, which constituted 26 per cent., 6 per cent., and 5 per cent., respectively, of our profit before tax. The total amount of tax deductions the Company claimed under Section 80-IB of the Act was ₹ 29 million for the six months ended September 30, 2012, which constituted 2 per cent. of the Company's profit before tax. As of March 31, 2012, Section 80-IB is no longer available with respect to projects that were approved after March 31, 2008, and we will no longer be able to benefit from the deductions, as we have historically.

In addition, a major contributing factor to support the growth of residential housing property is income tax benefits on housing loans for our customers. Currently, income tax deduction is available on the interest component (up to Rs. 0.15 million) of housing loans and a rebate of ₹ 0.10 million on the principal repayment is also available.

Recognition of and Accounting for Associates and Subsidiaries on Consolidation

Our consolidated financial statements are prepared by combining the unconsolidated financial statements of our Company and our Subsidiaries on a line-by-line basis by adding together the book values of like items, after fully eliminating intra-group balances and intra-group transactions. In the case of Associates, where we directly or indirectly (through Subsidiaries) hold more than 20 per cent. of the equity in such Associates, they are accounted for in our consolidated financial statements using the equity method of accounting. See " – *Significant Accounting Policies – Principles of Consolidation*".

From time-to-time, we increase or decrease the proportion of equity we hold in our Subsidiaries or Associates, for a variety of reasons, such as the exercise of pre-emptive rights under shareholders' agreements. For example, in September 2009 (Fiscal Year 2010), we increased our share of equity in Prestige Property and Management Services from 10 per cent. to 97 per cent., owing to promoters dilution. Accordingly, six months of the financial results of Prestige Property Management and Services was fully consolidated with our Company at the end of Fiscal Year 2010. The reclassification of an Associate to a Subsidiary, or Subsidiary to an Associate, as a result of such increase or decrease in our share of its equity (as the case may be), will affect our consolidated financial results by either leading to a line-by-line combination, and thus an increase, of certain like line-items in the financial statements (in the case of an Associate being reclassified in our consolidated financial statements as a Subsidiary), or a reduction in

such line-by-line combination, or decrease (in the case of a Subsidiary being reclassified in our consolidated financial statements as an Associate), in accordance with our principles of consolidation accounting policy.

The Application of the Guidance Note on Accounting for Real Estate Transactions

The Guidance Note on Accounting for Real Estate Transactions is applicable to all projects in real estate which commenced on or after April 1, 2012 and also to projects which have already commenced but where revenue is being recognized for the first time on or after April 1, 2012. See " – *Lack of Comparability of Periods under Discussion – The Guidance Note on Accounting for Real Estate Transactions*" and " – *Change in the basis of determination of 'reasonable level of development'*", above.

SIGNIFICANT ACCOUNTING POLICIES

The Financial Statements are prepared under the historical cost convention on the accrual basis of accounting and in accordance with the Indian GAAP and comply with the Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 to the extent applicable as adopted consistently by our Company. For a full description of our significant accounting policies adopted in the preparation of the Financial Statements, see – "*Financial Statements – Note 3 of audited consolidated summary financial statements*".

Principles of consolidation

The consolidated financial statements relate to our Company, subsidiaries, associates and joint ventures. The financial statements of our subsidiaries and associates used in the consolidation are prepared up to the same reporting date as our Company. The consolidated financial statements have been prepared on the following basis:

- The financial statements of our Company and our subsidiaries are combined line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with AS 21 (*Consolidated Financial Statements*) under the relevant provisions of Companies Act, 1956.

- In case of associates where we directly or indirectly through Subsidiaries hold more than 20 per cent. of equity, investments in associates are accounted for using equity method in accordance with AS-23 (*Accounting for Investments in Associates in Consolidated Financial Statements*) under the relevant provisions of Companies Act, 1956.

- Investment in partnership firms, where there are jointly controlled economic activities, have been considered as joint ventures in accordance with AS-27 "*Financial reporting of interests in joint ventures*" under the relevant provisions of Companies Act, 1956.

- The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's unconsolidated financial statements.

- Investments other than in subsidiaries and associates have been accounted as per AS-13 "*Accounting for Investments*" under the relevant provisions of Companies Act, 1956.

- The excess of cost to our Company of its investments in subsidiaries over its share of the equity of subsidiaries, at the dates on which the investment in the subsidiaries were made, is recognized as 'Goodwill', being an asset in our consolidated financial statements. Where the share of the equity in the subsidiaries as on the date of investment is in excess of cost of investment of the Company, it is recognized as 'Capital reserve arising on consolidation'.

Revenue recognition

Recognition of revenues from Contractual Projects

Revenue from contractual projects undertaken is recognized on the basis of independent certification provided by the respective contractor, obtained in terms of the contract.

Recognition of revenue from real estate developmental projects

Revenue from real estate developmental projects which are under development is recognized based on "Percentage Completion Method".

The percentage completion method is applied when the stage of completion of the project reaches a reasonable level of development. For projects that commence on or after April 1, 2012 and also to projects which have already commenced but where revenue on a project is being recognized for the first time on or after that date, the threshold for "reasonable level of development" is considered to have been met when the criteria specified in the Guidance Note on Accounting for Real Estate Transactions issued by the ICAI are satisfied, which is when:

- All critical approvals necessary for commencement of the project have been obtained.
- If the expenditure incurred on construction and development costs is not less than 25 per cent. of the construction and development costs.
- At least 25 per cent. of the saleable project area is secured by contracts or agreements with buyers.
- At least 10 per cent. of the total revenue as per the agreements of sale or any other legally enforceable documents are realized at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

See *—"Lack of Comparability of Periods under Discussion — The Guidance Note on Accounting for Real Estate Transactions*" and *—"Change in the basis of determination of 'reasonable level of development'"*, above.

For projects that commenced on or prior to March 31, 2012 and where sales have occurred prior to that date 'reasonable level of development' is considered to have occurred when the project costs (excluding land cost) incurred is in the range of 20 per cent. to 30 per cent. of the total estimated costs of the project (excluding land cost).

For computation of revenue, the stage of completion is arrived at with reference to the entire project costs incurred including land costs, borrowing costs and construction and development costs to the estimated total costs of the project. The percentage completion method is applied on a cumulative basis in each reporting period and the estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognized in the period such changes are determined. The changes to estimates also include changes arising out of cancellation of contracts and cases where the property or part thereof is subsequently earmarked for own use or for rental purposes. In such cases any revenues attributable to such contracts previously recognized are reversed and the costs in relation thereto are carried forward and accounted in accordance with the accounting policy for Inventory or Fixed Assets, as applicable.

When it is probable that total project costs will exceed total eligible project revenues, the expected loss is recognized as an expense immediately when such probability is determined.

In addition, the following income streams are recognized as indicated below:

- Sale of plots / apartments is recognized for sale consideration when all significant risks and rewards of ownership in the property is transferred to the buyer and are net of adjustments on account of cancellation.
- Facility charges, management charges, rental and maintenance income are recognized on accrual basis.
- Interest income is accounted on accrual basis except the interest on delayed payments by the customers, which are accounted on receipt basis.
- Dividend income is recognized on basis of right to receive is established.

- Revenues from the room rentals, sale of food and beverages and allied services during a guest's stay at the hotel is recognized based on occupation and revenue from sale of food and beverages and other allied services, as the services are rendered.

- Membership fee is recognized on a straight line basis over the period of membership.

Inventories

Stock of units in Completed Projects and work-in-progress are valued at lower of cost or net realizable value. Cost is the aggregate of land cost, materials, contract works, direct expenses, provisions and apportioned borrowing costs and net of material scrap receipts.

Inventory also comprises stock of food and beverages and operating supplies and is carried at the lower of cost and net realizable value. Cost includes all expenses incurred in bringing the goods to their present location and condition and is determined on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

Fixed assets

Fixed assets are stated at cost, including expenses incurred to bring the asset to present condition. Cost includes all costs relating to the acquisition and installation of fixed assets including interest on borrowing for the project / fixed asset up to the date the asset is put to use. Any cost incurred relating to settlement of claims regarding titles to the properties is accounted for and capitalized as incurred, wherever the asset is held. Assets identified as impaired are carried at net realizable value.

At each balance sheet date, our Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to 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.

Reversal of impairment losses recognized in prior years, if any, is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

Depreciation and amortization

Depreciation on tangible fixed assets is provided on the written down value method in accordance with the rates specified in Schedule XIV to the Companies Act, 1956 except in respect of assets referred to below

- Cost of leasehold land is amortized over the period of lease.

- In respect of leasehold building, leasehold improvement plant and leasehold improvement furniture & fixtures, depreciation has been provided over the unexpired portion of the primary lease period.

- In case of assets purchased during the year, individually costing less than ₹ 5,000 have been depreciated 100 per cent. in the year of purchase.

Depreciation on intangible fixed assets is provided on the written down value method at the rates estimated by the management to be the estimated life of the assets.

Borrowing cost

Borrowing cost attributable to the acquisition or construction of a qualifying asset is capitalised/inventorised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. Income earned on temporary deployment of funds have been credited to the borrowing costs.

RESULTS OF OPERATIONS

The following table sets forth certain items derived from our audited unconsolidated summary financial statements for the six months ended September 30, 2012, expressed in absolute terms and as a percentage of total revenue from operations for the periods indicated:

	For the six months ended September 30, 2012	
	(₹ in millions)	*(%)*
	(Audited and Unconsolidated)	
Revenue		
Revenue from operations		
Residential and commercial projects	3,372.0	66.5
Facilities, rental and maintenance income	292.4	5.8
Property income	736.1	14.5
Other operating revenues	205.4	4.0
Total revenue from operations	4,605.9	90.8
Other income	466.7	9.2
Total revenue	**5,072.6**	**100.0**
Expenses		
Purchases of stock of units	(57.4)	1.1
Cost of sales on projects	(2,145.2)	42.3
Property expenses	(380.5)	7.5
Facilities operating expenses	(38.9)	0.8
Employee benefits expense	(311.1)	6.1
Finance costs	(430.5)	8.5
Depreciation and amortization expense	(159.6)	3.2
Other expenses	(244.2)	4.8
Total expenses	**(3,767.4)**	**74.3**
Profit before tax	**1,305.2**	**25.7**
Tax expense		
Current tax	(355.0)	7.0
Income tax pertaining to earlier years	(-3.0)	-0.1
Deferred tax	(3.5)	0.1
Profit for the year	**949.7**	**18.7**

The following table sets forth certain items derived from our audited consolidated summary financial statements for Fiscal Years 2012, 2011 and 2010, expressed in absolute terms and as a percentage of total revenue from operations for the periods indicated:

	Fiscal Year 2012		Fiscal Year 2011		Fiscal Year 2010	
	(₹ in millions)	*(%)*	*(₹ in millions)*	*(%)*	*(₹ in millions)*	*(%)*
			(Audited and Consolidated)			
Revenue						
Revenue from operations						
Residential and commercial projects	6,056.7	55.8	11,683.7	72.6	7,888.1	72.6
Contractual projects	26.2	0.2	149.5	0.9	–	–
Facilities, rental and maintenance income	2,274.5	20.9	1,853.3	11.5	1,221.4	11.3
Property income	1,911.3	17.6	1,614.2	10.0	966.8	8.9
Other operating revenues	253.8	2.4	130.4	0.8	174.2	1.6
Total revenue from operations	10,522.5	96.9	15,431.1	95.8	10,250.5	94.4
Other income	342.1	3.1	682.3	4.2	609.6	5.6

	Fiscal Year 2012		Fiscal Year 2011		Fiscal Year 2010	
	(₹ in millions)	*(%)*	*(₹ in millions)*	*(%)*	*(₹ in millions)*	*(%)*
			(Audited and Consolidated)			
Total revenue	**10,864.6**	**100.0**	**16,113.4**	**100.0**	**10,860.1**	**100.0**
Expenses						
Purchases of stock of units	–	–	–	–	–	–
Cost of sales on projects	(4,199.1)	38.6	(8,838.8)	54.9	(6,239.0)	57.4
Cost of contractual projects	(32.8)	0.3	(131.2)	0.8	(5.2)	0.1
Property expenses	(626.8)	5.8	(534.0)	3.3	(373.8)	3.4
Facilities operating expenses	(1,106.2)	10.2	(974.6)	6.0	(443.3)	4.1
Employee benefits expense	(844.4)	7.8	(548.1)	3.4	(491.7)	4.5
Finance costs	(1,192.7)	11.0	(1,234.2)	7.7	(782.5)	7.2
Depreciation and amortization expense	(605.4)	5.6	(606.1)	3.8	(490.6)	4.5
Other expenses	(746.9)	6.9	(665.9)	4.1	(457.0)	4.2
Total expenses	**(9,345.3)**	**86.1**	**(13,532.9)**	**84.0**	**(9,283.1)**	**85.5**
Profit before tax	**1,510.3**	**13.9**	**2,580.5**	**16.0**	**1,577.0**	**14.5**
Tax expense						
Current tax	(591.3)	5.4	(822.8)	5.1	(330.0)	3.0
Income tax pertaining to earlier years	(-8.2)	-0.1	(15.2)	0.1	(-21.1)	-0.2
Deferred tax	(43.2)	0.4	(75.9)	0.5	(-26.4)	-0.2
Profit for the year	**884.0**	**8.1**	**1,666.6**	**10.3**	**1,294.5**	**11.9**
Share of profit/(loss) from associates	(-65.0)	-0.6	51.0	0.3	171.7	1.6
Profit after tax (before adjustment for Minority interest)	**819.0**	**7.5**	**1,717.6**	**10.7**	**1,466.2**	**13.5**
Share in (profit)/loss to Minority interest	7.0	0.1	(-8.1)	-0.1	35.7	0.3
Profit after tax and Minority interest	**826.0**	**7.6**	**1,709.5**	**10.6**	**1,501.9**	**13.8**

Other information

The following table sets forth our EBITDA and EBITDA margin for Fiscal Years 2012, 2011 and 2010.

	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010
		(Consolidated)	
EBITDA[(1)(3)] *(₹ in millions)*	3,308.4	4,420.8	2,850.1
EBITDA margin[(2)(3)] *(%)*	30.5	27.4	26.2

Notes:
(1) EBITDA is calculated by adding back depreciation and amortisation expenses and finance cost to profit before tax.
(2) EBITDA margin is calculated by dividing EBITDA by total revenue.
(3) EBITDA and EBITDA margin are not a measurement of our financial performance or liquidity under Indian GAAP and should not be considered as an alternative to net income, income from operations, gross revenues or any other performance measure derived in accordance with Indian GAAP or as an alternative to cash flow from operations or as a measure of our liquidity.

The following table sets forth our EBITDA and EBITDA margin (on an unconsolidated basis) for the six months ended September 30, 2012.

	For the six months ended September 30, 2012
	(Unconsolidated)
EBITDA[(1)(3)] *(₹ in millions)*	1,895.3
EBITDA margin[(2)(3)] *(%)*	37.4

Notes:
(1) EBITDA is calculated by adding back depreciation and amortisation expenses and finance cost to profit before tax.
(2) EBITDA margin is calculated by dividing EBITDA by total revenue.
(3) EBITDA and EBITDA margin are not a measurement of our financial performance or liquidity under Indian GAAP and should not be considered as an alternative to net income, income from operations, gross revenues or any other performance measure derived in accordance with Indian GAAP or as an alternative to cash flow from operations or as a measure of our liquidity.

Revenue

Revenue from operations

Our revenue from operations (on a consolidated basis) accounted for 96.9 per cent., 95.8 per cent. and 94.4 per cent. of our total revenue for Fiscal Years 2012, 2011 and 2010, respectively, and the Company's revenue from operations (on an unconsolidated basis) accounted for 90.8 per cent. of the Company's total revenue for the six months ended September 30, 2012.

We report revenue from operations under the following segments: (i) revenue from residential and commercial projects; (ii) revenue from contractual projects; (iii) facilities, rental and maintenance revenue; and (iv) property revenue.

Revenue from residential and commercial projects

We generate revenue from the sale of residential projects (including plotted developments), commercial projects (including corporate office blocks, facilities, technology parks and campuses).

Revenue from contractual projects

Revenue from contractual projects consists of revenue generated from the execution of residential and commercial projects.

Facilities, rental and maintenance revenue

Facilities, rental and maintenance revenue consists of revenue from the operation of malls, hospitality establishments and other retail space, including facility and hire charges, parking charges and revenue from signage and exhibition.

Property revenue

Property revenue consists of rental income and commission income (from the lease of commercial projects), hire charges income (from the installation of fit-outs in commercial projects), sub-lease rental income and property maintenance income.

Other operating revenues

Other operating revenues consist of income from other ancillary services rendered such as project management fees, assignment and transfer fees and assessment and bifurcation charges.

Other income

Our other income primarily consists of profits from the sale of fixed assets and investments, share of profit from firms in which we have a minority interest, interest income and dividend income.

Expenses

Purchases of stock of units

Purchases of stock of units consists of the purchase of residential and commercial properties held for sale.

Cost of sales on projects

Cost of sales on projects consist of expenses relating to the sale of units/projects, including, among other things, the cost of acquisition of land and the cost of acquisition of development rights, cost of materials (primarily steel and cement), cost of services such as architect fees, contract labor and finance charges incurred for our projects.

Cost of contractual projects

Cost of contractual projects includes costs incurred in respect of the execution of contractual works undertaken by our Subsidiary, K2K Infrastructure Private Limited.

Property expenses

Property expenses consist of sub-lease rental payments, property tax and property maintenance expenses.

Facilities operating expenses

Facilities operating expenses include costs incurred for operation of malls, hospitality establishments and retail space, including labor costs, mall management systems and maintenance expenses.

Employee benefits expense

Employee benefits expense includes salaries, benefits such as provident fund payments, gratuity payments and other payments to our employees.

Finance costs

Finance costs include interest costs payable by us for short term and long term loans including working capital loans, interest costs on loans for purchase of certain equipment and vehicles, interest on loans for which we have securitized our rental receipts, and financial costs such as processing fees for loans, bank guarantees and bank charges.

Depreciation and amortization expense

Depreciation and amortization expense includes depreciation of building, plant and machinery, furniture, fixtures, motor vehicles, computers and certain other items used in construction such as shuttering and scaffolding and amortization of leasehold rights.

Tax expense

Income taxes are accounted for in accordance with AS-22 under the relevant provisions of Companies Act, 1956 on "Accounting for Taxes on Income". Taxes comprise current tax and deferred tax.

Provision for current taxes is made at current tax rates after taking into consideration the benefits admissible under the provisions of the Income Tax Act, 1961. In cases where our liability for current taxes as calculated is less than 18.5 per cent. of our book profit (as defined by statute), we are liable to pay the Minimum Alternate Tax, in accordance with Section 115JB of the Income Tax Act.

The major tax benefit we take advantage of is pursuant to Section 80-IB of the Income Tax Act, 1961. The deduction provided under 80-IB applies to any profits derived from housing projects approved by a local housing authority on or prior to March 31, 2008 and completed with five years of the approval date. As a result, such deduction is not applicable to any of our ongoing residential projects which were granted housing authority approval subsequent to March 31, 2008.

Deferred taxes arise from timing differences between our book profits and our taxable profits that originate during an accounting period and which can be reversed in subsequent periods. Deferred taxes are measured using the tax rates and laws that have been enacted as of the date of financial statements in which they are recorded. We provide for deferred tax liability/assets on such timing differences subject to prudent considerations. Significant sources of deferred tax liabilities and assets include the timing difference in recording depreciation and admissibility of other expenses under Indian GAAP and under the Income Tax Act, 1961.

Six Months Ended September 30, 2012 (on an unconsolidated basis)

Revenue

The Company's total revenue was ₹ 5,072.6 million for the six months ended September 30, 2012.

Revenue from operations

The Company's revenue from operations was ₹ 4,605.9 million for the six months ended September 30, 2012.

Revenue from residential and commercial projects

The Company's revenue from residential and commercial projects was ₹ 3,372.0 million for the six months ended September 30, 2012. This was primarily due to the commencement of revenue recognition from new projects under the Revised Revenue Recognition Method such as *Prestige White Meadows*, *Prestige Tech-Park III*, and *Prestige Edwardian* and revenue from the sale of stock of units in Completed Projects (units in *Prestige Shantiniketan*, *Prestige Neptune's Courtyard* and *Prestige Oasis*).

Facilities, rental and maintenance revenue

The Company's facilities, rental and maintenance revenue was ₹ 292.4 million for the six months ended September 30, 2012 primarily comprised of revenues from the commencement of operations of *24 Tech Hotel* and rental income from retail projects.

Property revenue

The Company's property income was ₹ 736.1 million for the six months ended September 30, 2012 primarily comprised of sub-lease rental and hire charges income from *Prestige Shantiniketan*, *Prestige Dynasty*, *Prestige Palladium* and commission income.

Other operating revenue

The Company's other operating revenue was ₹ 205.4 million for the six months ended September 30, 2012 primarily comprised of project management fees from group companies such as Cessna Gardens Developers Private Limited and Exora Business Parks Private Limited.

Other revenue

Other revenue was ₹ 466.7 million for the six months ended September 30, 2012 primarily comprised of interest income, share of profit from partnership firms and dividend income from mutual funds.

Expenses

Total expenses was ₹ 3,767.4 million for the six months ended September 30, 2012.

Cost of sales on projects

The Company's cost of sales on projects was ₹ 2,145.2 million for the six months ended September 30, 2012. This was primarily comprised of costs resulting from the commencement of revenue recognition from new projects such as *Prestige White Meadows*, *Prestige Tech-Park III* and *Prestige Edwardian*, and changes of finished goods, work-in-progress and stock-in-trade resulting from the sale of units in Completed Projects (units in *Prestige Shantiniketan*, *Prestige Neptune's Courtyard* and *Prestige Oasis*) during the six month period ended September 30, 2012.

Property expenses

The Company's property expenses was ₹ 380.5 million for the six months ended September 30, 2012. This was primarily comprised of sub-lease rent relating to *Prestige Shantiniketan*, *Prestige Dynasty* and *Prestige Palladium*.

Facilities operating expenses

The Company's facilities operating expenses was ₹ 38.9 million for the six months ended September 30, 2012. This was primarily comprised of facilities management expenses relating to the commencement of operations of *24 Tech Hotel* and the maintenance cost of malls.

Employee benefits expense

The Company's employee benefits expense was ₹ 311.1 million for the six months ended September 30, 2012. This was primarily comprised of salaries and wages relating to increased employee headcount, annual salary increments and other benefits.

Finance costs

The Company's finance costs (net of capitalization) was ₹ 430.5 million for the six months ended September 30, 2012, primarily comprised of interest expenses relating to increased borrowings.

Depreciation and amortization expense

Depreciation and amortization expenses was ₹ 159.6 million for the six months ended September 30, 2012. This was primarily comprised of expenses relating to the addition of *24 Tech Hotel*.

Other expenses

Other expenses was ₹ 244.2 million for the six months ended September 30, 2012. This was primarily comprised of selling commission and rent of office space.

Profit before tax

As a result of the foregoing, the Company's profit before tax was ₹ 1,305.2 million for the six months ended September 30, 2012.

Tax expense

The Company's tax expense was ₹ 355.5 million for the six months ended September 30, 2012. The Company's current tax was ₹ 355.0 million for the six months ended September 30, 2012.

Profit after tax

As a result of the foregoing, the Company's profit after tax was ₹ 949.7 million for the six months ended September 30, 2012.

Fiscal Year 2012 (on a consolidated basis) Compared to Fiscal Year 2011 (on a consolidated basis)

Revenue

Our total revenue decreased by ₹ 5,248.8 million, or 32.6 per cent. from ₹ 16,113.4 million for the Fiscal Year 2011 to ₹ 10,864.6 million for Fiscal Year 2012.

Revenue from operations

Our revenue from operations decreased by ₹ 4,908.6 million, or 31.8 per cent. from ₹ 15,431.1 million for Fiscal Year 2011 to ₹ 10,522.5 million for Fiscal Year 2012.

Revenue from residential and commercial projects

Our revenue from residential and commercial projects decreased by ₹ 5,627.0 million, or 48.2 per cent., from ₹ 11,683.7 million for Fiscal Year 2011 to ₹ 6,056.7 million for Fiscal Year 2012. This decrease was primarily because no new projects were launched during 2008 and 2009, owing to adverse economic conditions in India. As we typically take 12 to 48 months to incur sufficient project costs to be able to recognize revenue, there was only one project which reached the required thresholds for revenue to be recognized in Fiscal Year 2012. This decrease was partially off-set by the commencement of revenue recognition from *Prestige Polygon*.

Revenue from contractual projects

Our revenue from contractual projects decreased by ₹ 123.3 million, or 82.5 per cent., from ₹ 149.5 million for Fiscal Year 2011 to ₹ 26.2 million for Fiscal Year 2012. This decrease was primarily due to a reduction in revenue recognized from contractual works undertaken by our Subsidiary, K2K Infrastructure Private Limited, during the Fiscal Year 2012.

Facilities, rental and maintenance revenue

Our facilities, rental and maintenance revenue increased by ₹ 421.2 million, or 22.7 per cent., from ₹ 1,853.3 million for Fiscal Year 2011 to ₹ 2,274.5 million for Fiscal Year 2012 primarily due to an increase in the scale of operations of our property management services as result of *Prestige Shantiniketan* and *Prestige 24 Tech Hotel* commencing operations and increased rental income from retail projects as a result of annual increases in rental rates payable by our retail tenants.

Property revenue

Our property revenue increased by ₹ 297.1 million or 18.4 per cent., from ₹ 1,614.2 million for Fiscal Year 2011 to ₹ 1,911.3 million for Fiscal Year 2012 primarily due to an Increase in sub-lease rental and hire charges income from *Prestige Shantiniketan*, *Prestige Dynasty*, *Prestige Palladium*, an increase in lease rental income from *Cessna Business Park* and an increase in commission income as a result of increased leasing of commercial properties such as *Prestige Shantiniketan* and *Prestige Palladium*.

Other operating revenue

Our other operating revenue increased by ₹ 123.4 million or 94.6 per cent., from ₹ 130.4 million for Fiscal Year 2011 to ₹ 253.8 million for Fiscal Year 2012 primarily due to an increase in revenue from interior solutions services provided to customers as a result of *Prestige Shantiniketan* commencing operations.

Other income

Other income decreased by ₹ 340.2 million, or 49.9 per cent., from ₹ 682.3 million for Fiscal Year 2011 to ₹ 342.1 million for Fiscal Year 2012 primarily due to a reduction in the share of profit from partnership firms as a result of *Prestige Kensington Gardens* and *Prestige Nottinghill* having completed, and revenue completely recognized, during Fiscal Year 2011 which did not recur in Fiscal Year 2012, and a decrease in interest and dividend income as a result of utilizing the proceeds from our initial public offering on which interest was earned in Fiscal Year 2011, and which did not recur in Fiscal Year 2012.

Expenses

Total expenses decreased by ₹ 4,178.6 million, or 30.9 per cent., from ₹ 13,532.9 million for Fiscal Year 2011 to ₹ 9,354.3 million for Fiscal Year 2012.

Cost of sales on projects

Our cost of sales on projects decreased by ₹ 4,639.7 million, or 52.5 per cent., from ₹ 8,838.8 million for Fiscal Year 2011 to ₹ 4,199.1 million for Fiscal Year 2012. This decrease was primarily due to a large proportion of Ongoing Projects not reaching the significance threshold (of between 20 per cent. and 30 per cent.) under the Old Revenue Recognition Method. This decrease was partially off-set by the commencement of revenue recognition from *Prestige Polygon*.

Cost of contractual projects

Our cost of contractual projects decreased by ₹ 98.4 million, or 75.0 per cent., from ₹ 131.2 million for Fiscal Year 2011 to 32.8 per cent. for Fiscal Year 2012 due to a proportionate reduction in execution of contractual projects by K2K Infrastructure Private Limited.

Property expenses

Our property expenses increased by ₹ 92.8 million, or 17.4 per cent., from ₹ 534.0 million for Fiscal Year 2011 to ₹ 626.8 million for Fiscal Year 2012. The increase in property expenses was primarily due to an increase in sub-lease rental expenses.

Facilities operating expenses

Our facilities operating expenses increased by ₹ 131.6 million, or 13.5 per cent., from ₹ 974.6 million for Fiscal Year 2011 to ₹ 1,106.2 million for Fiscal Year 2012. The increase in facilities operating expenses was primarily due to an increase in the scale of operations of our property management solutions as a result of *Prestige Shantiniketan* and *Tech 24 Hotel* commencing operations.

Employee benefits expense

Our employee benefits expense increased by ₹ 296.3 million, or 54.1 per cent., from ₹ 548.1 million for Fiscal Year 2011 to ₹ 844.4 million for Fiscal Year 2012. The increase in employee cost was primarily due to an increase in salaries and wages on account of increased employee head count, annual salary increments and increases in other benefits, and the reclassification in our consolidated financial statement of certain facilities operating expenses of Prestige Property Management and Services (which has over 2,300 employees) to employee benefits expenses during Fiscal Year 2012.

Finance costs

Our net finance costs decreased by ₹ 41.5 million, or 3.4 per cent., from ₹ 1,234.2 million for Fiscal Year 2011 to ₹ 1,192.7 million for Fiscal Year 2012 primarily due to Exora Business Parks Private Limited becoming an Associate in our consolidated financial statements in Fiscal Year 2012 from being a Subsidiary in our consolidated financial statements in Fiscal Year 2011 (and as a result of a sale of shares held by us in Exora Business Parks Private Limited to a third party), and a reduction in interest rates on our borrowings. This decrease was off-set by an increase in interest paid as a result of additional borrowings.

Depreciation and amortization expense

Depreciation and amortization expense decreased slightly by ₹ 0.7 million, or 0.1 per cent., from ₹ 606.1 million for Fiscal Year 2011 to ₹ 605.4 million for Fiscal Year 2012. This decrease was primarily due to a reduction in the calculation of depreciation on account of the application of the written down value method of calculation. This decrease was partially off-set by the capitalization of *24 Tech Hotel* and additional blocks in *Cessna Business Parks* completed in Fiscal Year 2012.

Other expenses

Other expenses increased by ₹ 81.0 million, or 12.2 per cent. from ₹ 665.9 million for Fiscal Year 2011 to ₹ 746.9 million for Fiscal Year 2012. This increase was primarily due to an increase in selling expenses as a result of increased advertising and sponsorship.

Profit before tax

As a result of the foregoing, our profit before tax decreased by ₹ 1,070.2 million, or 41.5 per cent., from ₹ 2,580.5 million for Fiscal Year 2011 to ₹ 1,510.3 million for Fiscal Year 2012.

Tax expense

Our tax expense decreased by ₹ 287.6 million, or 31.5 per cent., from ₹ 913.9 million for Fiscal Year 2011 to ₹ 626.3 million for Fiscal Year 2012. Our current tax decreased by ₹ 231.5 million, or 28.1 per cent., from ₹ 822.8 million for Fiscal Year 2011 to ₹ 591.3 million for Fiscal Year 2012, in line with the decrease in total revenue and expenses for the same period.

Profit for the year

As a result of the foregoing, profit for the year decreased by ₹ 782.6 million, or 47.0 per cent., from ₹ 1,666.6 million for Fiscal Year 2011 to ₹ 884.0 million for Fiscal Year 2012.

Share of profit/(loss) from Associates

Share of profit/(loss) from associates decreased by ₹ 116.0 million, from a profit of ₹ 51.0 million for Fiscal Year 2011 to a loss of ₹ 65.0 million for Fiscal Year 2012. This decrease was primarily due to Exora Business Parks Private Limited becoming an Associate in our consolidated financial statements in Fiscal Year 2012 from being a Subsidiary in our consolidated financial statements in Fiscal Year 2011 (and as a result of a sale of shares held by us in Exora Business Parks Private Limited to a third party).

Profit after tax (before adjustment for minority interest)

As a result of the foregoing, our profit after tax (before adjustment for minority interest) decreased by ₹ 898.6 million, or 52.3 per cent., from ₹ 1,717.6 million for Fiscal Year 2011 to ₹ 819.0 million for Fiscal Year 2012.

Minority interest

For Fiscal Year 2012, the loss attributable to minority interest as a result of the loss recorded by subsidiary entities was ₹ 7.0 million. For Fiscal Year 2011, the profit attributable to minority interest was ₹ 8.1 million.

Profit after tax and minority interest

As a result of the foregoing, profit after tax and minority interest decreased by ₹ 883.5 million, or 51.7 per cent., from ₹ 1,709.5 million for Fiscal Year 2011 to ₹ 826.0 million for Fiscal Year 2012.

Fiscal Year 2011 (on a consolidated basis) Compared to Fiscal Year 2010 (on a consolidated basis)

Revenue

Our total revenue increased by ₹ 5,253.3 million, or 48.4 per cent. from ₹ 10,860.1 million for Fiscal Year 2010 to ₹ 16,113.4 million for Fiscal Year 2011.

Revenue from operations

Our revenue from operations increased by ₹ 5,180.6 million, or 50.5 per cent. from ₹ 10,250.5 million for Fiscal Year 2010 to ₹ 15,431.1 million for Fiscal Year 2011.

Revenue from residential and commercial projects

Our revenue from residential and commercial projects increased by ₹ 3,795.6 million, or 48.1 per cent., from ₹ 7,888.1 million for Fiscal Year 2010 to ₹ 11,683.7 million for Fiscal Year 2011. This increase was primarily due to complete recognition of revenue from *Prestige Shantiniketan* and *Prestige Oasis* under the Old Revenue Recognition Method.

Revenue from contractual projects

Our revenue from contractual projects increased by ₹ 149.5 million from Nil for Fiscal Year 2010 to ₹ 149.5 million for Fiscal Year 2011. This increase was primarily due to K2K Infrastructure Private Limited commencing the execution of projects for third party customers during Fiscal Year 2011.

Facilities, rental and maintenance revenue

Our facilities, rental and maintenance revenue increased by ₹ 631.9 million, or 51.7 per cent., from ₹ 1,221.4 million for Fiscal Year 2010 to ₹ 1,853.3 million for Fiscal Year 2011 due to an increase in facility and hire charges as a result of the partial recognition of the revenues of Prestige Property Management and Services, following the full consolidation of the financial statements of Prestige Property Management and Services with the financial statements of our Company as result of it becoming a Subsidiary from being an Associate in September 2009 (Fiscal

Year 2010), an increase in revenues from our hospitality operations and an increase in revenue from our mall management services.

Property revenue

Our property revenue increased by ₹ 647.4 million or 67.0 per cent., from ₹ 966.8 million for Fiscal Year 2010 to ₹ 1,614.2 million for Fiscal Year 2011 primarily due to Cessna Garden Developers Private Limited becoming a Subsidiary in our consolidated financial statements in Fiscal Year 2011 from being an Associate in our consolidated financial statements in Fiscal Year 2010 (and as a result of our exercise of pre-emptive rights in respect of an issue of equity shares by Cessna Garden Developers Private Limited in Fiscal Year 2011); the first full-year recognition of the revenues from Westpalm Developers Private Limited, following the full consolidation of the financial statements of Westpalm Developers Private Limited with the financial statements of our Company as result of it becoming a Subsidiary from being an Associate in Fiscal Year 2009); and an increase in sub-lease rental income from *Prestige Dynasty*.

Other operating revenue

Our other operating revenue decreased by ₹ 43.8 million or 25.1 per cent., from ₹ 174.2 million for Fiscal Year 2010 to ₹ 130.4 million for Fiscal Year 2011 primarily due to a reduction in project management fees as a result of Cessna Garden Developers Private Limited becoming a Subsidiary in our consolidated financial statements in Fiscal Year 2011 from being an Associate in our consolidated financial statements in Fiscal Year 2010 (and as a result of our exercise of pre-emptive rights in respect of an issue of equity shares by Cessna Garden Developers Private Limited in Fiscal Year 2011), and a reduction in project management fees earned from Prestige Nottinghill Investments and Silverline Estates on completion of the projects undertaken by these associates. This reduction was off-set by project management fees earned from Vijaya Productions Private Limited.

Other income

Other income increased by ₹ 72.7 million, or 11.9 per cent., from ₹ 609.6 million for Fiscal Year 2010 to ₹ 682.3 million for Fiscal Year 2011. This increase was primarily as a result of an increase in interest income due to the short-term investment of the proceeds from our initial public offering and an increase in our share of profits from partner firms. These increases were partially off-set by a decrease in profit from the sale of fixed assets.

Expenses

Total expenses increased by ₹ 4,249.8 million, or 45.8 per cent., from ₹ 9,283.1 million for Fiscal Year 2010 to ₹ 13,532.9 million for Fiscal Year 2011.

Cost of sales on projects

Our cost of sales on projects increased by ₹ 2,599.8 million, or 41.7 per cent., from ₹ 6,239.0 million for Fiscal Year 2010 to ₹ 8,838.8 million for Fiscal Year 2011 due to the recognition of *Prestige Shantiniketan* and *Prestige Oasis* as stock-in-trade, following their completion.

Cost of contractual projects

Our cost of contractual projects increased by ₹ 126.0 million, or 2,423.1 per cent., from ₹ 5.2 million for Fiscal Year 2010 to ₹ 131.2 million for Fiscal Year 2011 due to K2K Infrastructure Private Limited commencing the execution of projects for third party customers during Fiscal Year 2011.

Property expenses

Our property expenses increased by ₹ 160.2 million, or 42.9 per cent., from ₹ 373.8 million for Fiscal Year 2010 to ₹ 534.0 million for Fiscal Year 2011. The increase in property expenses was primarily due to an increase in sub-lease rent paid and an increase in property tax payable by Cessna Garden Developers Private Limited on becoming a Subsidiary in our consolidated financial statements in Fiscal Year 2011 from being an Associate in our consolidated financial statements in Fiscal Year 2010 (and as a result of our exercise of pre-emptive rights in respect of an issue of equity shares by Cessna Garden Developers Private Limited in Fiscal Year 2011).

Facilities operating expenses

Our facilities operating expenses increased by ₹ 531.3 million, or 119.9 per cent., from ₹ 443.3 million for Fiscal Year 2010 to ₹ 974.6 million for Fiscal Year 2011. The increase in facilities operating expenses was primarily due to an increase in facilities management expenses as a result of the first full-year recognition of the expenses of Prestige Property Management and Services, following the full consolidation of the financial statements of Prestige Property Management and Services with the financial statements of our Company as result of it becoming a Subsidiary from being an Associate, and an increase in costs associated with the increase in scale of our hospitality operations.

Employee benefits expense

Our employee benefits expense increased by ₹ 56.4 million, or 11.5 per cent., from ₹ 491.7 million for Fiscal Year 2010 to ₹ 548.1 million for Fiscal Year 2011. The increase in employee cost was primarily due to an increase in salaries and other benefits.

Finance costs

Our net finance costs increased by ₹ 451.7 million, or 57.7 per cent., from ₹ 782.5 million for Fiscal Year 2010 to ₹ 1,234.2 million for Fiscal Year 2011. Owing to increased borrowings, the gross interest cost component increased by ₹ 635.8 million, or 43.8 per cent., from ₹ 1,451.5 million to ₹ 2,087.3 million. This was primarily due to Cessna Garden Developers Private Limited becoming a Subsidiary in our consolidated financial statements in Fiscal Year 2011 from being an Associate in our consolidated financial statements in Fiscal Year 2010, and an increase in the rate of interest payable on our borrowings.

Depreciation and amortization expense

Depreciation and amortization expense increased by ₹ 115.5 million, or 23.5 per cent., from ₹ 490.6 million for Fiscal Year 2010 to ₹ 606.1 million for Fiscal Year 2011. This increase was primarily due to Cessna Garden Developers Private Limited becoming a Subsidiary in our consolidated financial statements in Fiscal Year 2011 from being as an Associate in our consolidated financial statements in Fiscal Year 2010. This increase was partially off-set by a reduction in depreciation as a result of a reduction in the calculation of depreciation on account of the application of the written down value method of calculation.

Other expenses

Other expenses increased by ₹ 208.9 million, or 45.7 per cent., from ₹ 457.0 million for Fiscal Year 2010 to ₹ 665.9 million for Fiscal Year 2011. This increase was primarily due to an increase in advertisement and sponsorship fees as a result of a brand-building exercise undertaken for new project launches.

Profit before tax

As a result of the foregoing, our profit before tax increased by ₹ 1,003.5 million, or 63.6 per cent., from ₹ 1,577.0 million for Fiscal Year 2010 to ₹ 2,580.5 million for Fiscal Year 2011.

Tax expense

Our tax expense increased by ₹ 631.4 million, or 223.5 per cent., from ₹ 282.5 million for Fiscal Year 2010 to ₹ 913.9 million for Fiscal Year 2011 primarily as a result of an increase in our current tax of ₹ 492.8 million, or 149.3 per cent., from ₹ 330.0 million for Fiscal Year 2010 to ₹ 822.8 million for Fiscal Year 2011 due to an increase in taxable profit during Fiscal Year 2011.

Profit for the year

As a result of the foregoing, profit for the year increased by ₹ 372.1 million, or 28.7 per cent., from ₹ 1,294.5 million for Fiscal Year 2010 to ₹ 1,666.6 million for Fiscal Year 2011.

Share of profit/(loss) from associates

Share of profit/(loss) from associates decreased by ₹ 120.7 million, from a profit of ₹ 171.7 million for Fiscal Year 2010 to a profit of ₹ 51.0 million for Fiscal Year 2011. This decrease was primarily due to recognition of increased profits from associate companies during Fiscal Year 2010.

Profit after tax (before adjustment for minority interest)

As a result of the foregoing, our profit after tax (before adjustment for minority interest) increased by ₹ 251.4 million, or 17.1 per cent., from ₹ 1,466.2 million for Fiscal Year 2010 to ₹ 1,717.6 million for Fiscal Year 2011.

Minority interest

For Fiscal Year 2011, the profit attributable to minority interest as a result of the Profit recorded by subsidiary entities was ₹ 8.1 million. For Fiscal Year 2010, the Loss attributable to minority interest was ₹ 35.7 million.

Profit after tax and minority interest

As a result of the foregoing, profit after tax and minority interest increased by ₹ 207.6 million, or 13.8 per cent., from ₹ 1,501.9 million for Fiscal Year 2010 to ₹ 1,709.5 million for Fiscal Year 2011.

LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2012, the Company had cash and bank balances of ₹ 1,834.3 million (on an unconsolidated basis). Cash and bank balances primarily consist of cash on hand, fixed deposits maturing within one year and balances with scheduled banks. Our primary liquidity requirements have been to finance our working capital for development of our projects. Our business requires a significant amount of working capital. We expect to meet our working capital and liquidity requirements for the next 12 months primarily from the cash flows from our business operations, project specific borrowings from banks and financial institutions as may be expedient and to a certain extent from the proceeds of this Issue.

Cash flows

Set forth below is a table of selected information from our unconsolidated statements of cash flows for the six months ended September 30, 2012:

Particulars	For the six months ended September 30, 2012
	(₹ in millions)
	(Audited and Unconsolidated)
Net cash generated from/(used in) operating activities	871.4
Net cash generated from/(used in) investing activities	(1,177.4)
Net cash generated from/(used in) financing activities	785.2
Net increase/(decrease) in cash and cash equivalents	479.2
Cash and cash equivalents at the beginning of the year	825.5
Cash and cash equivalents as at the end of the year	1,304.7

Six months ended September 30, 2012 (on an unconsolidated basis)

The Company's net cash flows from operating activities was ₹ 871.4 million for the six months ended September 30, 2012. This was primarily comprised of profits before tax and an increase in current and non-current liabilities, primarily advances from customers partially off-set by a decrease in inventories and long-term and short-term loans and advances.

The Company's net cash used in investing activities was ₹ 1,177.4 million for the six months ended September 30, 2012. This was primarily comprised of current and non-current investments made and a loss in the value of the partnership current account partially off-set by the proceeds of sales of current and non-current investments.

The Company's net cash from financing activities was ₹ 785.2 million for the six months ended September 30, 2012. This was primarily comprised of new financing from unsecured loans and the repayment of unsecured loans.

Set forth below is a table of selected information from our consolidated statements of cash flows for Fiscal Years 2012, 2011 and 2010:

Particulars	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010
		(₹ in millions)	
		(Audited and Consolidated)	
Net cash generated from/(used in) operating activities	2,357.7	(2,996.3)	(2,761.2)
Net cash generated from/(used in) investing activities	(6,250.4)	(3862.5)	(1,588.1)
Net cash generated from/(used in) financing activities	2,077.9	8,324.0	4,363.3
Net increase/(decrease) in cash and cash equivalents	(1,814.8)	1465.2	14.0
Net cash acquired/(released) on acquisition/disinvestment	95.04	352.10	40.30
Cash and cash equivalents at the beginning of the year	3,173.5	1,356.2	1,301.9
Cash and cash equivalents as at the end of the year	1,454.1	3,173.5	1,356.2

Fiscal Year 2012 (on a consolidated basis) compared to Fiscal Year 2011(on a consolidated basis)

As of March 31, 2012, we had cash and cash equivalents of ₹ 1,454.1 million, a decrease of ₹ 1,719.4 million, from ₹ 3,173.5 million as of March 31, 2011.

Our net cash flows from/(used in) operating activities changed from ₹ 2,996.3 million used for Fiscal Year 2011 to ₹ 2,357.7 million generated for Fiscal Year 2012. This change was primarily due to an increase in trade receivables of ₹ 5,791.9 million for Fiscal Year 2011 compared to a decrease in trade receivables of ₹ 776.7 million for Fiscal Year 2012 and a decrease in current and non-current liabilities of ₹ 1,116.6 million for Fiscal Year 2011 compared to an increase in current and non-current liabilities of ₹ 4,557.4 million for Fiscal Year 2012, offset by an increase in inventories of ₹ 752.9 million for Fiscal Year 2011 compared to an increase in inventories of ₹ 2,986.4 million for Fiscal Year 2012, an increase in current and non-current provisions of ₹ 1,718.4 million for Fiscal Year 2011 compared to a decrease in current and non-current provisions of ₹ 936.7 million for Fiscal Year 2012, and an increase in long-term and short-term loans and advances of ₹ 833.1 million Fiscal Year 2011 compared to an increase in long-term and short-term loans and advances of ₹ 1,022.2 million for Fiscal Year 2012.

Our net cash used in investing activities increased by ₹ 2,387.9 million, from ₹ 3,862.5 million for Fiscal Year 2011 to ₹ 6,250.4 million for Fiscal Year 2012. This increase was primarily attributable to an increase in the amount paid for the purchase of fixed assets from ₹ 3,234.6 million for Fiscal Year 2011 to ₹ 3,968.9 million for Fiscal Year 2012, an increase in advances paid for the purchase of property and investments from nil for Fiscal Year 2011 to ₹ 1,651.0 million for Fiscal Year 2012 and a decrease in sale proceeds received for current and non-current investments from ₹ 1,954.4 million for Fiscal Year 2011 to ₹ 741.6 million for Fiscal Year 2012, primarily offset by a decrease in cash used for current and non-current investments.

Our net cash from financing activities decreased from ₹ 8,324.0 million for Fiscal Year 2011 to ₹ 2,077.9 million for Fiscal Year 2012. This decrease was primarily attributable to a decrease in net proceeds from the issue of shares from ₹ 11,479.7 million for Fiscal Year 2011 to ₹ 49.6 million for Fiscal Year 2012 (which were from proceeds from an issuance by Vijaya Productions Private Limited) as a result of our initial public offering in Fiscal Year 2011 and an increase in the amount repaid on a secured loan from ₹ 7,849.9 million for Fiscal Year 2011 to ₹ 11,877.5 million for Fiscal Year 2012.

Fiscal Year 2011(on a consolidated basis) compared to Fiscal Year 2010 (on a consolidated basis)

As of March 31, 2011, we had cash and cash equivalents of ₹ 3,173.5 million, an increase of ₹ 1,817.3 million, from ₹ 1,356.2 million as of March 31, 2010.

Our net cash flows used in operating activities increased by ₹ 235.1 million, from ₹ 2,761.2 million used in Fiscal Year 2010 to ₹ 2,996.3 million used in Fiscal Year 2011. This increase was primarily due to an increase in trade receivables and loans and advances partially offset by an increase in profit before tax and an increase in current and non-current provisions.

Our net cash used in investing activities increased by ₹ 2,274.4 million, from ₹ 1,588.1 million used in Fiscal Year 2010 to ₹ 3,862.5 million used in Fiscal Year 2011. This increase was primarily attributable to the purchase of fixed assets and a decrease in inter-corporate deposits partially offset by an increase in the value of the partnership

account of Prestige Notting Hill Investments, Prestige Whitefield Developers, Silver Line Estates and Silver Oak Projects and proceeds from the sale of current and non-current investments.

Our net cash from financing activities increased from ₹ 4,363.3 million for Fiscal Year 2010 to ₹ 8,324.0 million for Fiscal Year 2011. This increase was primarily attributable to proceeds from the issue of shares as a result of our initial public offering in Fiscal Year 2011 and lower repayment made on secured loans partially offset by a reduction in the amount of new financing via secured loans.

ASSETS

Our fixed assets consist of freehold and leasehold land and buildings, furniture and fixtures, plant and machinery, vehicles and other assets. Capital work-in-progress includes capital expenditure on assets which we propose to retain. Investments include investments in equity securities of listed and unlisted companies.

With respect to our current assets, inventories include work-in-progress and stock of units in Completed Projects and raw material inventory. Loans and advances include advance income tax payments and advance fringe benefit tax payments, inter-corporate deposits and other advances and deposits. Trade Receivables includes receivables with respect to our various business segments.

CAPITAL EXPENDITURE

The following table sets forth our historical capital expenditure for the six months ended September 30, 2012 (on an unconsolidated basis) and for Fiscal Years 2012, 2011 and 2010 (on a consolidated basis).

	For the six months ended September 30, 2012	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010
		(₹ in millions)		
Fixed assets and capital work-in-progress	347.5	3,968.9	3,234.6	1,544.2

The following table sets forth our planned capital expenditure for Fiscal Year 2013.

	Fiscal Year 2013
	(₹ in millions)
Expenditure towards capital work-in-progress	2,462.1

FINANCIAL INDEBTEDNESS

The following table sets forth the Company's secured and unsecured debt position as at 30 September 2012 (on an unconsolidated basis):

Particulars	Amount outstanding as at September 30, 2012
	(₹ in millions)
Secured loans:	
From scheduled banks	8,906.2
From others	4,352.2
Total (A)	13,258.4
Unsecured loans:	
Directors	-
Shareholders	-
Short-term loan from scheduled banks	-
Compulsory convertible debentures	-
Inter-corporate deposits	98.0
Others	29.6
Advances towards issue of debentures	-

Particulars	Amount outstanding as at September 30, 2012
	(₹ in millions)
Total (B)	127.6
Total (A+ B)	13,386.0

The following table sets forth our secured and unsecured debt position as at March 31, 2012 (on a consolidated basis):

Particulars	Amount outstanding as at March 31, 2012
	(₹ in millions)
Secured loans:	
From scheduled banks	11,335.6
From others	6,717.9
Total (A)	**18,053.5**
Unsecured loans:	
Directors	2.4
Shareholders	46.6
Short term loan from scheduled banks	Nil
Compulsory convertible debentures	285.0
Inter corporate deposits	393.0
Others	
Advances towards issue of debentures	
Total (B)	**727.0**
Total (A+ B)	**18,780.5**

We intend to convert the compulsory convertible debentures into equity of our subsidiaries and joint ventures. Compulsorily convertible debentures in principal outstanding amount of ₹ 47.82 million are held by CapitaRetail Mysore Mall (Mauritius) Limited in Prestige Mysore Retail Ventures Private Limited and compulsorily convertible debentures in principal outstanding amount of ₹ 328.16 million are held by CapitaRetail Mangalore Mall (Mauritius) Limited in Prestige Mangalore Retail Ventures Private Limited.

Our loan agreements with certain banks and financial institutions for term loans and working capital loans, contain restrictive covenants, which include, but are not limited to, requirements that we obtain consent from the lenders prior to altering our capital structure, amending our constitutional documents, effecting any scheme of amalgamation or reconstitution, permitting any change in the ownership or control (whereby there will be a change in our beneficial ownership), varying the shareholding of our Promoters, declaring dividends, investing any funds by way of deposits or loans or in the share capital of any other concern, undertaking any new project or implementing any scheme of expansion/diversification, entering into borrowing arrangements with other banks or financial institutions, undertaking guarantee obligations, changing our accounting year and/or accounting methods, creating any charge or lien on the security, changing the composition of our board of directors. Additionally, some of the loan agreements contain financial covenants that require us to provide additional security if demanded by the lender. In addition, some of our loans are secured by fixed and other assets.

CONTRACTUAL OBLIGATIONS

The table below summarizes our contractual obligation as of September 30, 2012 (on an unconsolidated basis):

Particulars	Payments due by one year *(₹ in millions)*	Payments due between two and five years *(₹ in millions)*	Payments due after more than five years *(₹ in millions)*	Total *(₹ in millions)*
Committed land payments	183.5	Nil	Nil	183.5
Committed payments due against joint development agreements	122.3	Nil	Nil	122.3
Total	305.8	Nil	Nil	305.8

As of September 30, 2012, we had the following contingent liabilities that have not been provided for in our unconsolidated financial statements (on an unconsolidated basis):

	Particulars	Total (₹ in millions)
1	Corporate guarantee given on behalf of companies under the same management for loans taken by such entities-aggregate of amounts outstanding against such loans	13,356.4
2	Capital commitments	440.4
3	Disputed Service tax	7.5
4	Bank guarantees(1)	864.0
5	Disputed VAT	12.40
	Total	14,680.7

Note:
(1) Includes guarantee of ₹ 23.5 million towards obligation for earnings in foreign currency of ₹ 188.4 million outstanding to be met by March 31, 2022.

As of March 31, 2012, we had the following contingent liabilities that have not been provided for in our consolidated financial statements (on a consolidated basis):

	Particulars	Total (₹ in millions)
1	Corporate guarantee given on behalf of companies under the same management for loans taken by such entities-aggregate of amounts outstanding against such loans	5,919.9
2	Capital commitments	2,670.3
3	Disputed Service tax	7.5
4	Bank guarantees(1)	829.9
5	Disputed VAT	12.4
	Total	**9,440.0**

Note:
(1) Includes guarantee of ₹ 43.2 million towards obligation for earnings in foreign currency of ₹ 345.6 million outstanding to be met by March 31, 2022.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off--balance sheet arrangements, derivative instruments, swap transactions or relationships with unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet transactions.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Interest rate risk

Our financial results are subject to changes in interest rates, which may affect our debt service obligations. The Company's long-term and short-term Rupee-denominated debts, which bear interest at floating rates linked with prime lending rates of the respective lenders, as determined from time to time was ₹ 13,059.5 million (on an unconsolidated basis) as at September 30, 2012.

Upward fluctuations in interest rates increase the cost of both existing and new debts. An increase in interest rates of one per cent. on the Company's existing floating rate debts would increase its annual interest charges by approximately ₹ 130.6 million based upon the long-term and short-term loans outstanding as at September 30, 2012.

Commodity price risk

We are exposed to market risk with respect to the prices of raw material and components used in our projects, particularly steel and cement. The costs for these raw materials and components are subject to fluctuation based on commodity prices. The cost of components and various small parts sourced from outside manufacturers may also fluctuate based on their availability from suppliers. In the normal course of business, we purchase these raw

materials and components either on a purchase order basis or pursuant to supply agreements. We do not enter into fixed price or forward contracts in relation to procurement of raw materials.

RELATED PARTY TRANSACTIONS

For details in relation to the related party transactions, see – "*Financial Statements*".

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2012 THAT MAY AFFECT FUTURE RESULTS OF OPERATIONS

Subsequent to March 31, 2012, we have invested certain amounts of money in the entities specified below whereby our stake in such entities has increased as indicated:

Sl. No.	Name of the entity	Pre-investment shareholding by our Company	Amount invested *(₹ in millions)*	Effective date of investment	Post-investment shareholding by our Company
Company					
1.	Prestige Garden Resorts Private Limited	50%	55.5	December 19,2012	65%
2.	Cessna Garden Developers Private Limited	60%	2,400.0	December 26, 2012	85%
3.	Sai Chakra Hotels Private Limited	Nil	1.0	September 3, 2012	50%
4.	Villaland Developers Private Limited	51%	0.02	December 15, 2012	60%

Consequent to the above investment made by our Company, Prestige Garden Resorts Private Limited has become a subsidiary of our Company and Sai Chakra Hotels Private Limited has become a joint venture of our Company.

No circumstances have arisen since the date of the last financial statements as disclosed in this Red Herring Prospectus, which materially and adversely affect or are likely to affect, our revenues and profitability, or the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

INDUSTRY OVERVIEW

The information in this section has not been independently verified by us, the Book Running Lead Managers or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, accuracy and completeness of such data cannot be assured by the Company, the Book Running Lead Managers or their respective advisors. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information.

The Indian Economy

India is the world's largest democracy in terms of population (approximately 1.21 billion people) as at July 2012 with an estimated gross domestic product ("**GDP**"), on a purchasing powering parity basis, of approximately US$ 4.4 trillion in 2011. ((***Source:*** *www.cia.gov/library/publications/the-world-factbook/goes/in.html, accessed on January 7, 2013 ("**CIA World Factbook**").*

The GDP growth rate of India decelerated to 6.5 per cent. in Fiscal Year 2012 compared with 8.4 per cent. growth in Fiscal Year 2011 (*Source: Centre for Monitoring Indian Economy, November 2012*). According to RBI's Second Quarter Review of Monetary Policy 2011-2013, the baseline projection of GDP growth from Fiscal Year 2012 to Fiscal Year 2013 was revised downwards to 5.8 per cent. (*Source: Second Quarter Review of Monetary Policy 2012-2013, Press Statement by Dr. D. Subbarao, Governor, Reserve Bank of India, October 30, 2012*). A press release issued by the Indian Ministry of Finance on November 30, 2012 estimates GDP growth for India in the first half of Fiscal Year 2013 at 5.4 per cent. (*Source: Growth Rate Below Our Expectations: Says Finance Ministry, Press Information Bureau, Government Of India, November 30, 2012*).

The table below sets out the comparison between India's Real GDP Growth in 2011 and its expected GDP growth during the 2012 and 2013 calendar years, as compared to that of the European Union, United States of America, China, Japan and other Newly Industrialized Asian Economies:

	Real GDP:		
	Actual:	Projected:	
	2011	2012	2013
Euro Area[1]	1.4	-0.3	0.9
United States	1.7	2.1	2.4
China	9.2	8.2	8.8
Japan	(0.7)	2.0	1.7
India	7.2	6.9	7.3
Newly Industrialized Asian Economies[2]	4.0	3.4	4.2

[1] *The Euro Area comprises Germany, France, Italy, Spain, Netherlands, Belgium, Greece, Austria, Portugal, Finland, Ireland, Slovak Republic, Slovenia, Luxembourg, Cyprus, Estonia and Malta.*

[2] *Newly Industrialized Asian Economies comprises Korea, Taiwan Province of China, Hong Kong SAR and Singapore.*

(***Source:*** *International Monetary Fund ("**IMF**"), World Economic Outlook, April 2012 ("**IMF World Economic Outlook 2012**"*)

The Real Estate Sector in India

Key Segments of the Real Estate Industry in India

The Residential Segment

During the period from January 2011 to March 2012, there was a decline in residential real estate activity in India owing to adverse macroeconomic conditions. A high level of inflation and high interest rates during this period increased the cost of construction and impaired the ability to service debts, thereby adversely affecting developers

and potential buyers. Consequently, average capital values were stagnant in the second half of 2011 compared to the first half of 2011 and increased marginally during the first quarter of 2012. *(Source: CRISIL CRB Customised Research Bulletin, May 2012)*

During the period from 2012 to 2014, developers have planned a total residential space supply of approximately 2.13 billion square feet across the National Capital Region, Mumbai, Pune, Bengaluru, Hyderabad, Chennai, Kolkata, Ahmedabad, Chandigarh and Kochi. CRISIL Research expects that approximately 70 per cent. or around 1.46 billion square feet of this total planned residential space will be completed by 2014 and approximately 813 million square feet of residential space will be absorbed by 2014. *(Source: CRISIL Research Opinion: Residential Real Estate, November 2012)*

The Commercial Segment

Demand for office space in India declined during 2008 and 2009 owing to the economic slowdown. Demand increased marginally in the first half of 2011 but the existing vacancy levels restricted any major increase in lease rentals. Weak demand also adversely impacted the execution of many projects. CRISIL Research estimates that, currently, lease rentals in almost 90 per cent. of the micro-markets across the National Capital Region, Mumbai Metropolitan Region, Pune, Bengaluru, Hyderabad, Chennai, Kolkata, Ahmedabad, Chandigarh Tricity and Kochi are approximately 20 per cent. to 25 per cent. lower than the peak levels witnessed in the first half of 2008. *(Source: CRISIL CRB Customised Research Bulletin, May 2012)*

According to CRISIL Research, during the period from 2012 to 2014, developers have planned a total office space supply of approximately 647 million square feet across the National Capital Region, Mumbai Metropolitan Region, Pune, Bengaluru, Hyderabad, Chennai, Kolkata, Ahmedabad, Chandigarh Tricity and Kochi. CRISIL Research expects that approximately 243 million square feet of this total planned office space will be completed by 2014 and approximately 72 million square feet of office space will be absorbed by 2014. *(Source: CRISIL Research Opinion: Commercial Real Estate, November 2012)*

The Hospitality Segment

According to CRISIL, during the period between 2005-06 and 2007-08, the hospitality segment grew at a CAGR of 35 per cent. Subsequently, owing to the global economic crisis in 2008 and 2009, demand for hospitality space declined during 2008-2009 and 2009-2010. Further, large supply additions forced a decrease in the average room rates. According to CRISIL Research, economic recovery during 2010-2011 led to a revival of demand for hospitality space in India. CRISIL Research estimates that the overall hotel market grew by 13 per cent. to reach ₹ 318 billion in 2011-12. As per CRISIL Research's estimates, during 2012-2013, the hotel market for premium segment hotels is expected to grow at 16 per cent. to reach ₹ 184 billion whereas the overall average room rates ("**ARRs**") and revenue per available room ("**RevPAR**") will decline during the period from 2012 and 2014. CRISIL Research estimates that at ₹ 4,331, RevPAR will be the lowest during 2012-2013 for the six years starting from 2007-2008. *(Source: CRISIL CRB Customised Research Bulletin, May 2012)*

According to CRISIL Research, room demand in the premium segment hotels increased by 13 per cent. in 2011-12 compared to the demand in 2010-11. Foreign tourist arrivals, which are a key demand driver for premium segment hotels, rose by 10 per cent. in 2011-12 compared to the demand in 2010-11. Supply of rooms in the premium category also increased by 13 per cent. in 2011-12 compared to the demand in 2010-11. Consequently, occupancy rates and average room rates remained stable at around 62 per cent. and ₹ 7,900 respectively in 2011-12. Consequently, revenue per available room remained around ₹ 4,900. (*Source: CRISIL CRB Customised Research Bulletin, May 2012*)

A Cushman & Wakefield report states that, going forward, the recovery in the economic situation, combined with government efforts to promote infrastructural development and tourism, will continue to aid growth in the demand for lodging in key cities in India. As uncertainties continue to surround the global economy, the overall performance will prove to be a challenge as these uncertainties could affect demand forecasts. *(Source: Almanac, Hospitality Hotspots Across India, A Cushman & Wakefield Research Publication, April 2012)*

The Retail Segment

According to CRISIL Research, there is an oversupply of retail space in India and, since the first half of 2010, lease rentals have remained stagnant across the National Capital Region, Mumbai, Pune, Bengaluru, Hyderabad, Chennai, Kolkata, Ahmedabad, Chandigarh Tricity and Kochi. Lease rentals for retail space across these cities are below the peak rental levels witnessed during the first half of 2008. During Fiscal Year 2012, revenue growth for most organized retailers declined sharply due to weak demand, rising apparel prices and higher excise duty levies. *(Source: CRISIL CRB Customised Research Bulletin, May 2012)*

According to CRISIL Research, during the period from 2012 to 2014, developers have planned a total retail space supply of approximately 81 million square feet across the National Capital Region, Mumbai, Pune, Bengaluru, Hyderabad, Chennai, Kolkata, Ahmedabad, Chandigarh Tricity and Kochi. CRISIL Research expects that approximately 44 million square feet of this total planned retail space will be completed by 2014. CRISIL Research expects around 117 malls out of the planned 205 malls to be completed by 2014 due to execution delays and long gestation periods of some large projects. *(Source: CRISIL Research Opinion: Retail Real Estate, November 2012)*

Competitiveness and Growth Potential of the South Indian Real Estate Market

According to Jones Lang LaSalle's research, the Southern Indian states of Tamil Nadu, Andhra Pradesh, Karnataka, Kerala and Pudduchery have been a major driver of growth in India in the last decade. With 20 per cent. of the Indian population living in these states, South India has become the centre of manufacturing industries such as textiles, automobiles, defence, aerospace and pharmaceuticals, in addition to the progress in IT / ITES sector. The aggregate GDP of these states contributes to approximately 22 per cent. of the aggregate GDP of all Indian states. *(Source: Real Estate South 2012 - Accelerating Growth, Analysing the Real Estate Footprint of South India, Jones Lang LaSalle)*

According to Jones Lang LaSalle's research, the residential markets of the above South Indian cities have remained strong in the past few quarters compared to the significant decline recorded in the sales volume of Mumbai and the National Capital Region. While India's residential market continues to be dominated by the huge supply in the National Capital Region and the Mumbai Metropolitan Region, the South Indian cities have ensured a tough competition through their contribution to new project launches in the past few quarters. The geographic expanse of each of the capital cities in South India, rising migrant populations with increasing job opportunities and timely implementation of physical infrastructure initiatives such as road and rail networks have helped the attractiveness of the region as a favorable residential market. Further, the fact that the developers have adopted a cautious pricing strategy since the economic slowdown of 2008 along with a streamlined supply has led to a steady rise in absorption rates over the past few quarters. *(Source: Real Estate South 2012 - Accelerating Growth, Analysing the Real Estate Footprint of South India, Jones Lang LaSalle)*

Jones Lang LaSalle's research estimates that South India's office space supply is projected to grow at a compound annual growth rate of 8 per cent., which is lower than the pan India growth of 11 per cent. for the period from 2012 to 2016. This implies that the South Indian cities, particularly Bengaluru and Hyderabad, are relatively rationalized in terms of medium-term supply of office space. Consequently, this will keep the share of South India's office space at 37 per cent. to 40 per cent. of the total office space supply in India. Jones Lang LaSalle's research expects that, with a total stock of nearly 140 million square feet in the major cities of South India, the vacancy rate by the end of 2012 will be 16 per cent., which will be considerably lower than the pan-India vacancy rate of over 20 per cent.. A constrained supply pipeline in the coming years, along with sustained absorption levels, will result in a decline in vacancy during this period. *(Source: Real Estate South 2012 - Accelerating Growth, Analysing the Real Estate Footprint of South India, Jones Lang LaSalle)*

In relation to retail real estate, Jones Lang LaSalle's research expects that the share of South India's supply of retail space will increase from 20 per cent. by the end of 2011 to 36 per cent. by the end of 2016. A total of 59 malls is proposed and / or under construction across Bengaluru, Chennai and Hyderabad. Given the lack of mall supply against a healthy demand in the recent years, a healthy absorption of retail space is anticipated in the coming years. *(Source: Real Estate South 2012 - Accelerating Growth, Analysing the Real Estate Footprint of South India, Jones Lang LaSalle)*

The Bengaluru Real Estate Market

Bengaluru is the capital city of the state of Karnataka in south India, and is India's third most populous city and the fifth most populous urban agglomeration in India. The Bengaluru Metropolitan Area ("**BMA**") is covered by the Comprehensive Development Plan ("**CDP**") of the Bengaluru Development Authority. The CDP covers a local area of 1,307 square kilometers and consists of the Bengaluru Mahanagar Palike ("**BMP**"), seven City Municipal Councils ("**CMCs**"), one town municipal council and 387 villages. *(Source: City Real(i)ty, Bengaluru, CRISIL Research, September 2012 ("**City Real(i)ty, Bengaluru, September 2012**"))*

Area and population

Bengaluru spreads out in all directions and along all major roads in the absence of natural boundaries. Major roads such as Mysore Road, Old Madras Road, Bellary Road, Hosur Road and Tumkur Road are part of a radial system formed by the axes, which converges towards the city centre. Five other secondary roads, Magadi Road, Kanakapura Road, Bannerghatta Road, Varthur Road and Whitefield Road also form part of this system. Commercial and industrial development occurs along these major roads, with the intermediary areas between the radial roads forming the core residential centres. *(Source: City Real(i)ty, Bengaluru, September 2012)*

Areas such as Whitefield (in the north east), Hosur Road (in the south east) and Electronic City (south) are highly urbanized. *(Source: City Real(i)ty, Bengaluru, September 2012)*

As of 2011, the population of Bengaluru was 8,425,970. The population density of CMCs such as KR Puram, located in the vicinity of Whitefield, is 9,342 people per square kilometre, and is the highest population density amongst all seven CMCs. Furthermore, and owing to the high rates of land utilisation, the population density of the BMP at 19,023 people per square kilometre is higher as compared to the population density at city level, at 4,667 people per square kilometre. *(Source: City Real(i)ty, Bengaluru, September 2012)*

According to the census conducted in 2001, the population of the non-BMP areas had risen at a CAGR of 8.5 per cent. between 1991 and 2001, compared to the CAGR of 4.1 per cent. for the entire city. *(Source: City Real(i)ty, Bengaluru, September 2012)* The table below sets out the projected population growth in the BMA.

Name of districts	Population (million persons)		
	2001	2011(P)	2021(P)
BMP	4.3	5.1	5.6
Non-BMP	1.8	2.9	4.4
Total	**6.1**	**8.0**	**10.0**

P: Projected

(Source: City Real(i)ty, Bengaluru, September 2012)

Industries in the BMA

Bengaluru is the sixth largest city in India, with numerous public sector industries, software companies, aerospace companies, textile industries and IT / ITeS and biotechnology companies based in the city. Various public sector manufacturing companies are headquartered in Bengaluru, including Hindustan Aeronautics Limited, National Aerospace Laboratories, Bharat Heavy Electricals Limited, Bharat Electronics Limited, Bharat Earth Movers Limited and Hindustan Machine Tools. In addition, the Indian Research Space Organization was established by the Department of Science in June 1972, and is based in Bengaluru. *(Source: City Real(i)ty, Bengaluru, September 2012)*

CRISIL Research has concluded that the creation of employment has led to a significant increase in the migrant population of Bengaluru. *(Source: City Real(i)ty, Bengaluru, September 2012)*

Known as the "Silicon Valley" of India, Bengaluru's IT / ITeS industry makes a prominent contribution to the Indian economy. The IT / ITeS industry in Bengaluru is found in three main clusters, namely

- Software Technology Parks of India;
- International Technology Park, Bengaluru; and

- Electronic City (where Infosys and Wipro are based, together with many global SEI-CMM Level-5 companies).

(Source: City Real(i)ty, Bengaluru, September 2012)

According to CRISIL Research, another sector which is exhibiting rapid growth in Bengaluru is biotechnology, with Biocon, India's leading biotechnology company based in Bengaluru. *(Source: City Real(i)ty, Bengaluru, September 2012)*

Apart from the IT / ITeS and biotechnology industries, Bengaluru also houses many other small-scale industries. However, and according to CRISIL Research, the manufacturing and services sectors are the largest contributors to economic growth in the city. CRISIL Research believes this is as a result of the Karnataka State's Industrial Policy (2006-2011), which has focused on strengthening the manufacturing sector, increasing national exports from Karnataka and promoting a diversified industrial base in Karnataka, and specifically in Bengaluru. *(Source: City Real(i)ty, Bengaluru, September 2012)*

Another significant feature of economic activities in Benglauru is the significant concentration of small and medium enterprises in diversified sectors across the city. Wholesale and retail merchants sell silk, garments and jewellery in the city's central areas such as Chickpet, Cubbonpet, Binnypet, Cottonpet and Srirampur in the north west region of the city. The main commercial hub for banks, corporate head offices and hotels is the area around MG Road, in the city centre. The industrial profile of the BMA is dominated by basic metal and alloy industries, metal products and parts, machinery and machine tools, rubber and plastic industries, jute textiles, cotton textiles and leather and leather products. *(Source: City Real(i)ty, Bengaluru, September 2012)*

Infrastructure

Planned and ongoing infrastructure development is also growing in the BMA, alongside the population and industrial growth trends discussed above. Some examples of ongoing infrastructure development are as follows:

- *Metro rail project*: the first phase of the Bengaluru Metro, consisting of two corridors of electrified double lines, will be 42.3 kilometre long (an east-west corridor of 18.10 kilometers, and a north-south corridor of 24.2 kilometers). Of the 42.3 kilometers, 8.8 kilometers will be underground. There will be 41 stations in this phase and it is expected to be completed by the end of calendar year 2013. The second phase of the Bengaluru Metro will have four extensions and two new lines running across 72.1 kilometers. There will be 61 stations and it is expected to be completed by 2017.

- *Monorail*: the Government of Karnataka has sanctioned a monorail project to serve as an alignment to the Bengaluru Metro. The proposed momorail project will cover 60 kilometers and will be implemented in two phases. The project will come up at the four corridors of the Bengaluru Metro and serve as a second feeder.

- *New international airport*: the new Bengaluru International Airport commenced operations on May 24, 2008, and is in the process of expansion by augmenting the capacity of the airport terminal building. The project also companies expansion of terminal 1 building which will be designed to secure approximately 17.2 million passengers per annum. CRISIL Research indicates that it is already the fourth busiest airport in India. Ongoing improvements include expanding the airport by augmenting the capacity of the airport terminal building, planning for a high-speed rail link between the city and the airport, as well as additional flyovers, elevated roads and bridges at intersections and bottlenecks in the road infrastructure (the NH7).

- *Road transportation*: CRISIL Research indicates that road traffic in Bengaluru has increased by 600 per cent. in the last 25 years. As such, and in order to manage this increase in road traffic, the BMA proposes to develop and upgrade the existing road transportation infrastructure, including:

    (i) the construction of Bengaluru -Mysore Infrastructure Corridor, which is a proposed four to six-lane private tolled expressway to connect Bengaluru and Mysore. The project includes the construction of a 111 kilometer, four-lane expressway between Bengaluru and Mysore, a 41 kilometer southern peripheral bypass road connecting national highway number four and national highway number seven and a 10 kilometer long link road. The project will have five townships

along the corridor. In addition, it will include building a dedicated 400 megawatt power generation station, its own telecommunication facilities, two town municipal council water supply pipelines and sewage treatment facilities;

(ii) the construction of a 116 kilometer long proposed peripheral ring road; and

(iii) upgrading the Hyderabad-Bengaluru section of the national highway number seven.

- *Water supply and sanitation*: The Bengaluru Water Supply and Sewage Board ("**BWSSB**"), initially only responsible for the BMP area, has now assumed responsibility for water and sanitation for the entire BMA area.

(Source: City Real(i)ty, Bengaluru, September 2012)

Analysis of Bengaluru's Key Residential, Commercial, Retail and Hospitality Micro-Markets

Residential

Bengaluru's residential area stretches from Bellary Road in the north to Bannerghatta Road and Kanakapura road in the south and from Tumkur Road in the city's northwest to Whitefield in the east. With the development of the IT / ITeS sector in the city's eastern quadrant, areas in and around Whitefield have grown rapidly over the last few years, with approximately 32 per cent. of new projects situated in this area. In addition, North Bengaluru (areas in and around Hebbal) has gained prominence over the last few years due to the commencement of operations of the new international airport at Devanhalli. CRISIL Research estimates that approximately 22 per cent. of residential supply between 2012 and 2014 will be in Hebbal. *(Source: City Real(i)ty, Bengaluru, September 2012)*

According to CRISIL Research, while the IT / ITeS sectors have been fuelling the demand for real estate in Bengaluru, other sectors like pharmaceuticals, banking and telecommunications are also gaining prominence. Many multi-national companies have their headquarters in Bengaluru such as HP, Motorola, Infosys, among others. CRISIL Research expects that residential capital values across micro-markets in the city will remain stable during the first half of 2013 and increase marginally by 4 per cent. to 5 per cent. in the second half of the year, mainly due to the infrastructure development witnessed in peripheral areas. *(Source: City Real(i)ty, Bengaluru, September 2012)*

Over the years, road connectivity in Bengaluru has improved with the development of the Outer Ring Road and the elevated expressways. The first phase of the Bengaluru Metro has commenced operations and the travel time required to travel from the north of the city to the central business district has reduced. With the commencement of the other phases of the metro, the time required for travelling from the peripheral areas towards the central business district will reduce considerably. This is expected to have a positive impact on residential demand in the areas situated in and around the metro stations. (*Source: City Real(i)ty, Bengaluru, September 2012*)

At present, the residential real estate in Bengaluru is primarily consumption-driven. Investment demand, which was around 50 per cent. in 2005 and 2006, dropped sharply to 7 per cent. during the first half of 2009 due to the economic slowdown. Investment demand has gradually recovered since then and currently stands at 15 per cent. (*Source: City Real(i)ty, Bengaluru, September 2012*)

The table below provides a summary of the expected demand and supply, minimum annual household threshold income ("**MAHTI**"), affordability in terms of property cost compared with annual household income, and the trend in residential capital values in the BMA:

Regions	MAHTI[+]	Affordability[*] - Property cost/Annual income		Estimated demand	Planned supply	CRISIL Research's estimated supply(million square feet)
	As of August 2012	First half of 2012	August 2012	2012-2014		2012-2014
	(Rs lakhs)				*(million square feet)*	
In and around Hebbal	7.9	8.3	8.5		34.5	24.5
In and around Malleshwaram	16.6	17.2	17.8		1.4	1.2
In and around MG Road	63.4	65.1	68.2		1.0	0.8
In and around Jayanagar	15.7	15.9	16.8		9.7	8.7
In and around Whitefield	8.1	8.6	8.7		46.4	35.0

Regions	MAHTI+	Affordability* - Property cost/Annual income		Estimated demand	Planned supply	CRISIL Research's estimated supply(million square feet)
	As of August 2012	First half of 2012	August 2012	2012-2014		2012-2014
	(Rs lakhs)				*(million square feet)*	
In and around Hosur Road	7.2	7.2	7.7		46.8	35.3
In and around Tumkur Road	9.1	9.4	9.7		7.0	4.8
Total				**76.2**	**146.8**	**110.3**

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\+ *Minimum annual household threshold income need to buy a house.*

* *A lower ratio suggests higher affordability and vice versa.*

(*Source: City Real(i)ty, Bengaluru, September 2012*)

According to CRISIL Research, demand for and capital values of residential real estate in BMA had decreased owing to the global economic slowdown in 2008 and 2009. Capital values kept declining until the middle of 2009, and then stabilized in the second half of 2009. The volatility in demand and capital values led to cancellation of or delays in many planned projects. There was a gradual recovery in volumes in 2010 due to improvement in economic conditions. Confidence among end-users increased due to better job prospects, aiding healthy absorption. Consequently, it led to a marginal improvement in capital values during 2010 as compared to the second half of 2009. Demand improved from 2010 levels in the first half of 2011, increasing by about 15 per cent., but slowed down marginally in the second half of 2011. (*Source: City Real(i)ty, Bengaluru, September 2012*)

Residential capital values are expected to remain flat in the first half of 2013 and increase marginally across micro-markets in the second half of 2013. Capital values are expected to rise in the second half of 2013 with an overall increase of around 4-5 per cent. over the current levels across micro-markets. (*Source: City Real(i)ty, Bengaluru, September 2012*)

CRISIL Research estimates that around 16,800 units will be sold in 2013 and 80 per cent. of these units will be absorbed by end-users. Revival of the IT / ITeS sector and a rise in the incomes of employees is expected to bring about a sustained growth in the absorption pattern from the period 2012 to 2014. (*Source: City Real(i)ty, Bengaluru, September 2012*)

Of the 110.3 million square feet of residential space expected to come up between 2012 and 2014, CRISIL Research expects a maximum of 70.3 million square feet to come up in and around Hosur Road and Whitefield, followed by 24.5 million square feet in and around Hebbal and 8.7 million square feet in and around Jayanagar. The proportion of supply in areas in and around MG Road will be comparatively lower as only a few projects are coming up there. Due to its proximity to the international airport, Hebbal is seeing substantial development and many large projects are under execution. Owing to the revival in the IT / ITeS sector and consequent improvement in demand, a supply of 34.5 million square feet has been announced in this area. Of this, CRISIL Research estimates 24.5 million square feet to be completed between 2012 and 2014. (*Source: City Real(i)ty, Bengaluru, September 2012*)

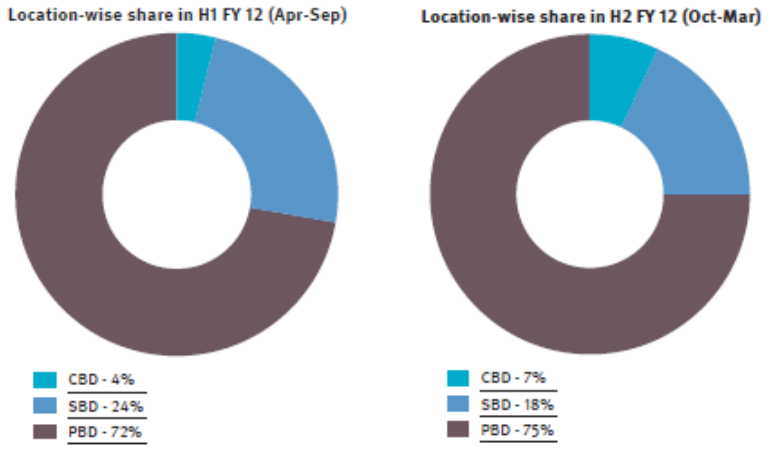
Commercial

According to Knight Frank, in Fiscal Year 2012, Bengaluru had the highest office space absorption in India of approximately 12 million square feet. This was an increase of 10 per cent. over the absorption witnessed in Fiscal Year 2011. Knight Frank attributes the level of office space absorption in Fiscal Year 2012 to the revived demand for office space witnessed in the first two quarters of Fiscal Year 2012, resulting in the office space transaction of 6.75 million square feet, while the second half of Fiscal Year 2012 witnessed a more restrained activity of 5.25 million square feet. With an inventory of approximately 90 million square feet of office space currently operational, Bengaluru remains one of the most preferred office space destinations in India. (*Source: Office Traction @ Glance, Research Team of Knight Frank (India) Private Limited dated July 2012*)

The IT / ITeS industry, which has been responsible for the rise in Bengaluru's office market, remained the key demand driver for office space during Fiscal Year 2012 as well. In the first half of Fiscal Year 2012, the IT / ITeS sector contributed to 74 per cent. of the total office space absorption compared to a 70 per cent. absorption in the second half of Fiscal Year 2012. Significantly, much variation was seen in the type of non-IT companies which took up office space in the first half of Fiscal Year 2012 with those taking up space in the second half of Fiscal Year 2012. For instance, the manufacturing sector increased its share of absorption from a mere 4 per cent. of the total

office space absorbed in the first half of Fiscal Year 2012 to 13 per cent. in the second half of Fiscal Year 2012. (*Source: Office Traction @ Glance, Research Team of Knight Frank (India) Private Limited dated July 2012*)

According to Knight Frank, owing to the lack of quality office space in central locations as well as in a few suburban micro-markets of the city, companies had to explore peripheral markets like the Electronic City, Whitefield and Outer Ring Road which have considerable new office space supply. The location-wise share in office space absorption during the first and the second halves of Fiscal Year 2012 has been depicted in the below charts. (*Source: Office Traction @ Glance, Research Team of Knight Frank (India) Private Limited dated July 2012*)



(*Source: Office Traction @ Glance, Research Team of Knight Frank (India) Private Limited dated July 2012*)

CRISIL Research expects that of the total planned office space supply in Bengaluru of 108.9 million square feet, only 35.7 million square feet remains to be completed between 2012 and 2014. The table below sets out the distribution of demand and supply across micro-markets of Bengaluru.

Regions	Estimated demand (2012-2014)	Planned supply	CRISIL Research's Estimated supply (2012-2014)
	(million square feet)	*(million square feet)*	
In and around Hebbal		34.8	8.7
In and around MG Road		1.2	1.0
In and around Whitefield		53.5	16.1
Electronic City		6.3	3.2
Bannerghata Road		8.2	4.9
Marathahalli - Sarjapur		4.8	1.9
Total	**12.0**	**108.9**	**35.7**

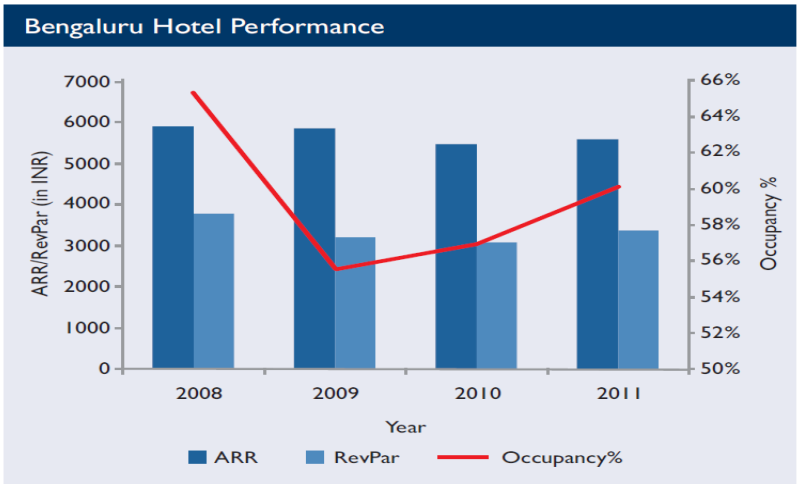
(*Source: City Real(i)ty, Bengaluru, September 2012*)

Knight Frank expects that the Bengaluru office space market will witness a cautious delivery of projects in Fiscal Year 2013 owing to the ongoing global economic slowdown. Demand for office space is likely to be subdued as companies are reconsidering their expansion plans. (*Source: Office Traction @ Glance, Research Team of Knight Frank (India) Private Limited dated July 2012*) Further, CRISIL Research is of the view that oversupply of office space in Bengaluru is leading to delays in the execution of ongoing projects and forcing developers to convert these projects into residential units. As a result of these factors, rentals are expected to remain stagnant in the first half of 2013 before marginally rising in the second half of 2013. (*Source: City Real(i)ty, Bengaluru, September 2012*). In terms of market-trend, smaller office sizes in the range of 8,000 to 12,000 square feet, mostly favored by non-IT companies, will continue to be in demand. Further, Whitefield and Outer Ring Road will continue to be preferred destination for office space owing to space availability and competitive values in the leasing market. (*Source: Office Traction @ Glance, Research Team of Knight Frank (India) Private Limited dated July 2012)*

Hospitality

According to Cushman & Wakefield, the occupancy rate in hotels was at a high of approximately 70 per cent. in 2008 before declining to 56 per cent. in 2009. The occupancy rate has been rising slowly but steadily since then. However, increasing room supply, increasing competition have led to a decline in ARRs and the RevPAR. Cushman & Wakefield expects the number of rooms in Bengaluru to grow by 30 per cent. on account of hotel projects currently under development. The graph below shows the performance of the Bengaluru hospitality industry for the

years indicated. *(Source: Almanac, Hospitality Hotspots Across India, A Cushman & Wakefield Research Publication, April 2012)*



Source: Cushman & Wakefield Hospitality

(Source: Almanac, Hospitality Hotspots Across India, A Cushman & Wakefield Research Publication, April 2012)

According to Cushman & Wakefield, Bengaluru is highly susceptible to changes in world economic conditions because of its status as the most important software and outsourcing centre in India. Hence, until more stability is achieved in the EU markets, the number of foreign business travelers are likely to decline and many hotels will be depending on domestic business travelers. *(Source: Almanac, Hospitality Hotspots Across India, A Cushman & Wakefield Research Publication, April 2012)*

Retail

According to CRISIL Research, demand for retail space is primarily driven by the apparel and the food and beverages segments. The continuing and high vacancy rate of retail space in most micro-markets of Bengaluru have marginally reduced the lease rentals in the past 12 months and have delayed many ongoing projects. CRISIL Research expects 7.2 million square feet of retail supply during the period from 2012 to 2014, primarily around the Whitefield, Hosur Road and Malleshwaram areas. (*Source: City Real(i)ty, Bengaluru, September 2012*)

According to CRISIL Research, the supply of new malls was limited in the first half of 2012. Demand for retail spaces remained subdued in the first half of 2012 as uncertainty in the economic scenario led to retailers being very cautious in their expansion plans. However, lack of mall supply in the central business district has resulted in high demand for high street retail in areas like Brigade Road and MG Road. Overall in the city, the planned supply is huge and demand has remained sluggish. Therefore lease rentals are not expected to pick up in the near term. In the first half of 2013, lease rentals are largely likely to remain flat in all micro-markets, and increase marginally in the second half of 2013. (*Source: City Real(i)ty, Bengaluru, September 2012*)

The following table sets out the planned and estimated supply of retail space across micro-markets of Bengaluru during the period from 2012 to 2014.

Location	Region-wise segregation as defined by CRISIL Research	Planned supply	Estimated supply (2012-2014)
		(million square feet)	
Hebbal, Devenahalli	In and around Hebbal	5.1	1.4
Rajajinagar, Rajarajeshwarinagar, Yeswantpur, Malleshwaram	Malleshwaram	3.8	0.8
Vittal Mallya Road, Ulsoor, Kempegowda Road, Brigade Road, Commercial Street	In and around MG Road	1.9	1.9
Whitefield, KR Puram, Old Madras Road	In and around Whitefield	2.5	1.5
Indiaranagar	Indiranagar	1.4	-
Jayanagar, JP Nagar	Jayanagar	-	-
Hosur Road, Bannerghatta Road, Electric City	Hosur Road	3.0	1.6
Total		**17.7**	**7.2**

Note: Organized retail also includes high street retail, departmental stores, supermarkets and hypermarkets in addition to malls.

(*Source: City Real(i)ty, Bengaluru, September 2012*)

The Chennai Real Estate Market

Chennai is the capital of Tamil Nadu and is one of the four metropolitan cities of India. The Chennai Metropolitan Area comprises Chennai city and the suburbs of Ambattur and Mogappai to the north-west, Sriperumbudur to the west and areas along the Rajiv Gandhi Salai and the Grand Southern Trunk Road to the south. Owing to the lack of space in the central areas, over the past few years, real estate activity has mainly shifted to Sriperumbudur and the areas around the Rajiv Gandhi Salai. (*Source: City Real(i)ty, Chennai, CRISIL Research, September 2012*)

Analysis of Chennai's Key Residential, Commercial, Retail and Hospitality Micro-Markets

Residential

According to CRISIL Research, the slowdown in the Indian economy coupled with high inflation and high interest rates in India have contributed to the decline in demand for residential real estate in Chennai. Weak demand has also prevented an increase in the residential capital values in the city. CRISIL Research expects capital values to remain stable in the first half of 2013 before increasing by 3 per cent. to 4 per cent. in the second half of 2013, across all micro-markets. Developers have planned a total residential real estate supply of approximately 129.8 million square feet, of which CRISIL Research expects only 85.1 million square feet to be completed by 2014. The city is also witnessing a shift from small 10 to 50 residential unit projects to larger projects with over 500 residential units, largely planned along the areas around the Rajiv Gandhi Salai and Sriperumbudur. Consequently, the areas around Rajiv Gandhi Salai are expected to account for more than a third of the total planned residential real estate supply in Chennai. (*Source: City Real(i)ty, Chennai, CRISIL Research, September 2012*)

Commercial

According to CRISIL Research, approximately 65.8 million square feet of office space has been planned in Chennai (including in SEZs), of which CRISIL Research expects only 23.6 million square feet to be completed by 2014. Over 55 per cent. of this supply has been planned in areas around the Rajiv Gandhi Salai. However, as most existing office spaces remain vacant owing to weak business sentiments. CRISIL Research expects that rentals in the central and secondary business districts will only marginally increase in the second half of 2013, given that these regions are already saturated and land availability is limited. (*Source: City Real(i)ty, Chennai, CRISIL Research, September 2012*)

Hospitality

According to Cushman & Wakefield, the hotel occupancy rate in Chennai declined sharply in the period from 2008 to 2010 as a result of the global economic slowdown. However, the recovery was strong and the occupancy rate in 2011 was close to 70 per cent., higher than the occupancy rate in 2008. Room rates have also increased slightly since 2008, indicating an increased demand for rooms. The increased occupancy rate in 2011 was reflected in the increased RevPAR from approximately ₹ 2,800 in 2010 to ₹ 3,450 in 2011. *(Source: Almanac, Hospitality Hotspots Across India, A Cushman & Wakefield Research Publication, April 2012)*. According to Cushman & Wakefield, while the economic growth of Chennai will continue to drive demand for rooms, the hospitality market in Chennai is expected to be saturated by 2014 due to oversupply as a number of projects under development are likely to be completed during 2012 and 2013. Further, with travelers becoming more cost conscious, budget hotels are likely to be preferred. As a result, competition in the higher end segments will be stiff. *(Source: Almanac, Hospitality Hotspots Across India, A Cushman & Wakefield Research Publication, April 2012)*

Retail

Organized retail, especially malls, is gradually gaining acceptance in Chennai. Currently, there are about 15 operational malls in the city. Developers have planned a total mall supply of 4.5 million square feet, of which CRISIL Research expects only 2.1 million square feet to become operational by 2014. A majority of the upcoming mall supply is concentrated in the micro-markets of the Rajiv Gandhi Salai, Grand Southern Trunk Road and adjoining localities. CRISIL Research expects lease rentals to remain stable during the first half of 2013 before rising marginally by 3 per cent. to 4 per cent. in the second half of 2013. (*Source: City Real(i)ty, Chennai, CRISIL Research, September 2012*)

The Hyderabad Real Estate Market

Hyderabad is the capital of Andhra Pradesh. The Greater Hyderabad Municipal Corporation covers the areas near Serlingampally in the west, LB Nagar in the east, Secunderabad in the north and areas around Charminar in the south. Owing to the space constraint in the city area, real estate activity in Hyderabad has been expanding in all directions, but development has largely shifted to the suburbs and other areas in the north and north-western regions. (*Source: City Real(i)ty, Hyderabad, CRISIL Research, September 201*2)

Analysis of Hyderabad's Key Residential, Commercial, Retail and Hospitality Micro-Markets

Residential

Residential demand in Hyderbad has been fuelled by the growth of the IT / ITeS, biotechnology, defence, aerospace and other knowledge-based industries, the emerging retail segment, the development of infrastructure projects and investments from non-resident Indians. Developers in Hyderabad have planned a total residential real estate supply of 151 million square feet, of which CRISIL Research expects only 83 million square feet to be completed by 2014. Owing to weak demand for residential real estate coupled with political uncertainties over the Telengana area, developers are cautious about launching new projects and are instead looking to sell existing inventories. Consequently, according to CRISIL Research, capital values have remained stable and are expected to remain stable in the first half of 2013, before increasing marginally by 2 per cent. to 3 per cent. in the second half of 2013. (*Source: City Real(i)ty, Hyderabad, CRISIL Research, September 2012*)

Commercial

According to CRISIL Research, developers have planned a total office space supply of over 109 million square feet (including in SEZs), of which CRISIL Research expects only approximately 27 million square feet to be completed by 2014. Most of the upcoming supply is expected to come up in the peripheral areas surrounding the HITEC City. However, owing to weak demand, new projects have been kept on hold. CRISIL Research expects lease rentals to improve marginally across all micro-markets except in peripheral areas surrounding the HITEC City where additional supply will keep rentals under pressure. (*Source: City Real(i)ty, Hyderabad, CRISIL Research, September 201*2)

Hospitality

According to Cushman & Wakefield, hotel development in Hyderabad has been spurred by Hyderabad's emergence as an economic hub in southern India. In terms of room rates, hotel performance over the last four years has been consistent. However, there has been a decline in hotel occupancy. Cushman & Wakefield estimates that at present, hotels in the five star category have the highest occupancy rates. Overall, hotel occupancies declined in 2009 and 2010, but occupancy in the five star category peaked in 2009, before declining in 2010. *(Source: Almanac, Hospitality Hotspots Across India, A Cushman & Wakefield Research Publication, April 2012)*. According to Cushman & Wakefield, occupancy rates in the midscale and upscale hotel segments has been seeing a slow but steady recovery since 2009, and this is expected to continue in the coming years. Further, Cushman & Wakefield expects that room rates in the premium segment in Hyderabad, which are lower than those in other Indian cities, may decline further on account of increased room supply. However, Cushman & Wakefield expects that demand for rooms will increase on account of Hyderabad's growing economic importance, and since the number of hotels being developed are limited. As a result, Cushman & Wakefield expects rates and occupancies to increase in the long run. *(Source: Almanac, Hospitality Hotspots Across India, A Cushman & Wakefield Research Publication, April 2012)*

Retail

Approximately 13.7 million square feet of retail space has been planned, of which CRISIL Research expects only 4.1 million square feet to be completed by 2014. CRISIL Research expects lease rentals to remain stable in 2013. (*Source: City Real(i)ty, Hyderabad, CRISIL Research, September 2012*)

The Kochi Real Estate Market

The Kochi Metropolitan Area includes Kochi city, the suburbs of Edappally, Nedumasserry and Kakkanad in the north-east, Maradu and Tripunithura to the south-east, along with a cluster of small islands on the west coast. While businesses remain concentrated in the south Kochi region, the city has expanded northwards towards the south-east due to space constraint. Kochi's location along transnational trade corridor and a good communication network have made it a favorable location for industries. Further, upcoming infrastructure projects such as the metro rail, the bus terminal, the liquefied natural gas terminal, the port-based special economic zones and the upgraded traffic system will help boost real estate activity in Kochi. (*Source: City Real(i)ty, Kochi, CRISIL Research, September 2012*)

Analysis of Kochi's Key Residential, Commercial, Retail and Hospitality Micro-Markets

Residential

According to CRISIL Research, Kochi continues to experience an excess supply of real estate amid weak demand. Demand for real estate from non-resident Indians, which is a driving force for real estate growth, has declined to less than one-fourth of levels seen during the peaks in 2008. Developers have planned a total residential real estate supply of approximately 26 million square feet, of which CRISIL Research expects only 20 million square feet to be completed by 2014. Further, CRISIL Research expects approximately 10 million square feet of the planned space to be absorbed by 2014. Higher capital values in the city are discouraging buyers and consequently, CRISIL Research expects demand to remain weak in 2013. (*Source: City Real(i)ty, Kochi, CRISIL Research, September 201*2)

Commercial

According to CRISIL Research, lack of major projects and expansion activities by companies has resulted in stagnant demand for commercial projects. Developers have planned a total office space supply of approximately 36 million square feet (including in SEZs), of which CRISIL Research expects only 4.1 million square feet to be completed by 2014. While the growth in commercial real estate supply is slow, demand also continues to be largely stagnant. (*Source: City Real(i)ty, Kochi, CRISIL Research, September 201*2)

Hospitality

According to Cushman & Wakefield, the hospitality market in Kochi is dominated by hotels catering to the leisure segment. Occupancy rates had seen a steady fall from 2008 to 2010. However, the occupancy rate increased to 67 per cent, in 2011 from 65 per cent. in 2010. Over the past four years, ARRs have been stagnant, pointing towards an excess of supply over demand. *(Source: Almanac, Hospitality Hotspots Across India, A Cushman & Wakefield Research Publication, April 2012)*

According to Cushman & Wakefield, the hospitality market in Kochi is currently weak with stagnant occupancy rates and ARRs. Kerala has also not seen the same level of economic activities as its other Southern Indian states which will be impacting the performance of the hospitality sector within the state. However, with the development of the new IT corridor and the increasing importance of Kochi as transport hub, business in the city is likely to increase. *(Source: Almanac, Hospitality Hotspots Across India, A Cushman & Wakefield Research Publication, April 2012)*

Retail

Developers have planned a total retail space supply of approximately 4.7 million square feet, of which CRISIL Research expects only 2.3 million square feet to be completed by 2014. The decline in the residential real estate demand has also affected the demand for retail space. Many retail projects have either been put on hold or have been modified into other project types. According to CRISIL Research, owing to the excess supply of retail space compared to moderate demand, lease rentals are expected to decline by approximately 3 per cent. in the first half of 2013 in the Eddappally micro-market, which is likely to witness the maximum supply additions of approximately 78 per cent. of the total planned supply by 2014. (*Source: City Real(i)ty, Kochi, CRISIL Research, September 201*2)

As we have relied on CRISIL for a substantial amount of information in this section, CRISIL has requested us to include the following disclaimer in this Red Herring Prospectus

CRISIL has used due care and caution in preparing the information included in this section of the Red Herring Prospectus. Information has been obtained by CRISIL from sources which it considers reliable. However, CRISIL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CRISIL especially states that it has no liability whatsoever to the users/ transmitters/ distributors of this information provided by CRISIL in this Section. No part of the information included in this section which has been prepared by CRISIL may be published/ reproduced in any form without CRISIL's prior written approval. CRISIL is not liable for investment decisions which may be based on the views expressed in the information included in this section which has been prepared by CRISIL. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Rating Division, which may, in its regular operations, obtain information of a confidential nature that is not available to CRISIL Research.

OUR BUSINESS

In this section, unless the context indicates a contrary intention, any reference to "we", "our" and "us" refers to our Company and our Subsidiaries and Associates and Other Development Entities on a consolidated basis.

For the purpose of this section, unless the context requires otherwise, references to a "Fiscal Year" are to the financial year of the Company ended March 31 of the relevant year, and references to "year" are to the calendar year.

OVERVIEW

We have over 26 years of experience in real estate development, and are one of the leading real estate developers in South India. As of December 15, 2012 we had completed 166 real estate projects of approximately 48.22 million sq. ft. We have developed a diversified portfolio of real estate projects focusing on projects in the residential (including apartments, villas, plotted developments and integrated townships), commercial (including corporate office blocks, built-to-suit facilities, technology parks and campuses and SEZs), hospitality (including hotels, resorts, spas and serviced apartments) and retail (including shopping malls) segments of the real estate industry. As of December 15, 2012 we own or hold development rights for 66.45 million sq. ft. of Developable Area, which includes 33.53 million sq. ft. of Saleable Area and 10.21 million sq. ft. of Leasable Area.

Our Promoters have been associated with the real estate business since 1981. We were established as Prestige Estates and Properties, a partnership firm, in 1986 and subsequently converted into a private company on June 4, 1997 and into a public company on November 10, 2009. We are experienced in various aspects of the real estate development business, including land identification and acquisition, development, design, project management, sales and marketing, interiors and the provision of property services in relation to real estate projects.

We believe that we have established a strong brand image, have a successful track record of execution and a diversified portfolio of real estate projects. In the period between December 2007 and December 2012, we have completed:

- 13 residential projects with a Developable Area of 13.86 million sq. ft. (of which the Saleable Area is 10.58 million sq. ft.). This includes developments such as *Prestige Neptune's Courtyard* and *Prestige Shantiniketan*;

- 20 commercial projects with a Developable Area of 12.52 million sq. ft. (of which the Saleable Area is 6.22 million sq. ft., and the Leasable Area is 2.70 million sq. ft.). This includes projects such as *UB City Exora Business Park* Block I, and *Cessna Business Park* Blocks I to VI;

- three hospitality projects with a Developable Area of 0.86 million sq. ft., (of which the Leasable Area is 0.62 million sq. ft.). This includes projects such as *Oakwood Premier Prestige Serviced Apartments* and *Prestige Golfshire Clubhouse and Spa*; and

- two retail projects with a Developable Area of 0.69 million sq. ft. (of which the Leasable Area is 0.26 million sq. ft.). This includes projects such as *The Collection at UB City* and *Forum Value Mall.*

Historically, our real estate projects have been focused in the Bengaluru Metropolitan Region, but we have gradually expanded our geographical reach to include other South Indian cities, such as Chennai, Kochi, Hyderabad, Mysore and Mangalore. We intend to continue our expansion in South Indian cities in future. See "– *Our Strategy – Continue to expand our presence in South Indian cities*", below.

As of December 15, 2012 we had 50 Ongoing Projects which comprised 24 residential projects with a Developable Area of 24.39 million sq. ft. (of which the Saleable Area is 17.89 million sq. ft.), 15 commercial projects with a Developable Area of 13.47 million sq. ft. (of which the Saleable Area is 3.43 million sq. ft. and the Leasable Area is 5.26 million sq. ft.), four hospitality projects with a Developable Area of 1.87 million sq. ft. (of which the Leasable Area is 1.27 million sq. ft.) and seven retail projects with a Developable Area of 6.20 million sq. ft. (of which the Leasable Area is 2.27 million sq. ft.).

As of December 15, 2012 we had 20 Upcoming Projects, which comprised 14 residential projects with a Developable Area of 15.27 million sq. ft. (of which the Saleable Area is 10.14 million sq. ft.), four commercial projects with a Developable Area of 4.74 million sq. ft. (of which the Saleable Area is 2.08 million sq. ft. and the Leasable Area is 1.03 million sq. ft.), and two retail projects with a Developable Area of 0.51 million sq. ft. (of which the Leasable Area is 0.38 million sq. ft.).

Our real estate projects have achieved recognition at a variety of real estate awards, such as the *CNBC Asia Pacific Property Awards* and the *International Property Awards, Asia Pacific.* We were named *Developer of the Year* in the *Realty Plus Excellence Awards 2012 South* in the residential category. We were awarded *Certificate of Excellence for Overall Achievement Award Professional Award of the year* at *the Real Estate Excellence Awards, 2008*.

In addition to our Ongoing Projects and Upcoming Projects, we have access to land bank, which consists of land on which there is no development as of the date hereof (our "**Land Bank**"). As of December 15, 2012, our Land Bank aggregated approximately 452.65 acres, in which our proportional share is 323 acres. We believe that continuing to build our Land Bank is critical to our growth strategy and we intend to continue acquiring land in strategic locations across Bengaluru and South India in order to maximize opportunities for projects in the future. See "*– Our Strategy – Continue to expand and develop our Land Bank.*" As of December 15, 2012, the total land forming part of our Land Reserves was 1,062.43 acres.

We typically develop our projects (1) through joint development agreements with land-owners, in terms of which we acquire the development rights to the underlying land; (2) through joint ventures with third parties, with whom we establish special-purpose vehicles ("**SPVs**") for the purposes of developing projects through such joint venture SPVs; or (3) in fewer occasions, through acquiring land ourselves and retaining the sole development rights in respect of any project. As of December 15, 2012, 28.35 million sq. ft., or 42.67 per cent., of Ongoing Projects and Upcoming Projects are being developed through joint development agreements (which include 11.04 per cent. joint development agreements entered into by the joint venture SPV), and 13.07 million sq. ft., or 19.67 per cent., of our Ongoing Projects and Upcoming Projects are being developed by joint venture SPVs. See "*– Our Joint Development and Joint Venture Models*", below.

We have entered into joint ventures with CMIDF, an associate of CapitaMalls Asia Limited for development of retail and commercial projects in South Indian cities such as Bengaluru, Mysore, Mangalore, Hyderabad and Kochi. See "*– Our Joint Venture with CMIDF*", below.

While our real estate development business continues to be our primary focus, we also offer a variety of services through our real estate services business. This includes the provision of property management services for our commercial and residential developments, sub-leasing and fit-out services, project and construction management services, interior solutions services, mall management services (which include the retail real estate projects that we complete pursuant to our joint ventures with CMIDF) and the operations of our hospitality projects.

Our unconsolidated total revenue for the six month period ended September 30, 2012 was ₹ 5,072.6 million, and our consolidated total revenue for the Fiscal Year 2012, Fiscal Year 2011 and Fiscal Year 2010 was ₹ 10,864.6 million, ₹ 16,113.4 million and ₹ 10,860.2 million, respectively.

The following map illustrates our geographic presence in cities across South India:

OUR COMPETITIVE STRENGTHS

We believe that our competitive strengths are as follows:

Strong brand name

We believe that we have established a reputable brand name in the real estate market in South India due to the distinctive design, planning and high quality execution. We also have a strong customer focussed sales and marketing team. We believe that our strong and recognizable brand increases customer confidence in our projects and influences our customers' buying decisions.

We believe that we have developed some of the most identifiable landmarks in Bengaluru, including *Prestige Shantiniketan*, an integrated township developments in Bengaluru; *UB City*, a mixed-use developments in Bengaluru's business district; and *Cessna Business Park*, a dedicated IT/ITeS SEZ development which was awarded *Highly Commended Industrial Development, India* at the *2012 International Property Awards, Asia Pacific*. *Forum Sujana Mall* in Hyderabad was awarded the *Best Retail Development, Asia Pacific* and *Prestige Neptune's Courtyard* was named *Highly Commended Interior Design Apartment, India* at the *2012 International Property Awards, Asia Pacific*.

We believe, our attention to quality has resulted in us receiving various awards. We currently have DA1 developer rating issued to us by CRISIL, which is valid until March 2013. In addition to our CRISIL DA1 rating, we were awarded the *Realty Plus Excellence Awards 2012 South – Developer of The Year, Residential* and *Realty Plus – Industry Choice Developer of the Year, Commercial* in 2012 and several of our real estate projects won numerous awards and prizes at the *2012 International Property Awards, Asia Pacific*. See "*– Our Operations – Our Real Estate Development Business*", below.

Diversified portfolio of real estate projects

We believe that our portfolio of Ongoing Projects and Upcoming Projects are diversified across our business segments, cities in South India (and at various locations within those cities) and income segments and price-points.

We believe that our Ongoing and Upcoming Projects are diversified across each of the residential, commercial, hospitality and retail segments of the real estate development market in South India, and to which segments our real estate development business corresponds.

As of December 15, 2012 we had 50 Ongoing Projects which comprised –

- 24 residential projects with a Developable Area of 24.39 million sq. ft. (comprising 53.09 per cent. of the total Developable Area of all of our Ongoing Projects) and a Saleable Area of 17.89 million sq. ft. (comprising 83.92 per cent. of the total Saleable Area of all of our Ongoing Projects);

- 15 commercial projects with a Developable Area of 13.47 million sq. ft. (comprising 29.33 per cent. of the total Developable Area of all of our Ongoing Projects), a Saleable Area of 3.43 million sq. ft. (comprising 16.08 per cent. of the total Saleable Area of all of our Ongoing Projects) and a Leasable Area of 5.26 million sq. ft. (comprising 59.77 per cent. of the Leasable Area of all of our Ongoing Projects);

- four hospitality projects with a Developable Area of 1.87 million sq. ft. (comprising 4.06 per cent. of the total Developable Area of all of our Ongoing Projects) and a Leasable Area of 1.27 million sq. ft. (comprising 14.43 per cent. of the Leasable Area of all of our Ongoing Projects); and

- seven retail projects with a Developable Area of 6.21 million sq. ft. (comprising 13.52 per cent. of the total Developable Area of all of our Ongoing Projects) and a Leasable Area of 2.27 million sq. ft. (comprising 25.80 per cent. of the Leasable Area of all of our Ongoing Projects).

As of December 15, 2012, we had 20 Upcoming Projects, which comprised –

- 14 residential projects with a Developable Area of 15.27 million sq. ft. (comprising 74.43 per cent. of the total Developable Area of all of our Upcoming Projects) and a Saleable Area of 10.14 million sq. ft. (comprising 83.00 per cent. of the total Saleable Area of all of our Upcoming Projects);

- four commercial projects with a Developable Area of 4.74 million sq. ft. (comprising 23.08 per cent. of the total Developable Area of all of our Upcoming Projects), a Saleable Area of 2.08 million sq. ft. (comprising 17.00 per cent. of the total Saleable Area of all of our Upcoming Projects) and a Leasable Area of 1.03 million sq. ft. (comprising 73.17 per cent. of the Leasable Area of all of our Upcoming Projects); and

- two retail projects with a Developable Area of 0.51 million sq. ft. (comprising 2.49 per cent. of the total Developable Area of all of our Upcoming Projects) and a Leasable Area of 0.38 million sq. ft. (comprising 26.83 per cent. of the Leasable Area of all of our Upcoming Projects).

In addition, we believe that the Ongoing Projects and Upcoming Projects of our residential, commercial, hospitality and retail real estate development business are further diversified across a number of cities in South India, as well as various locations within those cities. For example, in addition to our projects in Bengaluru, we currently have two Ongoing Projects in Hyderabad, four Ongoing Projects and two Upcoming Projects in Chennai, one Ongoing Project and one Upcoming Project in Mysore, two Ongoing Projects in Mangalore and five Ongoing Projects and three Upcoming Projects in Kochi. Further, we believe that our projects are strategically located within each city in which we develop our real estate projects. Our residential projects benefit from a variety of amenities, and from locations which appeal to both our mid-income, luxury and super-luxury clients. Our commercial projects are located in business areas that we believe are attractive to our corporate clients. Our retail projects located in city centers offer access to the targeted customers of our retail clients. See the description of notable projects and the maps included in "*– Our Operations – Our Real Estate Development Business*", below, for examples of the locations, customer profiles and amenities applicable to our projects.

Furthermore, we believe that our portfolio of residential projects is offered across varying price-points for different income groups in the cities and locations in which our projects are situated. For example, the projects of our residential real estate development business target customers in the mid-income segment (priced at ₹ 3,000 per square foot to ₹ 5,000 per square foot), luxury segment (priced at ₹ 6,000 per square foot to ₹ 7,500 per square foot) and super-luxury segment (priced from above ₹ 7,500 per square foot). See "*– Our Operations – Our Real Estate Development Business – Our Residential Business*" below. We believe, our projects are carefully planned and we

conduct comprehensive market research and analysis of proposed projects to analyse absorption trends, competitive factors, market prices and product gaps. As a result, we are able to customize our product offerings to cater to customer and market demand in the particular location of the project.

We believe that this diversity in our portfolio of projects, created by our range of offerings, cities in South India (and variety of locations within such cities) and price ranges will help us cater to different segments of the market and diversify our risk of dependence on a particular segment.

Recurring income streams from commercial and retail operations

We believe that we benefit from recurring income streams in our commercial and retail real estate development businesses. Our ability to achieve strong recurring income streams is driven by our ability to successfully establish and nurture relationships with reputable commercial and retail clients for whom we have undertaken numerous developments, and to achieve growing rental income from our projects.

In our commercial business, we lease our projects to repeat clients such as Cisco Systems (*Cessna Business Park*) and Hindustan Unilever (*Prestige Shanthiniketan*). (see " – *Our Operations – Our Real Estate Development Business – Our Commercial Business*", below). The area leased across our commercial, hospitality and retail segments has increased over the last two years.

We have entered into joint ventures with CMIDF, an associate of CapitaMalls Asia Limited for development of retail and commercial projects in South Indian cities such as Bengaluru, Mysore, Mangalore, Hyderabad and Kochi. See *"– Our Joint Venture with CMIDF*", below. We estimate that the total Developable Area to be developed pursuant to these joint ventures will be 6.25 million sq. ft. We have also entered into a joint venture with CapitaMalls Asia for the purpose of managing the retail malls developed by the joint ventures with CMIDF. We typically retain the ownership of our retail projects and primarily generate revenue from these projects through the lease of retail space. Our relationships with certain retailers have led to their leasing space in a number of our retail developments. For example, PVR Limited currently leases 100,000 sq. ft. of Leasable Area in Forum Mall, Bengaluru, and Landmark Limited currently leases 43,560 sq. ft. of Leasable Area in Forum Mall, Bengaluru. We also generate revenues from the provision of mall management services, and leasing advertising and product promotion space in our malls.

We believe that the rental income generated from the lease of our commercial and retail projects provides us with a stable source of revenue and cash flow.

Ability to pre-sell residential projects

We believe that our strong execution capability, strategic pricing of residential projects across the mid-income, luxury and super-luxury price segments, broad range of locations within the cities in which we develop residential projects and strong brand name and reputation contributes to our residential real estate projects being sold prior to the commencement of construction.

We also believe that the quality of the construction has helped us to build a loyal client base which further enhances our ability to achieve repeat sales and acquire leads through customer referrals for new residential project launches. For example, *Prestige Silver Crest*, *Prestige Misty Waters*, *Prestige Ferns Residency* and *Prestige Casabella* were partially sold prior to their official launch and without us having undertaken any active sales and marketing activities. Nevertheless, we also undertake specific marketing activities to existing clients in order to increase the proportion of pre-sales of our residential projects. See "– *Sales and Marketing*", below.

Access to Land Bank through Joint Development / Joint Venture Model

We believe that our Land Bank forms an important asset of our real estate development business. In line with our asset-light business, we acquire access to Land Bank either through entering into a joint development agreement with the land-owner, in terms of which the land-owner contributes the land upon which our projects are developed; or pursuant to a joint venture, in terms of which we jointly acquire the land upon which our projects are to be developed with our joint venture partner. See "– *Our Joint Development and Joint Venture Models*", below). We believe that this approach has allowed us to gain access to premium and strategic locations with minimal initial cash

investments. For example, our *UB City*, *UB Plaza* and *Kingfisher Towers* projects have been developed with the same land-owner group. Further, we leverage on our joint development and joint venture arrangements to scale up and diversify our portfolio.

Our Land Bank, aggregating 452.65 acres of land, is situated in 11 locations in Bengaluru, Mysore and Goa. As of December 15, 2012, 187.98 acres of our Land Bank, aggregating to 41.53 per cent. of our total Land Bank, was acquired through joint development and joint venture arrangements. We have made partial payments for the lands comprising our Land Bank. See "– *Our Land Bank*", below.

A strong execution track-record and capability to deliver quality projects

We have over 26 years of experience in real estate development with a proven track-record of execution across a diversified portfolio of real estate projects. As of December 15, 2012, we had completed construction of 48.22 million sq. ft. of Developable Area across the residential, commercial, hospitality and retail segments of the real estate market. Amongst others, we have developed an integrated township development in Bengaluru, *Prestige Shantiniketan*; a mixed-use development in Bengaluru's business district, *UB City*; and a dedicated IT/ITeS SEZ development, *Cessna Business Park.* Our operations span different stages of the real estate development process, including the identification of potential projects and the acquisition of land, project planning, design, construction management and project management. See "– *Our Real Estate Project Development and Execution Methodology*", below. As of December 15, 2012, we had approximately 261 technically qualified personnel who oversee and execute many of the key aspects of real estate development, such as architecture, engineering, procurement and contracts and project management. We also leverage the expertise of external professionals such as architects, construction contractors, interior designers, landscape experts, building services consultants and advertising agencies. We place emphasis on cost management and rigorously monitor our projects to ensure that costs remain within the budgeted amounts. To mitigate the risks related to cost and time overruns, we typically award different aspects of the construction of our projects to different contractors. In recognition of our process for the development of our projects, we received and have been reaffirmed the CRISIL DA1 rating in 2012 which is valid until March 2013, in recognition of our ability to execute real estate projects in accordance with specified quality levels and for delivering Completed Projects to our customers on time. We are currently the only CRISIL DA1 rated Developer in India (*Source: http://crisil.com/ratings/real-estate-rating-list.jsp*).

In addition, our partnership firm, Prestige Property Management and Services, maintains our various Completed Projects, which we believe helps to retain a comparable high resale value of, and therefore helps to enhance the demand for, our Completed Projects. See "– *Our Real Estate Services Business – Property Management Services*", below.

Further, we believe that our ability to enter into joint development agreements and joint ventures with a variety of domestic and international partners and investors (see "– *Our Joint Development / Joint Venture Model*", below), both individually or in combination, allows us to develop and execute larger real estate projects in a shorter period of time, thereby providing us with the ability to scale up both the size and number of real estate projects across the residential, commercial, hospitality and retail segments of our real estate development business. We believe that the leverage we gain from our joint development / joint venture model gives us the ability to develop a diversified portfolio of real estate projects, enhances our brand name and reputation, optimizes our cash flows and provides us with access to premium and strategically located Land Bank.

Experienced management team

Our management team has over two decades of experience in the Bengaluru and South Indian real estate development market. Our professional staff covers a variety of disciplines, including finance, engineering, project management, architecture, accounting, marketing and sales. Few of our key management personnel have been employed by our Company for an average of over 10 years. Our management has experience in identifying market trends, strategic locations for land acquisitions, new markets and potential sites for development and acquiring land and development rights, as well as in the design, engineering, construction management, supervision and marketing of real estate projects.

We believe that these strengths in addition to our ability to pre-sell residential projects, access to premium land bank and strong execution track record make us a preferred partner for joint ventures and joint developments in the real

estate market in South India, and with leading international developers such as CMIDF and investors such as Red Fort Capital. See "– *Our Joint Venture with CMIDF*", below.

OUR STRATEGY

The key elements of our business strategy are:

Diversify our revenue streams

We intend to continue to diversify our revenues by developing a wide price-range of apartments, corporate office space, integrated townships and mixed-use developments, hotels, malls, multiplexes and shopping complexes, for sale and for lease, across various price-points and in various cities in South India and locations within such cities. See "– *Our Competitive Strengths - Diversified portfolio of real estate projects"*, above.

In our residential business, we aim to continue to diversify our revenues from the mid-income, luxury and super-luxury segments of the residential real estate market. See "– *Our Operations – Our Real Estate Development Business – Our Residential Business*", below.

In our commercial and retail business, we are developing a number of Ongoing Projects and Upcoming Projects specifically for the purposes of increasing our Leasable Area and therewith, our rental income, which we believe will enhance the predictability, reliability and stability of our revenues and cash flow See "– *Our Competitive Strengths - Recurring income streams from commercial and retail operations*", above.

In addition, we believe that our strategy to continue to expand our geographical presence in South India will enhance our ability to diversify our revenue streams.

Continue to expand and develop our Land Bank through joint development/joint venture model

As of December 15, 2012 we had Land Bank of 452.65 acres, of which 48.56 per cent. is in the Bengaluru Metropolitan Region. ₹ 2,549.03 million of the amounts payable in respect of the acquisition of our Land Bank had been paid as of December 15, 2012 and we believe that a significant portion of our Land Bank have been accumulated at a competitive cost. We believe that continuing to expand and develop our Land Bank through joint development agreements and/or joint ventures (as part of our joint development / joint venture model), is critical to increasing our market penetration across the various market segments in which we operate. In particular, growing our Land Bank through joint developments and joint ventures will, we believe, provide us with the continued ability to source premium land in strategic locations with minimal initial cash investment, help us to continue to focus on and execute projects with land-owners with whom we have developed projects in the past, under either a joint development or joint venture agreement. See "– *Our Competitive Strengths – Access to Land Bank through Joint Development / Joint Venture Model*", above.

In addition, the time it takes to develop a project varies depending on a variety of factors, including the size of a project, and we aim to develop and sell our Land Bank within a development time of 24 to 48 months from the time the approval to commence construction is received. Increasing our market share in the residential, commercial, hospitality and retail segments is central to our growth strategy and we intend to continue acquiring land at strategic locations in Bengaluru and across South India generally. We believe that we have enhanced our Land Bank by acquiring large and contiguous parcels of land with our joint development and joint venture partners at competitive costs, thereby allowing us to undertake a variety of large-scale residential, commercial, hospitality and retail projects. We focus on geographic areas where we see capital appreciation opportunities by developing such projects for sale or lease in our market segments.

Focus on and increase our recurring income streams

We intend to continue to focus on the development of commercial and retail projects for ownership by us (either directly, or through our joint development / joint venture model) for lease to third parties in order to increase our recurring income streams, and thereby achieve stability of our revenues and cash flow, and better manage cyclical risks in the real estate segments in which we operate. We believe that increasing the proportion of our projects

which we lease, and therewith, the total Leasable Area of our Completed Projects, we will achieve stable recurring income streams which will help to compensate for any volatility in the sales of our residential or commercial projects.

Continue to expand our geographical presence in South Indian cities

Our real estate development activities have been focused in South India, where we believe we are one of the leading real estate developers. Apart from Bengaluru, we also have Ongoing / Upcoming Projects in major South Indian cities like Chennai, Kochi, Hyderabad, Mangalore and Mysore where we plan to increase our foothold in the coming years. These developments include our first residential real estate development in Chennai, *Prestige Bella Vista*, our first retail real estate development in Chennai, *Forum Vijaya Mall* and our third commercial real estate development in Chennai, *Prestige Polygon*.

In addition to expanding our projects in South Indian cities, we intend to continue to expand the locations of our projects within those cities in order to continue to offer locations which appeal to both our mid-income, luxury and super-luxury clients of our residential business; that we believe are attractive to our corporate clients in our commercial business; and which offer access to targeted customers of our retail clients in our retail business.

Continue to pursue our integration strategy

We intend to integrate our business and operations by further developing our in-house construction management, property management and interior design capabilities.

In 2009, we acquired 75 per cent. of the paid-up share capital of K2K Infrastructure Private Limited (previously known as Team United), with the aim of developing an in-house capability to construct our own projects. K2K Infrastructure Private Limited has already been integrated into our Company, and is currently undertaking 3.54 million sq. ft., or 7.70 per cent, of the construction of our Ongoing Projects, and also provides construction management services and civil works for our projects and also to third parties. We intend to increase the proportion of construction activity of our real estate projects for which K2K Infrastructure Private Limited is responsible in the future. See "– *Our Real Estate Project Development and Execution Methodology – Project Planning, Design, Construction and Management*".

Prestige Property Management and Services, our in-house property management division was established in 1996, and as of November 30, 2012 it had approximately 2,283 employees which deal with all aspects of property management for our projects, including safety and security, cleaning, maintenance, landscaping and general facilities management. We believe that having a dedicated in-house property management team differentiates us from our competitors, who traditionally outsource the property management function, in that we are able to maintain stronger control over the quality and maintenance of our projects.

Our in-house interior design division provides both customized and standardized interior design and construction services for our residential and commercial projects, and liaises with our clients, architects, consultants and suppliers to ensure that the interior design and fit-out of premises is in accordance with our clients' specifications, and remains within budget and timelines for those projects. See "– *Our Real Estate Services Business – Property Management Services*", below.

Through this integration, we hope to set more efficient budgets and better control the timing of completion and quality standards of our various projects, which we believe will help us to build and maintain relationships with our clients across our residential, commercial, hospitality and retail business, and in turn, lead to a greater proportion of repeat business from such clients in the future.

OUR OPERATIONS

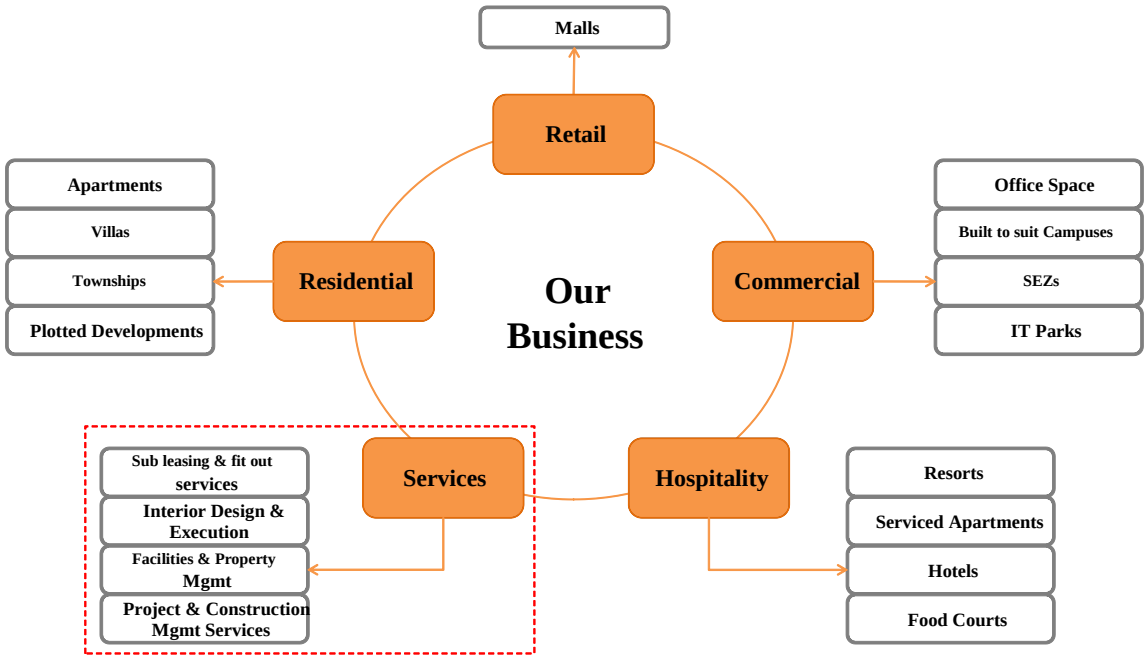
Our business operations are divided into two main segments, namely:

- Our real estate development business, which is our principal business and focuses on the development of real estate projects in the residential (including plotted developments), commercial (including built-to-suit

developments), hospitality and retail segments of the real estate industry. In addition, we generate revenues from leasing commercial, hospitality and retail space; and

- Our real estate services business, which focuses on property management services for our real estate projects, sub-leasing and fit-out services, project and construction management services and mall management and facilities management (including the operation of our hospitality business) services.

The following diagram illustrates the two main segments of our business (and the sub-segments of our real estate development business):



Our Real Estate Development Business

Our real estate development business focuses on the development of four principal types of real estate development projects under the registered brand name, "Prestige", namely –

- Residential Projects: such as apartments, villas and integrated townships (aimed at the mid-income, luxury and super-luxury segments of the residential real estate market) and plotted developments;
- Commercial Projects: such as corporate office blocks, SEZs, technology parks, and built-to-suit facilities;
- Hospitality Projects: such as hotels, resorts, spas and serviced apartments; and
- Retail Projects: primarily, shopping malls and related retail space.

The following table represents the aggregate Developable Area, Saleable Area and Leasable Area of our Completed Projects, Ongoing Projects and Upcoming Projects in each of our four types of real estate development projects, as of December 15, 2012:

Type of Real Estate Project	Completed Projects			Ongoing Projects			Upcoming Projects		
	Developable Area	Saleable Area	Leasable Area	Developable Area	Saleable Area	Leasable Area	Developable Area	Saleable Area	Leasable Area
	(in million square feet)								
Residential	26.59	23.29	n/a	24.39	17.89	n/a	15.27	10.14	n/a
Commercial	19.17	11.59	2.76	13.47	3.43	5.26	4.74	2.08	1.03
Hospitality	1.08	n/a	0.84	1.87	n/a	1.27	0.00	n/a	0.00

Type of Real Estate Project	Completed Projects			Ongoing Projects			Upcoming Projects		
	Developable Area	Saleable Area	Leasable Area	Developable Area	Saleable Area	Leasable Area	Developable Area	Saleable Area	Leasable Area
	(in million square feet)								
Retail	1.38	n/a	0.95	6.20	n/a	2.27	0.51	n/a	0.38
Total	**48.22**	**34.88**	**4.55**	**45.93**	**21.32**	**8.80**	**20.52**	**12.22**	**1.41**

Our Residential Business

We develop a wide range of residential projects, from apartments and villas to integrated townships, focussing on the mid-income, luxury and super-luxury segments of the residential property market in South India. We classify the mid-income, luxury and super-luxury segments as follows:

- *Mid-income segment:* residential unit prices range from approximately ₹ 3,000 per square foot to ₹ 5,000 per square foot. Unit sizes range from 1,000 sq. ft. to 2,800 sq. ft. Mid-income segment developments are typically apartments;

- *Luxury segment*: residential unit prices range from approximately ₹ 6,000 per square foot to ₹ 7,500 per square foot. Unit sizes range from 3,000 sq. ft. to 6,000 sq. ft. Luxury segment developments are typically high-end apartments and villas; and

- *Super-Luxury segment*: residential unit prices are above ₹ 7,500 per square foot and unit sizes are above 6,000 sq. ft. Super Luxury segment developments are typically villas.

Our residential projects typically include amenities such as gymnasia, health clubs, tennis courts, badminton courts, squash courts and jogging tracks.

We aim to ensure that our residential projects reflect what we believe to be innovative designs and modern architectural styles. As such, each of our residential projects differ from each other according to aesthetic features, location, design and specification, and are in some instances, such as *Prestige Exotica*, incorporated into a larger development (such as townships) that may include additional amenities such as gymnasiums, gardens, pools and recreational facilities. We generate revenue from our residential projects through the sale of residential units. In addition, we also supervise the construction of and sell, plotted developments, which comprise structural amenities such as internal roads, electricity supply, sanitation facilities and water supply for residential projects.

Our residential business projects comprised 59.68 per cent of all Developable Area of our Ongoing and Upcoming Projects as of December 15, 2012. We have completed 13 Completed Projects in the period between December 2007 and December 2012, and have 24 Ongoing Projects and 14 Upcoming Projects in our residential business.

Our Completed Projects – Residential

The following table details our Completed Projects in the period between December 2007 and December 2012:

Project	Developing Entity[1]	City	Developable Area	Our Economic Interest[2]	Saleable Area	Area Sold	No of Units	Completion Date
			(in square feet)	*%*	*(in square feet)*	*(in square feet)*		
Prestige Abshot	Prestige Estates Projects Ltd.	Bengaluru	77,190	50	38,595	38,595	18	August 2008
Prestige Andree Residences	Prestige Estates Projects Ltd.	Bengaluru	45,822	50	22,911	22,911	13	August 2008
Prestige Wellington Park	Prestige Estates Projects Ltd.	Bengaluru	1,059,834	100	1,059,834	827,191	482	August 2009
Prestige Kensington Gardens	Silverline Estates	Bengaluru	928,685	30.33	281,670	245,897	419	August 2009
Prestige Melbrook	Prestige Estates Projects Ltd.	Bengaluru	34,063	50	17,032	17,032	12	July 2010
Prestige White Lodge	Prestige Estates Projects Ltd.	Bengaluru	34,218	50	17,109	14,432	6	February 2010
Prestige Nottinghill	Prestige Notting Hill Investments	Bengaluru	650,995	47	305,968	258,845	288	August 2010
Prestige Shanthiniketan	Prestige Estates Projects Ltd.	Bengaluru	8,252,433	73.61	6,074,616	5,885,534	3,002	December 2010
Prestige Silverdale	Prestige Estates Projects Ltd.	Bengaluru	187,629	100	187,629	150,439	91	February 2011
Prestige Ashcroft	Prestige Estates Projects Ltd.	Bengaluru	39,400	50	19,700	15,168	8	February 2011
Prestige Oasis	Prestige Estates Projects Ltd.	Bengaluru	614,535	100	614,535	521,655	166	March 2011

Project	Developing Entity[1]	City	Developable Area	Our Economic Interest[2]	Saleable Area	Area Sold	No of Units	Completion Date
			(in square feet)	*%*	*(in square feet)*	*(in square feet)*		
Prestige South Ridge	Prestige Estates Projects Ltd.	Bengaluru	856,966	100	856,966	854,361	264	June 2011
Prestige Neptune's Courtyard	Prestige Estates Projects Ltd.	Kochi	1,080,156	100	1,080,156	1,007,370	374	March 2012
TOTAL:			**13,861,926**		**10,576,721**	**9,859,430**	**5,143**	

[1] *The Company, Subsidiary or Associate as the case may be, which holds title to the project and underlying land.*

[2] *Reflects the percentage of our economic interest in the project. In the case of joint development agreements, this reflects the percentage of sale proceeds from the Developable Area that we are entitled to retain under the joint development agreement entered into in respect of the project. In the case of joint ventures, this reflects our percentage holding in the SPV.*

Set forth below is a brief description of two notable Completed Projects of our residential business in the period between December 2007 and December 2012:

- *Prestige Shanthiniketan* – is Bengaluru's first integrated township covering 105 acres in Whitefield, Bengaluru and has been designed by Raglan, Square & Partners (Singapore). The residential component, known as the "Residential Precinct", spans over 60 acres and comprises 3,002 units ranging from one-, two-, three-, three- (with study), and four-bedroom apartments and penthouses. It offers a wide range of amenities including swimming pool, wading pools, health clubs, party halls, library, coffee shop, children's play area, jogging track, badminton courts, tennis courts and squash courts. This project was targeted at the luxury and super-luxury segment. It was completed in December 2010 and has won awards for *Best Mixed Use Architecture* and *Best Mixed Use Development, India* at the *Asia Pacific Property Awards* in 2011.

- *Prestige Neptune's Courtyard* – is a marina condominium project situated on Marine Drive, Kochi. The project consists of 374 apartments housed in seven towers of 17-floors each. The apartments have views of the backwaters, the Arabian Sea and Kochi. The project was designed utilising what we believed to be modern architectural techniques, and we retained CPG Corporation Pte. Limited (Singapore), as the architects for the development. The project has a waterfront promenade and observation deck, a clubhouse, swimming pools, ponds, an amphitheatre and a barbeque area. Other features of the development include reception areas for each tower and a "Sky Club" on the 13th floor of each tower which houses a lounge, party hall and a small theatre. The project consists of three- and four-bedroom apartments (from 2,099 sq. ft. three-bedroom apartments and 2,895 sq. ft. four-bedroom apartments), duplexes and triplexes (ranging from 2,744 sq. ft. to 4,706 sq. ft. four-bedroom duplexes and 9,543 sq. ft. to 11,877 sq. ft. five-bedroom triplexes). The triplex units have individual facilities such as private pools, Jacuzzi's and decks. The project was targeted at the luxury and super-luxury segment. This project has won several awards including *Highly Commended Interior Design Apartment, India* at the *International Property Awards, Asia Pacific, 2012* and *Best Marina Development, India* at the *CNBC Asia Pacific Property Awards, 2008.*

In addition to those mentioned in the notable projects described above, we have won numerous awards for the Completed Projects of our residential business, including the following:

- *Best High Rise Development, India* – awarded to us at the 2008 *CNBC Asia Pacific Property Awards* for *Prestige Exotica* completed in August 2004;
- *Best Architecture (Multiple Units), India* – awarded to us at the 2008 *CNBC Asia Pacific Property Awards* for *Prestige Acropolis*, completed in January 2000;
- *Best Property Marketing Award, India* – awarded to us at the 2008 *CNBC Asia Pacific Property Awards* for *Prestige South Ridge*, completed in 2011; and
- *Best Interior Design Apartment, India* – awarded to us at the *International Property Awards*, *Asia Pacific*, 2012 for *Prestige Oasis*, completed in 2011.

Our Ongoing Projects – Residential

In relation to all the Ongoing Projects mentioned in the table below, construction or development activities have commenced, all approvals for commencing construction and development have been obtained (other than as indicated in the table below), and the right and/or interest in the land is held directly by our Company and/or the Subsidiaries and/or Associates in which the Company has a shareholding.

The following table details our residential Ongoing Projects as at December 15, 2012:

Project	Developing Entity[1]	City	Developable Area	Our Economic Interest[2]	Saleable Area	No of Units	Construction Commencement Date[3]	Expected Completion Date[3]
			(in square feet)	*%*	*(in square feet)*			
Prestige Golfshire	Prestige Estates Projects Limited	Bengaluru	1,753,255	100.00%	1,753,255	228	July 2009	June 2013
Prestige White Meadows -1[4]	Prestige Estates Projects Ltd	Bengaluru	1,067,956	100.00%	1,067,956	163	February 2010	June 2014
Prestige White Meadows -2	Prestige Estates Projects Ltd	Bengaluru	1,163,411	62.50%	727,132	191	February 2010	June 2014
Kingfisher Towers	Prestige Estates Projects Ltd	Bengaluru	1,094,957	45.00%	492,731	83	August 2010	June 2015
Prestige Royal Woods	Prestige Estates Projects Ltd	Hyderabad	632,173	50.00%	316,087	152	September 2010	September 2013
Prestige Edwardian[4]	Prestige Estates Projects Ltd	Bengaluru	72,000	100.00%	72,000	12	March 2011	March 2014
Prestige Hermitage	Prestige Estates Projects Ltd	Bengaluru	230,464	50.00%	115,232	26	March 2011	December 2014
Prestige Tranquility[4]	Prestige Estates Projects Ltd	Bengaluru	4,565,914	100.00%	4,565,914	2,368	September 2011	June 2015
Prestige Park View	Prestige Estates Projects Ltd	Bengaluru	926,525	65.00%	602,241	376	September 2011	December 2014
Prestige Silver Oak[5]	Silver Oak Projects	Bengaluru	657,384	33.13%	217,791	178	August 2010	July 2013
Prestige Bella Vista[6]	Prestige Estates Projects Ltd	Chennai	5,042,590	60.00%	3,025,554	2,613	December 2011	June 2015
Prestige Sunny Side[4]	Prestige Estates Projects Ltd	Bengaluru	975,818	100.00%	975,818	395	September 2011	March 2015
Prestige Garden Bay	Prestige Estates Projects Ltd	Bengaluru	641,253	72.00%	461,702	184	March 2012	July 2015
Prestige Glen Wood	Prestige Estates Projects Ltd	Bengaluru	317,301	65.00%	206,246	116	April 2012	December 2015
Prestige Mayberry-1	Prestige Estates Projects Ltd	Bengaluru	121,475	45.00%	54,664	40	August 2012	January 2015
Prestige Mayberry-2	Prestige Estates Projects Ltd	Bengaluru	387,195	62.00%	240,061	126	August 2012	January 2015
Prestige Silver Crest[4]	Prestige Hitech Projects	Bengaluru	251,655	92.35%	232,403	122	October 2012	March 2015
Prestige Summer Fields[7]	Villa Land Developments Pvt Ltd	Bengaluru	305,910	50.85%	155,555	83	July 2012	June 2015
Prestige Silver Sun[7]	Villa Land Developments Pvt Ltd	Bengaluru	210,899	33.31%	70,250	102	July 2012	June 2015
Prestige Hillside Retreat	Prestige Estates Projects Ltd	Bengaluru	108,974	75.00%	81,731	58	January 2012	June 2013
Prestige Philadelphia	Prestige Estates Projects Ltd	Bengaluru	29,706	45.00%	13,368	8	May 2012	December 2013
Prestige Ferns Residency[8]	Prestige Estates Projects Ltd	Bengaluru	3,288,584	62.00%	2,038,922	1,324	April 2013	March 2016
Prestige West Holmes	Prestige Estates Projects Ltd	Mangalore	60,945	65.00%	39,614	20	July 2012	January 2015
Prestige Casabella	Prestige Estates Projects Ltd	Bengaluru	480,401	75.00%	360,301	210	March 2013	June 2016
Total			**24,386,745**		**17,886,527**	**9,178**		

* *Unless indicated, all projects have been developed under a joint development agreement.*

1 *The Company, Subsidiary, Associate, or Other Development Entity, as the case may be, which develops the project and underlying land.*

2 *Reflects the percentage of our economic interest in the project. In the case of joint development agreements, this reflects the percentage of sale proceeds from the Developable Area that we are entitled to retain under the joint development agreement entered into in respect of the project. In the case of joint ventures, this reflects our percentage holding in the SPV.*

3 *The details of each of the projects in this table are based on management plans and management estimates and are subject to change.*

4 *Fully owned and developed by the developing entity.*

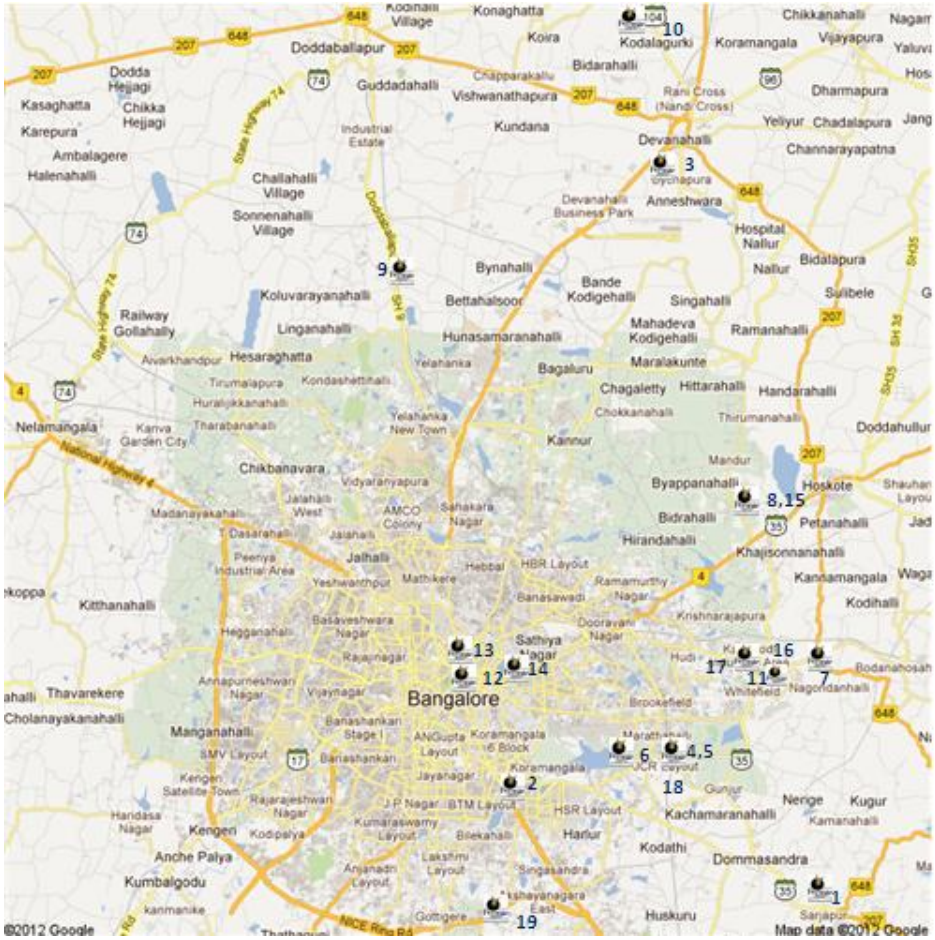
5 *Joint venture.*

6 *An order has been passed by the High Court of Madras under which the Chennai Metroplitan Development Authority is directed to issue the planning permission to the Company. The Company has not yet received this permission.*

7 *Partly owned and partly developed by the developing entity pursuant to joint development agreement.*

8 *The approval of the sanction plan for Prestige Ferns Residency is awaited..*

The following map illustrates the locations of our residential Ongoing Projects in Bengaluru:



ONGOING PROJECTS

1. PRESTIGE FERNS RESIDENCY
2. PRESTIGE PHILADELPHIA
3. PRESTIGE HILLSIDE RETREAT
4. PRESTIGE SUMMERFIELDS
5. PRESTIGE SILVER SUN
6. PRESTIGE SILVER CREST
7. PRESTIGE MAYBERRY
8. PRESTIGE GLEN WOOD
9. PRESTIGE GARDEN BAY
10. PRESTIGE GOLFSHIRE
11. PRESTIGE WHITE MEADOWS
12. KINGFISHER TOWERS
13. PRESTIGE EDWARDIAN
14. PRESTIGE HERMITAGE
15. PRESTIGE TRANQUILITY
16. PRESTIGE PARK VIEW
17. PRESTIGE SILVER OAK
18. PRESTIGE SUNNY SIDE
19. PRESTIGE CASABELLA

Set forth below is a description of three of the notable Ongoing Projects of our residential business:

- *Prestige White Meadows (I and II)* - is a 21.85 acre residential project that offers exclusive luxury homes aimed at the super-luxury segment. Situated in Whitefield, an exclusive Bengaluru suburb, it comprises 288 villas in four high rise towers of 27 floors, and 66 bungalows. The bungalows are situated on stepped terraces, while the high rise towers are located on the flatter terrain along its periphery. The bungalows range in size from 5,576 sq. ft. to 6,219 sq. ft. *Prestige White Meadows* has amenities such as an indoor gymnasium, jacuzzi and steam room a clubhouse that has a gymnasium, squash courts, badminton courts, billiards, two party halls, tennis courts, two swimming pools and children's play areas. At the *Asia Pacific Property Awards, 2011* this property won several awards, including *Highly Commended Apartment, India, Highly Commended Development Marketing India* and *Highly Commended Residential Property Interior, India*. At the *International Property Awards, Asia Pacific, 2012, Prestige White Meadows* was awarded *Highly Commended Development Multiple Units, India.* We commenced construction of *Prestige White Meadows (I and II)* in the fourth quarter of Fiscal Year 2010, and it is expected to be completed in the first quarter of Fiscal Year 2014.

- *Prestige Bella Vista* – is located at Porur, Chennai, and is our first residential project in Chennai. Spread across 22.48 acres, this project comprises 2,613 residences that include one-, two-, three- and four-bedroom units in 20 residential towers. This project has amenities such as a club house, gymnasium, health club, party hall, two swimming pools, two squash courts, two badminton courts, table tennis and pool tables, exercise areas, library, children's play area and a crèche. We commenced construction of *Prestige Bella Vista* in the third quarter of Fiscal Year 2012, and it is expected to be completed in the first quarter of Fiscal Year 2015.

- *Prestige Tranquility* – is spread across 28.53 acres located in Budigere, near Whitefield, just off Old Madras Road, Bengaluru. It offers a choice of one-, two- and three-bedroom apartments housed in 18 towers. The project comprises of 2,368 units and has amenities such as a clubhouse, swimming pool, tennis courts, badminton and squash courts, table tennis and card rooms and party halls. In close priority to the six-lane national highway, it is targeted at the mid-segment of the market. We commenced construction of *Prestige Tranquility* in the second quarter of Fiscal Year 2012, and is expected to be completed in the first quarter of Fiscal Year 2015.

Our Upcoming Projects – Residential

In relation to all the residential Upcoming Projects mentioned in the table below, the relevant approvals for conversion of the land (wherever applicable) have been obtained, the remaining land is in the process of being acquired and internals designs and plans have been finalized. The process of making applications for approvals for commencing construction and development have commenced or are yet to commence in relation to any of these projects.

The following table details our residential Upcoming Projects as at December 15, 2012:

Project	Developing Entity[1]	City	Developable Area	Our Economic Interest[2]	Saleable Area	Expected Construction Commencement Date[3]	Expected Completion Date[3]
			(in square feet)	*%*	*(in square feet)*		
Prestige Misty Waters [4]	Prestige South City Holdings	Bengaluru	1,024,156	51.00%	522,320	April 2013	July 2016
Prestige Tech Vista	Prestige Estates Projects Ltd	Bengaluru	119,153	60.00%	71,492	January 2013	June 2015
Prestige Leela Residences[5]	Prestige Estates Projects Ltd	Bengaluru	360,000	60.00%	216,000	October 2013	September 2016
Prestige Silver Spring [4]	Prestige South City Holdings	Chennai	494,636	27.54%	136,223	June 2013	September 2015
Prestige Brooklyn Heights	Prestige Estates Projects Ltd	Bengaluru	265,339	62.00%	164,510	June 2013	May 2016
Kakanad Property[5]	Prestige Estates Projects Ltd	Kochi	800,000	70.00%	560,000	December 2013	December 2016
Prestige Jade Pavilion[6]	Villa Land Developments Pvt Ltd	Bengaluru	675,000	46.91%	316,643	June 2013	December 2015
Prestige Down Town[7]	Prestige Estates Projects Ltd	Chennai	205,266	100.00%	205,266	June 2013	June 2016
Prestige Lakeside Habitat[5]	Prestige Estates Projects Ltd	Bengaluru	8,400,000	70.00%	5,880,000	October 2013	September 2017
Magadi Road Property	Prestige Estates Projects Ltd	Bengaluru	1,020,000	60.00%	612,000	June 2013	June 2016
Vaderahalli Property	Prestige Estates Projects Ltd	Bengaluru	1,380,000	67.00%	924,600	October 2013	January 2017
Prestige Spencer Heights[7]	Prestige Estates Projects Ltd	Bengaluru	106,000	100.00%	106,000	April 2013	September 2015
Roshanara[5]	Prestige Estates Projects Ltd	Bengaluru	223,452	100.00%	223,452	October 2013	January 2017
Prestige Bougainvilla II[5]	Prestige Estates Projects Ltd	Bengaluru	200,000	100.00%	200,000	October 2013	January 2017
Total			**15,273,002**		**10,138,505**		

Unless indicated, all projects have been developed under a joint development agreement.

1 *The Company, Subsidiary or Associate, as the case may be, which holds title to the project and underlying land.*

2 *Reflects the percentage of our economic interest in the project. In the case of joint development agreements, this reflects the percentage of sale proceeds from the Developable Area that we are entitled to retain under the joint development agreement entered into in respect of the project. In the case of joint ventures, this reflects our percentage holding in the SPV.*

3 *The details of each of the projects in this table are based on management plans and are subject to change.*

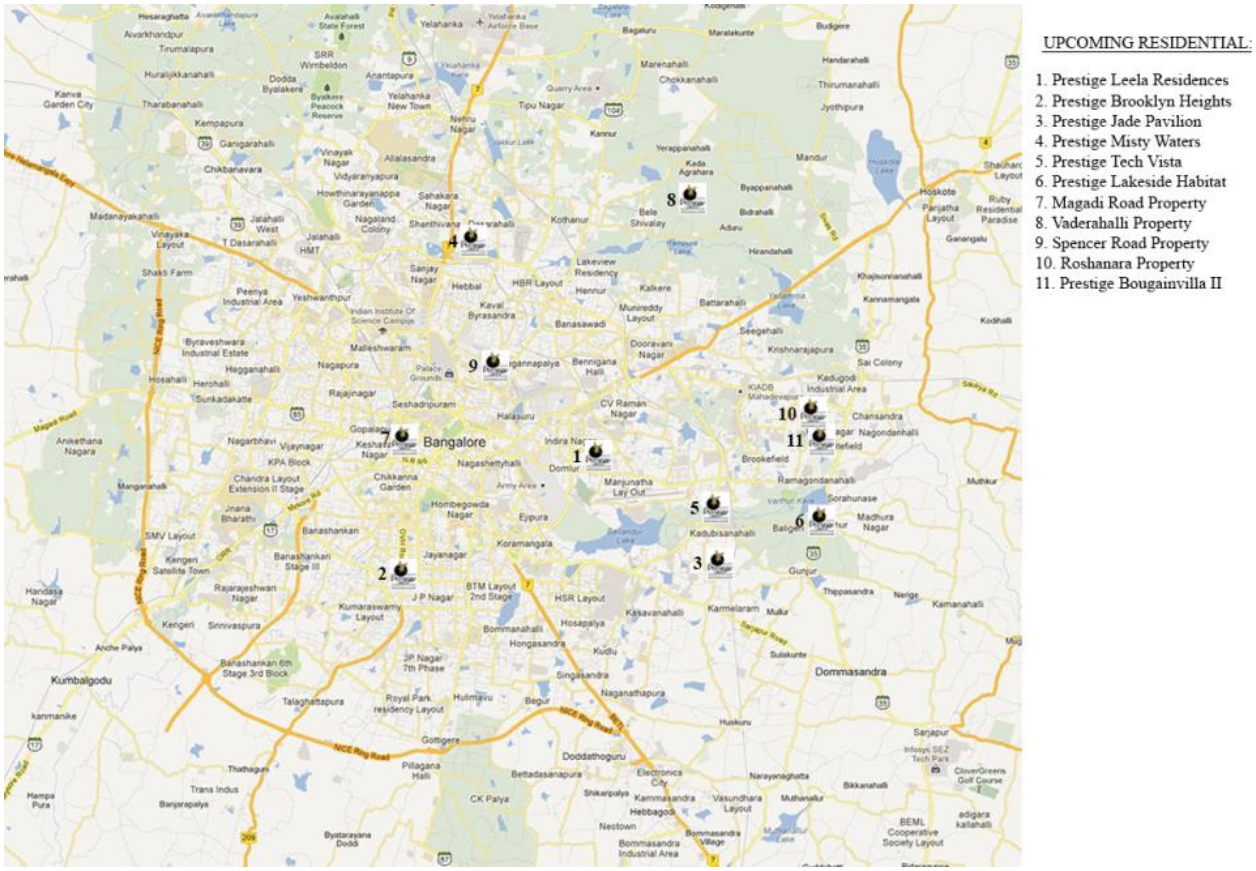
4 *Joint venture.*

5 *The developing entity has entered into an MoU to purchase the underlying land/develop the underlying land pursuant tor a joint development agreement.*

6 *Partly owned and developed by the developing entity pursuant to a joint development agreement.*

7 *Fully owned and developed by the developing entity.*

The following map illustrates the locations of our residential Upcoming Projects in Bengaluru:



Set forth below is a description of two of the notable Upcoming Projects of our residential business:

- *Prestige Lakeside Habitat* – is located at Gunjur, Bengaluru, in close proximity to Whitefield. This project spans 85.51 acres and is expected to comprise approximately 3,760 apartment units housed in thirty towers and 281 villas. The project is expected to have amenities including a swimming pool, tennis courts, squash courts, play area, badminton courts, gymnasium, health club, cycling and jogging tracks and two club-houses spanning approximately 1,50,000 sq ft. This project is expected to have a Developable Area of approximately 8.40 million sq. ft. and a Saleable Area of approximately 5.88 million sq ft., and will be targeted at the mid-income segment of the residential market in Bengaluru. We expect to commence construction of *Prestige Lakeside Habitat* in the third quarter of Fiscal Year 2013.

- *Prestige Silver Spring* – is located on East Coast Road in Chennai. This will be our second Residential project in Chennai. This project spans 18.06 acres and is expected to comprise 79 units, with most units in the project to include private swimming pools. This project is expected to have amenities including a club-house, communal swimming pool, health club, gymnasium, jogging track, tennis and badminton courts and children's play areas. This project is expected to have a Developable Area of approximately 0.49 million sq. ft. and a Saleable Area of approximately 0.14 million sq. ft. This project will be aimed at the luxury segment of the residential real estate market in Chennai. We expect to commence construction of *Prestige Silver Spring* in the first quarter of Fiscal Year 2013.

Our Commercial Business

We develop a number of commercial projects such as corporate office space, SEZs, technology parks and campuses and built-to-suit facilities, which are developments that are customized to the specifications of our clients. We

generate revenue from our commercial developments through the sale and lease of our commercial projects, and from professional fees charged for contractual projects, which include built-to-suit projects (that we do not retain ownership of) for sale or lease.

Our commercial business projects comprised approximately 27.40 per cent. of all Developable Area of our Ongoing and Upcoming Projects as of December 15, 2012. We have 20 Completed Projects in the period between December 2007 and December 2012, and have 15 Ongoing Projects and four Upcoming Projects for our commercial business.

Our Completed Projects – Commercial

The following table details our commercial Completed Projects for the period between December 2007 and December 2012:

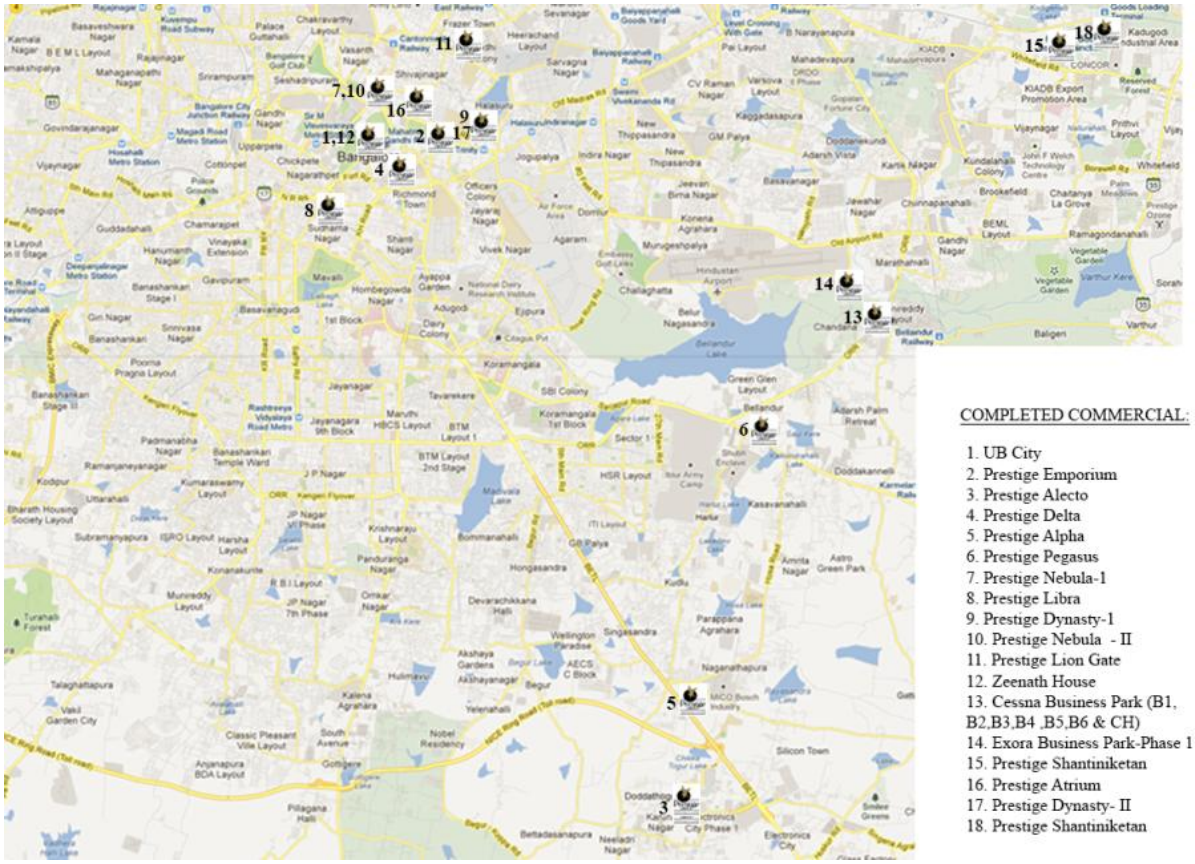
Name of the Project	Developing Entity[1]	City	Developable Area	Our Economic Interest[2]	Saleable Area	Leasable Area	Area Sold	Area Leased	Date of Completion
			(in square feet)	*%*	*(in square feet)*	*(in square feet)*	*(in square feet)*	*(in square feet)*	
UB City	Prestige Estates Projects Pvt Ltd	Bengaluru	1,312,766	45.00%	590,745		590,745		January 2008
Prestige Emporium	Prestige Estates Projects Pvt Ltd	Bengaluru	66,675	55.00%	36,671		36,671		August 2008
Prestige Alecto	Prestige Estates Projects Pvt Ltd	Bengaluru	113,566	67.00%		76,089		76,089	October 2008
Prestige Delta	Prestige Estates Projects Pvt Ltd	Bengaluru	47,850	45.00%	21,533		21,414		October 2008
Prestige Alpha	Prestige Estates Projects Pvt Ltd	Bengaluru	142,403	50.00%	71,201		71,201		December 2008
Prestige Pegasus	Prestige Estates Projects Pvt Ltd	Bengaluru	72,824	67.00%	48,792		48,792		December 2008
Prestige Nebula-1	Prestige Estates Projects Pvt Ltd	Bengaluru	107,442	50.00%	53,721		53,721		January 2009
Prestige Libra	Prestige Estates Projects Pvt Ltd	Bengaluru	77,402	50.00%	38,701		38,701		February 2009
Prestige Dynasty-1	Prestige Estates Projects Pvt Ltd	Bengaluru	192,563	100.00%	192,563		192,563		December 2009
Prestige Nebula - II	Prestige Estates Projects Pvt Ltd	Bengaluru	52,591	55.00%	28,925		28,925		February 2010
Prestige Cyber Towers	Prestige Estates Projects Ltd	Chennai	688,460	72.00%	495,691		288,411		May 2010
Prestige Lion Gate	Prestige Estates Projects Ltd	Bengaluru	23,214	50.00%		11,607		7,000	July 2010
Zeenath House	RRR Investments	Bengaluru	53,151	50.00%	26,576		26,576		November 2010
Cessna Business Park (B1, B2, B3, B4, B5, B6 & CH)[3]	Cessna Garden Developers Pvt Ltd[4]	Bengaluru	2,718,955	85.00%		2,311,112		2,311,112	December 2010
Exora Business Park-Phase -1	Exora Business Services Private Limited	Bengaluru	920,413	32.46%		298,766		298,766	December 2010
Prestige Shantiniketan	Prestige Estates Projects Ltd	Bengaluru	4,553,909	83.20s%	3,788,852		2,525,096		February 2011
Prestige Atrium	Prestige Estates Projects Ltd	Bengaluru	171,540	50.00%	85,770		55,944		April 2011
Prestige Palladium Bayan	Prestige Estates Projects Ltd	Chennai	299,545	45.00%	134,795		114,545		September 2011
Prestige Dynasty- II	Prestige Estates Projects Ltd	Bengaluru	143,540	100.00%	143,540		143,540		September 2011
Prestige Shantiniketan (C Block)	Prestige Estates Projects Ltd	Bengaluru	758,000	61. 00%	462,380		14,956		November 2012
TOTAL			**12,516,809**		**6,220,456**	**2,697,574**	**4,251,801**	**2,692,967**	

1 *The Company, Subsidiary or Associate, as the case may be, which holds title to the project and underlying land.*

2 *Reflects the percentage of our economic interest in the project. In the case of joint development agreements, this reflects the percentage of sale proceeds from the Developable Area and/or percentage of rental income from the Leasable Area that we are entitled to retain under the joint development agreement entered into in respect of the project. In the case of joint ventures, this reflects our percentage holding in the SPV.*

4 *In December 2012, our Company increased its shareholding in Cessna Garden Developers Private Limited from 60 per cent. to 85 per cent.*

The following map illustrates the locations of our commercial Completed Projects in Bengaluru:



Set forth below is a brief description of three of the notable Completed Projects of our commercial business:

- *Prestige UB City* - is a mixed-use project located at the corner of Vittal Mallya Road and Kasturba Road, in Bengaluru's central business district. Comprised of four medium and high rise towers, we believe that it was one of the early developments in Bengaluru to combine commercial office space, a luxury mall, serviced apartments, restaurants, food courts and cafes in one location. *Concorde*, *Canberra* and *UB Tower* comprise the office blocks. The ground, first and second floors of the *Concorde* and *Canberra* towers have been designed as a luxury retail zone and branded as *UB City – The Collection*, and houses a number of international retail brands . The podium level of the towers offers a range of dining options, including specialty restaurants, a food court and lounge bars. The 12-floor Comet Tower houses the *Oakwood Premier Prestige Bengaluru*, a 177-room premium serviced apartment facility (See "– *Our*

- *Hospitality Business – Our Completed Projects –Hospitality*", below). With the exception of Oakwood Premier Prestige Bengaluru, all Saleable Area in this development has been sold. This project has won several awards, including *Best Developer – Retail Award (mixed-use category)*, at the 2007 *Cityscape Real Estate Excellence Awards*, *Outstanding Concrete Structure of Karnataka* at the 2008 *Indian Concrete Institute Birla Super Endowment Awards* and *Best Mixed Use Development (India)* at the 2009 *CNBC Asia Pacific Property Awards* for *UB City.*

- *Exora Business Park Block 1* – is a commercial project located on the Outer Ring Road, Bengaluru that was completed in December 2010. This project was designed by RSP Architects Planner & Engineers (Pte.) Limited of Singapore and incorporates what we believe to be modern architectural features. *Exora Business Park Block 1* has a Developable Area of 0.92 million sq. ft. and a Leasable Area of 0.29 sq. ft., and comprises three nine-floor towers housing commercial office space to let, and includes a basement area and a 640 bay multi-level car park. Some of the notable tenants include JP Morgan India Private Limited, Price Waterhouse Coopers, Juniper Networks, Software AG and Schneider Electric. This project has facilities such as 100 per cent. diesel generator power back-up and central air conditioning.

- *Cessna Business Park Blocks 1 to 6* – is a commercial project located on the Outer Ring Road, Bengaluru that was completed in December 2010. This project has a Developable Area of 2.72 million sq. ft. and a Leasable Area of 2.31 million sq. ft. and comprises six blocks housing commercial office space to let. *Cessna Business Park* is an approved IT/ITeS SEZ, and is home to Cisco Systems as a notable tenant. This project was the winner of the *CNBC AWAAZ-CRISIL CREDAI Real Estate Awards 2008 – Best Commercial Property for Southern Region*. It also was awarded *Highly Commended Industrial Development, India at the International Property Awards, Asia Pacific 2012*. In December 2012, our Company increased its shareholding in Cessna Garden Developers Private Limited from 60 per cent. to 85 per cent.

In addition to those mentioned in the description of the notable projects above, we have won numerous awards for the Completed Projects of our commercial business, including the following:

- *Commercial Renovation/Redevelopment India* – awarded to us at the *International Property Awards, Asia Pacific*, 2012 for *Prestige Delta*;

- *Highly Commended Commercial High Rise Development, India* – awarded to us at the *International Property Awards, Asia Pacific*, 2012 for *Prestige Shanthiniketan*; and

- *Highly Commended Industrial Development, India* – awarded to us at the *International Property Awards, Asia Pacific*, 2012 for *Prestige TechPark.*

Our Ongoing Projects - Commercial

In relation to all the Ongoing Projects mentioned in the table below, construction or development activities have commenced, all approvals for commencing construction and development have been obtained, and the right and/or interest in the land is held directly by our Company and/or the Subsidiaries and/or Associates in which the Company has a shareholding.

The following table details our Ongoing Projects as at December 15, 2012:

Project	Developing Entity[1]	City	Developable Area *(in square feet)*	Our Economic Interest [2] %	Saleable Area *(in square feet)*	Leasable Area *(in square feet)*	Expected Construction Commencement Date[3]	Expected Completion Date[3]
Cessna Business Park B7 - B11[4 and 5]	Cessna Garden Developers Pvt Ltd	Bengaluru	4,330,323	85.00%		3,680,775	April 2011	September 2014
Prestige Polygon[6]	Prestige Construction Ventures Pvt Ltd	Chennai	659,499	60.00%	395,699		January 2008	December 2012
Prestige Khoday Towers	Prestige Estates Projects Ltd	Bengaluru	259,417	48.53%	125,895		June 2009	November 2012
Exora Business Park Phase 2 - Block 2 & 3[6]	Exora Business Services Pvt Ltd	Bengaluru	2,040,751	32.46%		662,428	June 2008	March 2014
Forum Vijaya Mall[6]	Vijaya Productions Pvt Ltd	Chennai	547,523	50.00%		273,762	December 2007	Oct 2012
Prestige Technopolis	Prestige Estates Projects Ltd	Bengaluru	465,684	56.80%	264,509		March 2011	December 2013
Prestige TechPark III	Prestige Estates Projects Ltd	Bengaluru	1,553,959	100.00%	1,553,959		December 2010	November 2013
Excelsior[6]	Exora Business Park Pvt Ltd	Bengaluru	220,067	21.75%		47,865	December 2011	September 2013
Prestige Trade Towers	Prestige Estates Projects Ltd	Bengaluru	612,743	45.00%		275,734	August 2011	June 2014

Project	Developing Entity[1]	City	Developable Area *(in square feet)*	Our Economic Interest[2] %	Saleable Area *(in square feet)*	Leasable Area *(in square feet)*	Expected Construction Commencement Date[3]	Expected Completion Date[3]
Prestige Star	Prestige Estates Projects Ltd	Bengaluru	44,029	64.00%	28,179		May 2012	December 2013
Forum Thomsun[6]	Thomsun Realtors Pvt Ltd[6]	Kochi	200,000	0.002%		4	December 2012	Nov 2015
Prestige Trinity Centre[7]	Villa Land Developers Pvt Ltd	Bengaluru	448,590	23.11%	103,669		October 2012	June 2015
Prestige Falcon Towers	Prestige Estates Projects Ltd	Bengaluru	486,102	45.00%		218,746	June 2011	December 2015
Prestige TMS Square	Prestige Estates Projects Ltd	Kochi	171,620	58.00%		99,540	December 2011	July 2015
Prestige Platina	Prestige Estates Projects Ltd	Bengaluru	1,432,847	66.66%	955,136		June 2013	March 2015
Total			**13,473,154**		**3,427,046**	**5,258,852**		

Unless indicated, all projects have been developed under a joint development agreement.

1 *The Company, Subsidiary, Associate, or Other Development Entity, as the case may be, which develops the project and underlying land.*

2 *Reflects the percentage of our economic interest in the project. In the case of joint development agreements, this reflects the percentage of sale proceeds from the Developable Area and/or percentage of rental income from the Leasable Area that we are entitled to retain under the joint development agreement entered into in respect of the project. In the case of joint ventures, this reflects our percentage holding in the SPV.*

3 *The details of each of the projects in this table are based on management plans and are subject to change.*

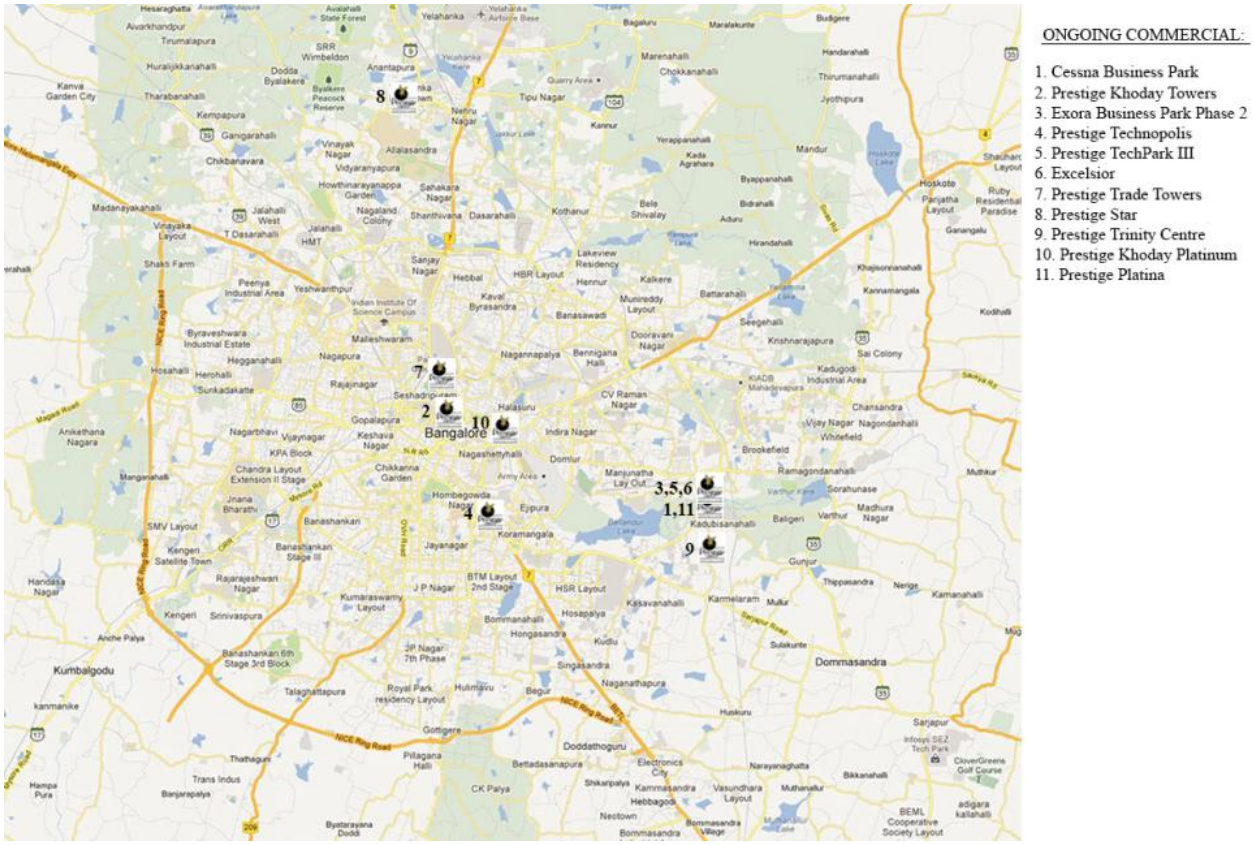
4 *In December 26, 2012, our Company increased its shareholding in Cessna Garden Private Limited from 60 per cent. to 85 per cent.*

5 *Fully owned and developed by the developing entity.*

6 *Joint venture.*

7 *Partly owned and partly developed by the developing entity pursuant to a joint development agreement.*

The following map illustrates the locations of our commercial Ongoing Projects in Bengaluru:



Set forth below is a brief description of two notable Ongoing Projects of our commercial business:

- *Prestige Tech Park III* – is a commercial project located on the IT Corridor on Sarjapur-Marathahalli Outer Ring Road, Bengaluru. Spread across 8.15 acres, it has three independent towers arranged around a central landscaped court. With a total developable area of 1.55 million sq. ft., the towers have been designed with unobstructed floor plates with segregated core areas aimed at providing efficient and functional work spaces. We commenced construction of *Prestige Tech Park III* in the third quarter of Fiscal Year 2011 and it is expected to be completed in the third quarter of Fiscal Year 2013.

- *Prestige Trade Towers* – is a commercial project situated off Palace Road, Bengaluru in the commercial heart of the city. It overlooks the Bengaluru Golf Course and spans 2.47 acres. It comprises 23 floors in total, of which the first four floors will comprise a retail luxury mall and the remaining floors will house corporate office space. The development will have business amenities such as a warm shell with power back-up. We commenced construction of *Prestige Trade Towers* in the second quarter of Fiscal Year 2012, and is expected to be completed in the first quarter of Fiscal 2014.

Our Upcoming Projects - Commercial

In relation to all the Upcoming Projects mentioned in the table below, the relevant approvals for conversion of the land (wherever applicable) have been obtained, the remaining land is in the process of being acquired and internals designs and plans have been finalized. The process of making applications for approvals for commencing construction and development have commenced or are yet to commence in relation to any of these projects.

The following table details our Upcoming Projects as at December 15, 2012:

Project	Developing Entity[1]	City	Location	Developable Area	Our Economic Interest[2]	Saleable Area	Leasable Area	Expected Construction Commencement Date[3]	Expected Completion Date[3]
				(in square feet)	*%*	*(in square feet)*	*(in square feet)*		
Kakanad Property[4]	Prestige Estates Projects Ltd	Kochi	Kakanad	200,000	70.00%		140,000	December 2013	December 2016
Graphite Property[5]	Prestige Whitefield Developments Private Limited	Bengaluru	Whitefield	1,646,601	50.99%		839,602	April 2013	December 2015
Prestige Star II	Prestige Estates Projects Ltd	Bengaluru	Yelahanka	80,000	64.00%		51,200	February 2013	December 2014
Jacobs Land[4]	Prestige Estates Projects Limited	Bengaluru	Bellary Road	2,809,200	73.93%	2,076,842		June 2013	December 2015
Total				**4,735,801**		**2,076,842**	**1,030,802**		

* *Unless indicated, all projects have been all developed under a joint development agreement.*

1 *The Company, Subsidiary or Associate, as the case may be, which holds title to the project and underlying land.*

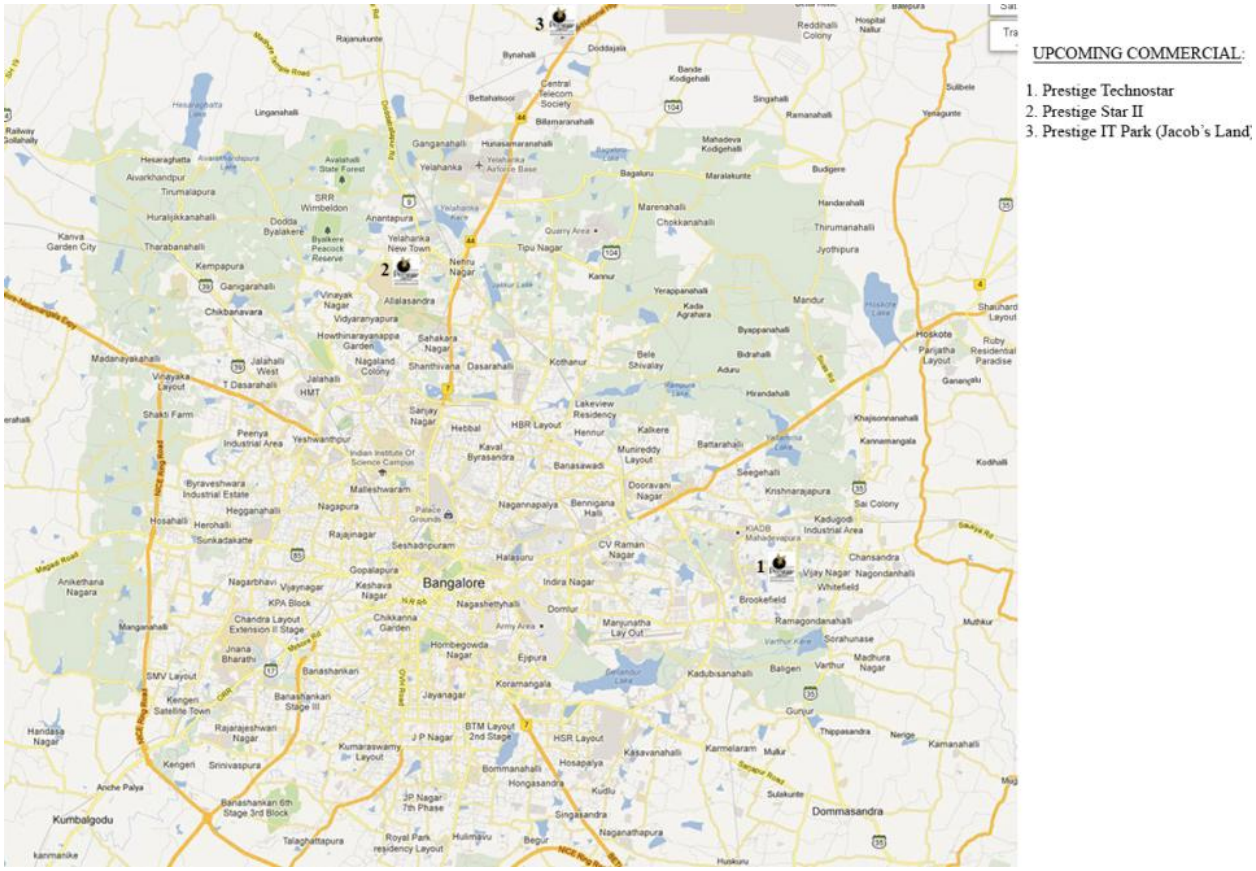
2 *Reflects the percentage of our economic interest in the project. In the case of joint development agreements, this reflects the percentage of sale proceeds from the Developable Area and/or percentage of rental income from the Leasable Area that we are entitled to retain under the joint development agreement entered into in respect of the project. In the case of joint ventures, this reflects our percentage holding in the SPV.*

3 *The details of each of the projects in this table are based on management plans and management estimates and are subject to change.*

4 *The developing entity has entered into an MoU to purchase the underlying land/develop the underlying land pursuant to a joint development agreement .*

5 *Joint venture*

The following map illustrates the locations of our commercial Upcoming Projects in Bengaluru:



Our Hospitality Business

We develop a number of hospitality projects, such as hotels, resorts, spas, and serviced residences, in cities where we carry out our other real estate development operations. We believe that our real estate development operations provide us with opportunities to acquire and develop sites for the development of hospitality projects, or to integrate hospitality infrastructure into our residential and commercial developments. We have three Completed Projects in the period between December 2007 and December 2012, and have four Ongoing Projects in our hospitality business. Currently there are no Upcoming Projects for our hospitality business. We generate revenue from our hospitality developments through the lease of our hospitality projects. In addition, we generate revenue from the operation of our hospitality projects themselves. See "– *Our Real Estate Services Business – Hospitality Operations*", below.

Our hospitality business projects comprised approximately 2.81 per cent. of all Developable Area of our Ongoing and Upcoming Projects as of December 15, 2012.

Our Completed Projects – Hospitality

The following table details our hospitality Completed Projects in the period between December 2007 and December 2012:

Project	Developing Entity[1]	Location	Developable Area *(in square feet)*	Our Economic Interest[2] *(%)*	Leasable Area *(in square feet)*	No. of Keys	Management	Date of Completion
Oakwood premier Prestige Serviced Apartments	Prestige Estates Projects Ltd	UB City	332,397	100.00%	332,397	177	Oakwood Management Services India Pvt Ltd	March 2008
Prestige Golfshire - Clubhouse + Spa	Northland Holding Company Private Limited	Nandi Hills	156,648	100.00%	156,648	n/a	Northland Company Private Ltd	March 2012
Forum Value Mall - Service Apts	Prestige Garden Constructions Pvt Ltd	Whitefield	369,146	35.00%	129,201	142	Oakwood Management Services India Pvt Ltd	June 2009
		TOTAL	**858,191**		**618,246**	**319**		

[1] *The Company, Subsidiary or Associate, as the case may be, which holds title to the project and underlying land.*

[2] *Reflects the percentage of our economic interest in the project. In the case of joint development agreements, this reflects the percentage of rental income from the Leasable Area that we are entitled to retain under the joint development agreement entered into in respect of the project. In the case of joint ventures, this reflects our percentage holding in the SPV.*

Set forth below is a brief description of one of the Completed Projects of our hospitality business:

Oakwood Premier Prestige Serviced Apartments - is a serviced apartment project located at *UB City*, Bengaluru, completed in March 2008. The serviced apartments are managed and operated by Oakwood Management Services India Private Limited, an affiliate of the U.S. Company, Oakwood International, and features 177 units. It provides luxury accommodation for individuals for both short- and long-term stays in fully-furnished apartments, and has facilities and amenities such as an exclusive residents' lounge, rooftop swimming pool, health club, business centre, spa, and access to a helipad in *UB City*. *The Oakwood Premier Prestige* is also conveniently located at *UB City – The Collection*. See "*– Our Retail Business – Our Completed Projects-Retail*", below.

Our Ongoing Projects – Hospitality

In relation to all the Ongoing Projects mentioned in the table below, construction or development activities have commenced, all approvals for commencing construction and development have been obtained, and the right and/or interest in the land is held directly by our Company and/or the Subsidiaries and/or Associates in which the Company has a shareholding interest.

The following table details our Ongoing Projects as at December 15, 2012:

Project	Developing Entity[1]	City	Developable Area	Our Economic Interest[2]	Leasable Area	No. of Keys	Construction Commencement Date[3]	Expected Completion Date[3]
			(in square feet)	*(%)*	*(in square feet)*			
Aloft	Cessna Garden Developers Pvt Ltd[5]	Bengaluru	286,188	85.00%	243,260	202	July 2010	March 2013
Hilton	Prestige Estates Projects Ltd	Bengaluru	450,000	100.00%	450,000	285	July 2010	December 2014
Forum Thomsun[4]	Thomsun Realtors Pvt Ltd[6]	Kochi	550,000	0.002%	11	200	December 2012	November 2015
Marriott Hotel + Convention Centre	Northland Holdings Pvt Ltd	Bengaluru	579,212	100.00%	579,212	307	November 2010	March 2015
	Total		**1,865,400**		**1,272,483**	**994**		

Unless indicated, all projects have been owned and developed by the developing entity.

[1] *The Company, Subsidiary, Associate, or Other Development Entities, as the case may be, which develops the project and underlying land.*

[2] *Reflects the percentage of our economic interest in the project. In the case of joint development agreements, this reflects the percentage of rental income from the Leasable Area that we are entitled to retain under the joint development agreement entered into in respect of the project. In the case of joint ventures, this reflects our percentage holding in the SPV.*

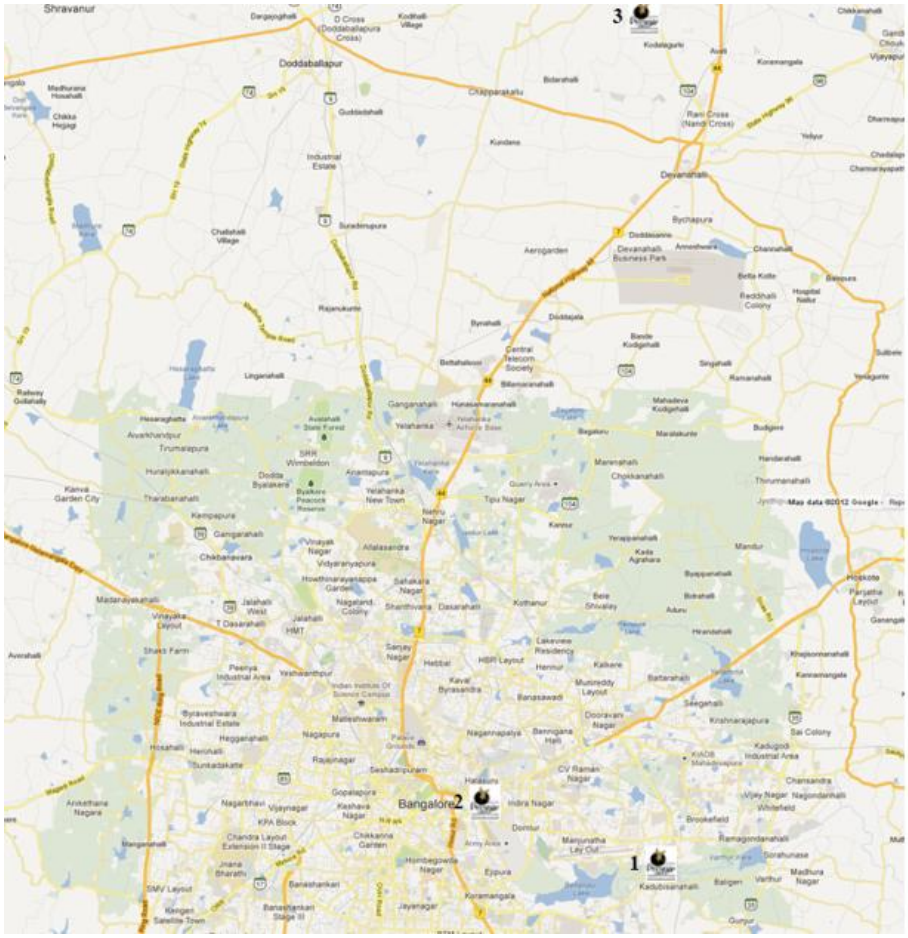
[3] *The details of each of the projects in this table are based on management plans and management estimates and are subject to change.*

[4] *Joint venture.*

[5] *On December 26, 2012, our Company increased its shareholding in Cessna Garden Developers Private Limited from 60 per cent. to 85 per cent.*

[6] *As of December 15, 2012, our Company has 0.002 per cent. shareholding in Thomsun Realtors Pvt Ltd, which shareholding will increase to 25 per cent in accordance with capital commitments agreed upon.*

The following map illustrates the locations of our hospitality Ongoing Projects in Bengaluru:



ONGOING HOSPITALITY:

1. Aloft
2. Hilton
3. Marriott Hotel

Set forth below is a brief description of one of the notable Ongoing Projects of our hospitality business:

- *Hilton* — will be a five-star hotel, which will be located just off MG Road in the Bengaluru central business district. The hotel will be managed by Hilton International Co., and will feature approximately 285 rooms and suites. The hotel is being designed by SRSS Singapore and Thomas Associates, Bengaluru, and will have advanced architectural features which will provide views of the Ulsoor Lake from all rooms and suites. The project will have facilities such as a banquet hall, specialty restaurants, a coffee shop, gymnasium and swimming pool.

Our Retail Business

We develop a number of retail projects, primarily shopping malls. We typically retain ownership of our retail projects as well as manage our malls in order to control the quality of the retail space and maintain an appropriate mix of tenants (See "– *Our Real Estate Services Business –Mall Management*", below). Our retail business projects comprise approximately 10.16 per cent. of all Developable Area of our Ongoing and Upcoming Projects as of December 15, 2012. We have completed two Projects in the period between December 2007 and December 2012 and have seven Ongoing Projects and two Upcoming Projects in our retail business. We generate revenue from our retail projects through the lease of our retail developments, which in certain cases, includes revenue sharing arrangements in terms of either a fixed percentage of the tenant's revenues, a fixed amount and a percentage of net sales, or the higher of a fixed amount and a percentage of net sales, accrue to us. In addition, we generate revenue from our retail projects through the provision of advertising space and product promotion space for short-term lease in our malls, and fees charged for parking space at our malls.

The following table sets out information on the five largest tenants, in terms of contribution to gross rental income of our retail business for Fiscal Year 2012 and the six months ended September 30, 2012:

Tenant	Lease Expiry Date	Built-up area	Percentage of total Leasable Area		Percentage of Gross Rental Income from Retail Business	
		(in square feet)	March 31, 2012	September 30, 2012	March 31, 2012	September 30, 2012
PVR Limited[1]	July 2029	100,000	29	29	5.00	5.00
Landmark Limited	February 2024	43,560	12.6	12.6	3.00	2.00
Prestige Leisure Resorts Private Limited[2]	February 2013	29,008	8.38	8.38	4.00	4.00
Trent Limited[3]	February 2025	37,428	10.8	10.8	3.00	4.00
BJN Hotel[4]	February 2014	8,215	2.4	2.4	3.00	3.00

1 *Rental includes a revenue sharing arrangement in terms of which we are entitled to 14 per cent. of the box office collections or revenue share or a fixed amount of ₹ 2,200,000 per month, whichever is higher.*
2 *Rental is payable by way of a revenue sharing arrangement in terms of which 15 per cent. of net sales, or a fixed amount of Rs. 1,305,360, whichever is the higher, is payable to us.*
3 *Rental is payable by way of a revenue sharing arrangement in terms of which 6 per cent. of net sales, or a fixed amount of Rs. 735,000, whichever is the higher, is payable to us.*
4 *Rental is payable by way of a revenue sharing arrangement in terms of which 17.5 per cent. of net sales from operations of specialty restaurants or a fixed amount of Rs. 125,000, whichever is the higher, is payable to us.*

Our Completed Projects - Retail

The following table details our Completed Projects for the period between December 2007 and December 2012:

Name of the Project	Holding Entity[1]	Location	Developable Area *(in square feet)*	Our Economic Interest *%*	Leasable Area	Area Leased[1]	Date of Completion
Forum Value Mall	Prestige Garden Construction Private Limited	Whitefield	520,405	35.00%	182,142	182,142	June 2009
UB Collection	Prestige Garden Constructions Private Limited	UB City	167,837	45.00%	75,527	75,527	January 2008
Total			**688,242**		**257,668**	**257,668**	

1 *The Company, Subsidiary or Associate, as the case may be, which holds title to the project and underlying land.*
2 *Reflects the percentage of our economic interest in the project. In the case of joint development agreements, this reflects the percentage of rental income from the Leasable Area that we are entitled to retain under the joint development agreement entered into in respect of the project. In the case of joint ventures, this reflects our percentage holding in the SPV.*

Set forth below is a brief description of one of the notable Completed Projects of our retail business:

The Collection, UB City - is located in the heart of the city on Vittal Mallya Road and is part of *UB City*, one of the largest mixed use developments in Bengaluru's central business district. See "– *Our Commercial Business – Our Completed Projects-Commercial*", above. *The Collection* includes international retail stores, several restaurants, a food court and bars.

We have won numerous awards for the Completed Projects of our retail business, including the *Most Admired Shopping Centre of the Year: Best ROI for Retailers* award, awarded to us at the 2008 *ISCA Images Shopping Centre Awards* for *The Forum Mall*.

Our Ongoing Projects - Retail

In relation to all the Ongoing Projects mentioned in the table below, construction or development activities have commenced, all approvals for commencing construction and development have been obtained, and the right and/or interest in the land is held directly by our Company and/or the Subsidiaries and/or Associates in which the Company has a shareholding interest.

The following table details our Ongoing Projects as at December 15, 2012:

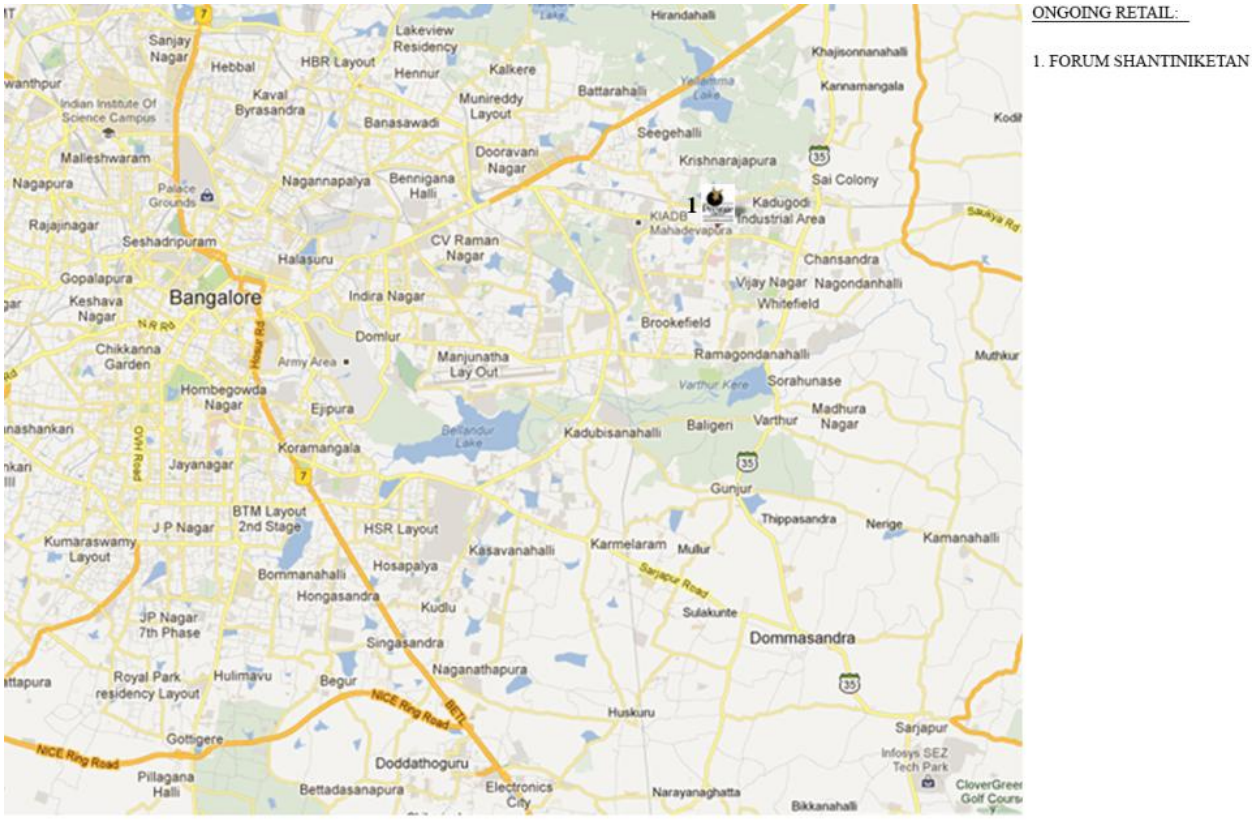
Project	Developing Entity[1]	City	Developable Area *(in square feet)*	Our Economic Interest[2] *%*	Leasable Area *(in square feet)*	Construction Commencement Date[3]	Expected Completion Date[3]
Forum Sujana	Babji Realtors Pvt Ltd	Hyderabad	1,467,940	23.28%	341,736	June 2009	June 2013
Forum Shantiniketan[4]	Prestige Shanthiniketan Lesuires Pvt Ltd	Bengaluru	1,055,360	63.86%	673,953	December 2010	November 2013
Forum Vijaya Mall	Vijaya Productions Pvt Ltd	Chennai	1,161,411	50.00%	580,706	December 2007	January 2013
Forum Mysore	Prestige Mysore Retail Ventures Pvt Ltd	Mysore	545,497	50.99%	278,149	March 2011	December 2013
Forum Mangalore	Prestige Mangalore Retail Ventures Pvt Ltd	Mangalore	948,291	34.26%	324,884	June 2009	June 2013
Prestige TMS Square[4]	Prestige Estates Projects Ltd	Kochi	120,000	58.00%	69,600	December 2011	July 2015
Forum Thomsun	Thomsun Realtors Pvt Ltd[5]	Kochi	910,000	0.002%	18	December 2012	December 2016
	Total - C		**6,208,499**		**2,269,046**		

* *Unless indicated, all projects have been developed pursuant to a joint venture.*
1 *The Company, Subsidiary, Associate, or Other Development Entities, as the case may be, which develops the project and underlying land.*
2 *Reflects the percentage of our economic interest in the project. In the case of joint development agreements, this reflects the percentage of rental income from the Leasable Area that we are entitled to retain under the joint development agreement entered into in respect of the project. In the case of joint ventures, this reflects our percentage holding in the SPV.*
3 *The details of each of the projects in this table are based on management plans and are subject to change.*
4 *Developed under the terms of a joint development agreement.*
5 *As of December 15, 2012, our Company has 0.002 per cent. stake in Thomsun Realtors Pvt Ltd, which stake will increase to 25 per cent in accordance with capital commitments agreed upon.*

Set forth below is a brief description of one of the notable Ongoing Projects of our retail business:

Forum Sujana Mall - is located at Kukkatpally in Hyderabad, and is in close proximity to Hi-Tech City, a hub for IT companies, and a large residential and university area. The project is situated on a corner site, and will have multiple approach roads leading to it, in addition to a train station within one kilometre. We believe that this project will be one of the largest mall and multiplex developments in Hyderabad. *Forum Sujana Mall* will feature a nine-screen multiplex cinema with approximately 2,355 seats, a Hypermarket (of approximately 75,000 sq. ft.), a department store (of approximately 15,000 sq. ft.), a book store and a retail space housing international and domestic brands. This mall was awarded *Best Retail Development Asia Pacific* at the *International Property Awards, Asia Pacific, 2012.*

The following map illustrates the location of our retail Ongoing Project in Bengaluru:



Our Upcoming Projects — Retail

In relation to the retail Upcoming Projects mentioned in the table below, the relevant approvals for conversion of the land (wherever applicable) have been obtained, the remaining land is in the process of being acquired and internal designs and plans have been finalized. The process of making applications for approvals for commencing construction and development have commenced or are yet to commence in relation to any of these projects.

The following table details our Upcoming Projects as at December 15, 2012:

Project	Developing Entity[1]	City	Developable Area	Our Economic Interest[2]	Leasable Area	Expected Construction Commencement Date[3]	Expected Completion Date[3]
			(in square feet)	*%*	*(in square feet)*		
Prestige Mysore Central[5]	Prestige Estates Projects Ltd	Mysore	110,770	65.00%	72,011	June 2013	June 2015
Kakanad Property[4]	Prestige Estates Projects Ltd	Kochi	400,000	76.50%	306,000	December 2013	December 2016
Total			**510,770**		**378,001**		

1 *The Company, Subsidiary or Associate, as the case may be, which holds title to the project and underlying land.*
2 *Reflects the percentage of our economic interest in the project. In the case of joint development agreements, this reflects the percentage of rental income from the Leasable Area that we are entitled to retain under the joint development agreement entered into in respect of the project. In the case of joint ventures, this reflects our percentage holding in the SPV.*
3 *The details of each of the projects in this table are based on management plans and are subject to change.*
4 *The developing entity has entered into an MoU to purchase the underlying land/develop the underlying land pursuant to a joint development agreement.*
5 *Developed under the terms of a joint development agreement.*

Our Land Bank

Land is an important resource and is a key factor contributing to our ability to develop real estate. Our Land Bank comprise lands upon which there is no present development, and may be broadly classified into (i) lands owned by our Company, (ii) lands in relation to which our Company and/or our Subsidiaries and/or our Associates have entered into a memorandum of understanding, agreement to acquire for the purchase of, and (iii) land under which joint development agreements have been entered into.

The continued expansion and development of our Land Bank is an important part of our strategy (see "– *Our Strategy – Continue to expand and develop our Land Bank through Joint Development/Joint Venture Model*", above), and we actively attempt to enhance our existing Land Bank by identifying and acquiring land or development rights for land in areas and locations which we believe will see increased demand.

The following is a summary of our Land Bank as of December 15, 2012 and the amounts paid, amounts due from us and amounts that represent refundable deposits:

Entity Name[1]	Location	Land Area *(Acres)*	Our Economic Interest[2]	Land Cost Amount Paid *(in ₹millions)*	Land Cost Amount Due *(in ₹millions)*	Refundable Deposit Paid *(in ₹millions)*
Prestige Bidadi Holdings Pvt Ltd	Bidadi	143.19	100.00%	1,135	0	0
Prestige Projects Pvt Ltd[3]	Sarjapur Road	161.94	32.68%	1,020	0	0
Prestige Garden Resorts Pvt Ltd[5]	Bellary Road	7.19	65.00%	47	0	0
Eden Investments	Goa	74.03	40.00%	29	143.5	0
Prestige Estates Projects Ltd	Koramangala	0.57	100.00%	29	0	0
Prestige Estates Projects Ltd	Whitefield	1.13	100.00%	74	0	0
KRPL Techpark	Mysore	15.61	31.00%	164	0	0
Village D Nandi Pvt Ltd	Bengaluru	22.95	100.00%	18.71	0	0
Prestige Estates Projects Ltd[4]	Avalahalli, Bengaluru	20.08	68.50%	0	0	60
South City Holdings Pvt Ltd[3]	Bannerghata, Bengaluru	5.13	35.70%	55	40	0
Prestige Estates Projects Ltd[4]	Tubarahalli, Bengaluru	0.83	72.00%	0	0	4.5
Total		**452.65**		**2,571.53**	**183.50**	**64.50**

1 *The Company, Subsidiary or Associate, as the case may be, which holds title to the project and underlying land.*
2 *Reflects the percentage of our economic interest in the project. In the case of joint development agreements, this reflects the percentage of sale proceeds from the Developable Area and/or percentage of rental income from the Leasable Area that we are entitled to retain under the joint development agreement entered into in respect of the land.*
3 *Joint venture*
4 *Acquired through a joint development agreement*
5 *The shareholding of the Company has increased from 50% to 65% on December 19, 2012*

OUR REAL ESTATE SERVICES BUSINESS

Property Management Services

Our property management services are provided through one of our partnership firms, Prestige Property Management and Services. The key focus of our property management services is to maintain the quality of the real estate projects of our real estate development business after their completion.

As of November 30, 2012, our property management services had a workforce of approximately 2,283 full-time employees who are assigned to specific developments that we maintain. We believe that having a dedicated property management and services team on site for each of the projects we maintain allows us to deliver a higher standard of service to our clients.

Our property management services teams are responsible for the provision of maintenance and management services such as safety and security, cleaning, general maintenance, civil and electrical maintenance, landscaping and gardening, swimming pool and health club maintenance and general facilities management, which includes the operation and maintenance of facilities such as power distribution, back-up power generation, central air-conditioning, water supply, drainage pumping, janitorial services, parking management, pest control, fire detection and solid waste disposal and management. In 1996, we began offering rental and re-sale services to our clients, which is aimed at assisting buyers of our real estate projects in renting out their apartments or villas.

We offer a range of flexible billing options to our client, from fixed-rate billing to cost-plus billing alternatives. In addition, we also offer pre-agreed service levels on a range of property management services that we provide, and our clients have the option of choosing either a "bundle" of services, as above, or individual services on a stand-alone basis.

We currently provide property management services to 48 commercial properties (which includes retail space), with a total of 13.16 million sq. ft. of built up space under management. In the residential sector, we provide property management services to 38 properties, with a total of 18.00 million sq. ft, of built up space] under management. We also undertake park management services for the *Cessna Business Park* SEZ.

Sub-Leasing and Fit-Out Services

Our Company also provides sub-letting and fit-out services. Our typical model for the provision of sub-leasing and fit-out services is as follows:

- Our real estate business develops a commercial project, which is then sold to investors in commercial property projects;
- In a sub-lease and fit-out transaction, these investors will lease the acquired commercial project back to us, on arms-length commercial terms after we identify a tenant for the property which will utilize it as the ultimate user;
- Our interior solutions team (See " — *Interior Solutions Services — Commercial Interiors*", below) conducts a fit-out, which is typically comprised of the installation of all fixtures and fittings required by the ultimate user of the commercial property; and
- Once the fit-out is complete, the project is then sub-leased to a commercial end-user who takes occupation of the property accordingly.

We generate revenues from our sub-leasing and fit-out services through the charging of fees for the fit-out (See " - *Interior Solutions Services*", below) as well as a profit on the difference in rentals between the sub-lease to the commercial end-user and lease-back transaction from the investor.

Project and Construction Management Services

Our project and construction management services are provided through one of our Subsidiaries, K2K Infrastructure India Private Limited. Our project and construction management services business specialises in providing project management and construction execution services to corporate and commercial clients who seek to construct built-to-suit projects (being developments that are customized to the specifications of the client) or interiors on a contractual basis, which we do not retain ownership of, for sale or lease (as is the case for projects in our commercial real estate development business).

Our project and construction management team provides the following services:

- project managing the development by acting as the single point of contact for the client in completing the project, with an emphasis on ensuring completion of the project on time and within budget;
- procuring all requisite statutory approvals for the project; and
- managing the entire construction process, including consulting with the client on the design and specifications of the project, sourcing, negotiating and awarding supply and construction contracts, ensuring compliance by construction contractors with pre-agreed standards of construction and ultimately ensuring hand-over of the project to the client.

In conducting such a 'contractual' project for a client, we typically enter into an agreement with the client which sets out our responsibilities and the fee structure. We generate revenues from our project and construction management services through these professional fees.

We also sell available parcels of land from our Land Bank to clients, on the condition that we retain the right to develop the land on their behalf on a "cost-plus" basis. For each of these contractual projects we have a senior business development executive and project head who negotiates and finalizes such transactions. The delivery team consists of the engineers and an administrative support team that deals with procurement and contractor- and government-liaison.

A number of the projects completed by our project and construction management services business in the period between December 2007 and December 2012 are set out in the table under "– *Our Real Estate Development Business – Our Commercial Business – Our Completed Projects-Commercial*", above.

Interior Solutions Services

Our interior solutions services business provides customized interior design and construction solutions for the customers of our commercial and residential development business. We have a dedicated interior solutions team which is responsible for project managing any interior design and construction, with an emphasis on ensuring completion of the interiors on time (ordinarily by the time the project is handed- over to the client) and within the budget stipulated by the client.

Our interior solutions team provides the following services in conducting the interior solutions services business:

- consulting with the client and in conjunction with our sales team or leasing team, as the case may be (See – "*Sales and Marketing*", below), ascertaining the interior design requirements and specifications of the client;

- coordinating with the client, architects, consultants and interior vendors to ensure that the interior design and construction is on time and within budget; and

- remaining in continued contact with the client to ensure that any required modifications or repairs are dealt with.

Residential Interiors

We have provided residential interiors service in a number of our residential developments to date, including *Prestige Shanthiniketan, Prestige Wellington Park* and *Prestige Kensington Gardens* and we intend to provide interior solutions for our future residential developments. Our interior solutions service for residential developments comprises providing clients with a number of standardized options for the interior design and fittings of their apartment or villa. In turn, we have numerous vendor relationships which supply our interior solutions business with the fixtures, fittings and materials required to implement the interior option that our client has chosen. We co-ordinate with our residential real estate development business to ensure that the interior is completed and in place at the time that the residential unit is handed over to the clients.

Commercial Interiors

We typically develop and lease commercial space on a "bare shell" basis and where a client for such development requires a commercial fit-out (i.e., customization of the interior of the premises for the specific commercial operations and requirements of that client), we provide such services through our interior solutions services. Ordinarily, our commercial leasing team (See –"*Sales and Marketing — Our Leasing Team*", below) will liaise with a commercial client where a fit-out is required, and our interior solutions team will then implement the fit-out on the basis of agreed designs and specifications which are prepared by our interior solutions team, in conjunction with our leasing team, and in accordance with the requirements of the client. We ensure that any costs incurred for such a fit-out undertaken for a commercial lessor is secured by way of lock-in leases for a minimum period of three to five years so as to ensure minimum cash flows from the project. We also provide this service to purchasers of our commercial real estate projects and similarly, in conjunction with our sales team (See "– *Sales and Marketing – Our Sales Team*", below).

We generate revenues from our interior solutions services business through the charging of professional fees for the services performed.

Mall Management Services

Our mall management services were initially established to provide mall management services to *The Forum Mall* in Koramangala, our first retail development. Our mall management services are now undertaken as part of our joint venture with CapitaMalls India (See "– *Our Joint Venture with CMIDF*", below). Whilst we offer property management services (See "– *Property Management Services*", above), we also believe that managing public spaces, such as a mall, have distinct and specialized property management requirements.

Our mall management business provides the following services:

- general maintenance of our mall;
- creating footfalls by initiating and conducting special events, festivals and promotions in our malls;
- managing relations with our mall tenants and conducting studies of retail market trends and customer preferences;
- designing and reviewing tenant and trade mixes for current and upcoming retail developments of our retail real estate development business;
- managing and monitoring revenue sharing arrangements with our tenants (See "– *Our Operations – Our Real Estate Development Business – Our Retail Business*", above);
- identifying potential tenants and negotiating and finalizing the commercial terms of the retail leases with our tenants;
- ensuring compliance with applicable laws, renewals of required permits and insurance; and
- providing reports on footfalls, buying patterns and general retail trends.

We generate revenues from our mall management business through the charging of fees for the maintenance and services provided to our tenants, as above.

Hospitality Operations

We develop our hospitality projects in the cities where we are carry out our real estate development operations. Our hospitality business comprises managing and operating serviced apartments, hotels, convention centres, resorts and spas, food courts (in our retail developments) and club houses (in our residential developments). We outsource the management and technical direction of our hospitality projects to leading international companies. This outsourcing is done pursuant to an operating, marketing and technical services agreement pursuant to which the operator is paid a management fee (which is typically an escalating percentage of gross revenue from the business) for the operation of the hospitality development.

Our current hospitality operations are as follows:

- *Prestige Oasis Angsana Spa & Resort* - a 79-room spa and resort in north Bengaluru;
- *Oakwood Premier Prestige* - a 177-room serviced apartment operation in *UB City* in Bengaluru's central business district, which is managed by Oakwood International pursuant to an operating, marketing and technical services agreement; and
- *Transit Food Courts* - Our Subsidiary, Prestige Leisure Resorts Private Limited, owns the *Transit* brand, which operates and manages food courts in the malls developed as part of our retail development business. Transit has a presence in *The Forum Mall*, Koramangala, and *The Forum Value Mall*, Whitefield. We intend to have Transit food courts in our future retail developments.

In addition to our current operations, we intend to expand our hospitality business as follows:

- *Aloft Bengaluru Cessna Business Park* — a 202 room hotel to be situated in the Cessna Business Park development and to be managed by an international hotel operator pursuant to an operating and management agreement;

- *Marriott Hotel*[1]— a 307 room hotel to be situated in the *Prestige Golfshire* development and to be managed by Marriot Hotels India Private Limited, pursuant to an operating and management agreement; and

- *Hilton* – a 285 room hotel to be situated just off MG Road, Bengaluru which is managed by Hilton International Co. pursuant to an operating and management agreement.

OUR JOINT VENTURE WITH CMIDF

We have entered into joint ventures with CMIDF, an associate of CapitaMalls Asia Limited for development of retail and commercial projects in South Indian cities such as Bengaluru, Mysore, Mangalore, Hyderabad and Kochi.We estimate that the total Developable Area that will be developed pursuant to these joint ventures will be 6.25 million sq. Ft. We have also entered into a joint venture with CapitaMalls Asia for the purpose of managing the retail malls developed by the joint ventures with CMIDF.

We believe that these arrangements will create opportunities to exploit new sources of revenue.

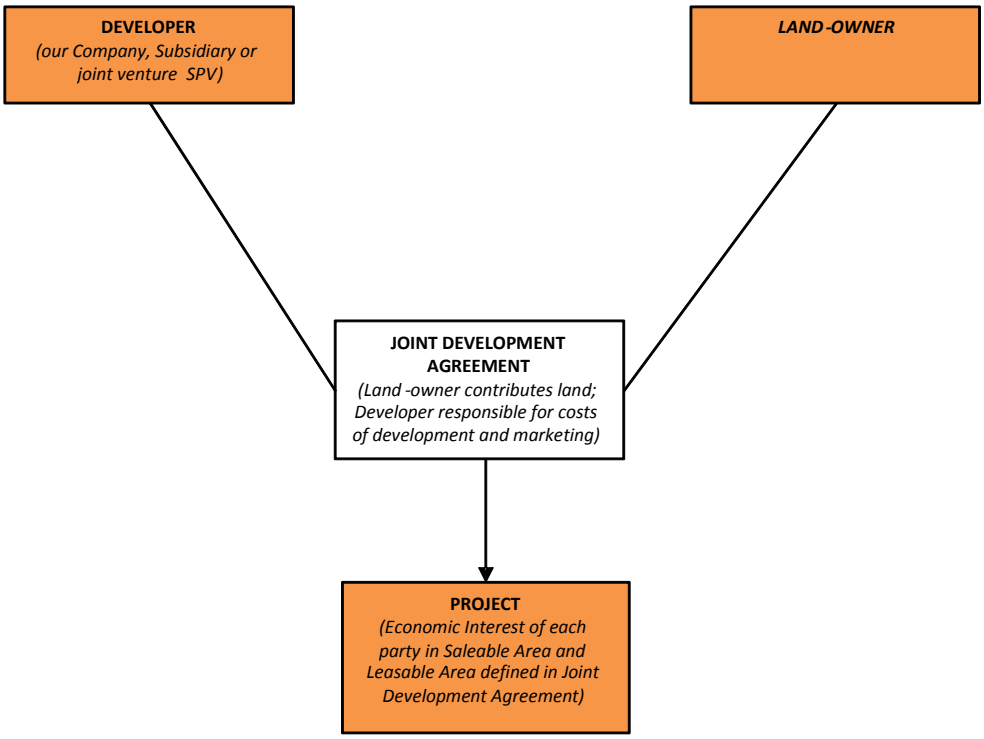
OUR JOINT DEVELOPMENT AND JOINT VENTURE MODELS

We typically develop our projects (1) through joint development agreements with land-owners, in terms of which we acquire the development rights to the underlying land; (2) through joint ventures with third parties, with whom we establish SPVs for the purposes of developing projects through such joint venture SPVs; or (3) in fewer occasions, through acquiring land ourselves and retaining the sole development rights in respect of any project. As of December 15, 2012, 28.35 million sq. ft., or 42.67 per cent., of Ongoing Projects and Upcoming Projects are being developed through joint development agreements (which include 11.04 per cent. joint development agreements entered into by the joint venture SPV), and 13.07 million sq. ft., or 19.67 per cent., of our Ongoing Projects and Upcoming Projects are being developed through joint ventures.

[1] *In their consent to be named in this Red Herring Prospectus, Marriott Hotels India Private Limited has required us to state that "neither Marriott Hotels India Private Limited nor any of their respective affiliates: (i) have reviewed this Red Herring Prospectus, and they express no opinion as to the accuracy or completeness thereof, (ii) shall or will be deemed a sponsor of the offering described in this Red Herring Prospectus, nor will it have any responsibility for this Red Herring Prospectus".*

Typical Joint Development Model

The following diagram illustrates a typical joint development:

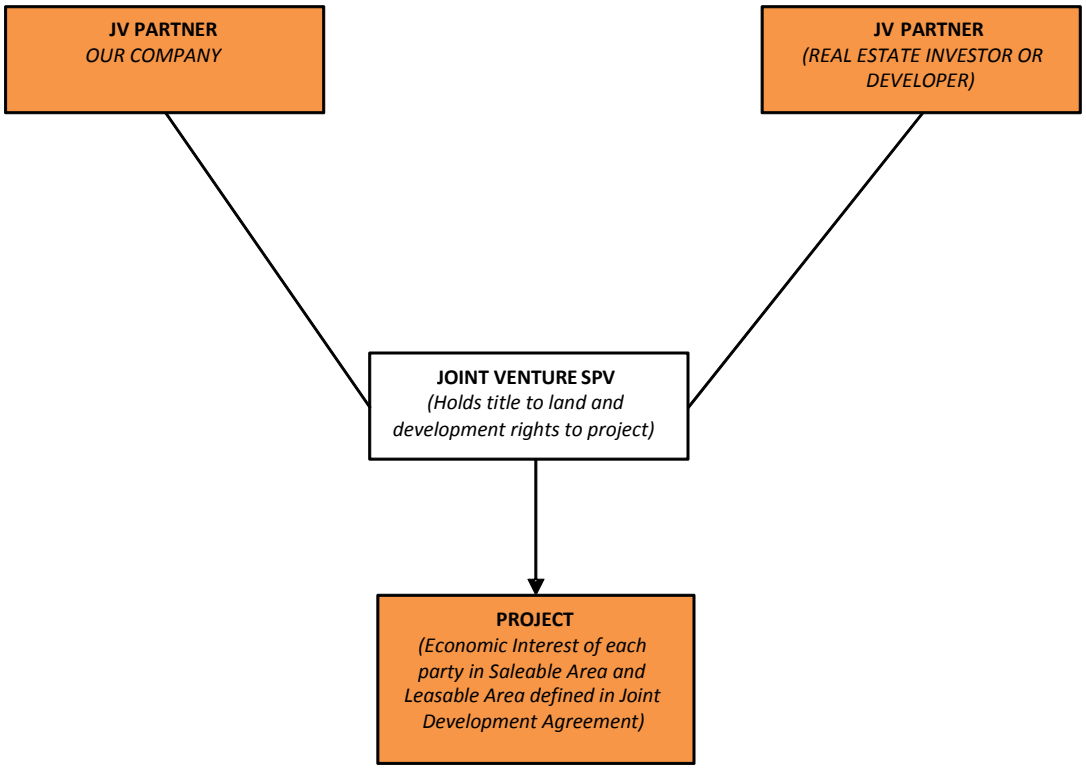


In terms of each joint development agreement we conclude with land-owners, the land-owner contributes the underlying land, and we, as the project developers, either directly through our Company, Subsidiaries or a joint venture SPV (see "– *Typical Joint Venture Model*", below), are responsible for the cost and execution of the development of the project on the land contributed by the land-owner, as well as the marketing and sale of the project upon launch or completion.

The joint development agreement also typically sets out the economic interest of each of the land-owner and developer, which is expressed as a percentage of the total Developable Area in respect of which each party is entitled to the sale proceeds or rental income from its share in the built-up area of the project, as the case may be. Each party is also entitled to a certain percentage of the land area which is same as the share in the land area. Accordingly, our economic interest in a given project developed pursuant to a joint development agreement represents the percentage of sale proceeds from the Developable Area, and/or percentage of rental income from the Leasable Area and the percentage of the share in the land area conveyed to us, that we are entitled to retain under the terms of the joint development agreement.

Typical Joint Venture Model

The following diagram illustrates a typical joint venture:



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

When developing a project through a joint venture, we typically enter into a joint venture agreement with a partner (for example, CMIDF. See "– *Our Joint Venture with CMIDF*") for the development of one or more projects.

In terms of each joint venture agreement we conclude with a partner, an SPV is incorporated in which each party to the joint venture invests a stipulated amount of equity capital. The acquisition of land for the project and the development costs are born by the SPV, which holds the development rights to the land, and the project is typically sold and marketed under the "Prestige" brand name.

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

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

OUR REAL ESTATE PROJECT DEVELOPMENT AND EXECUTION METHODOLOGY

We have adopted a systematic methodology for the process of our real estate projects, which can be divided into the following distinct activities:

Identification of Potential Projects and Land

One of the key factors in the real estate development sector is the ability to assess the potential of a location after evaluating its demographic trends. We rely on our experience and ability of our senior management to identify and evaluate potential locations, and we conduct comprehensive market research and analysis of proposed projects to analyze absorption trends, competitive factors, market prices and product gaps. See "– *Real Estate Project Development and Execution Methodology*", below. We also use our experience to evaluate locations where we can gain an "early-to-market" advantage, such as in the Forum Vijaya Mall and Forum Sujana malls in Chennai and Hyderabad respectively.

The process of land identification starts from the stage of selecting an appropriate land parcel which has growth potential. This is done by our projects research team which gathers market data on possible prospects while selecting a land parcel for development which is verified with the information that we have already collated. We also obtain a title opinion of the proposed lands, and consult with local real estate marketing professionals.

Thereafter, a survey is conducted at the proposed site and a preliminary feasibility report is prepared. The report is based on an analysis of specific criteria, including, among other things (a) the financial viability of the project, (b) the available or planned infrastructure surrounding the land that we have identified for our project, (c) the standard of living and disposable income of the population of the location, and (d) the growth prospects of the cities and towns in terms of trade and industry. The next step, after area identification, involves identifying the type of project to be undertaken in that particular area and deciding on the scale of the project. Typically, decisions at this stage involve examining the viability of developing residential, commercial, hospitality or retail projects on the identified project site. The final decision on the location, nature, financial feasibility and scale of each project is taken by our senior management.

Legal Analysis and Regulatory Approvals

While evaluating the feasibility of a location for the implementation of a project, we believe it is important to understand the legal regime governing land acquisition and development in that location, which varies according to state and intra-state locations. We also evaluate the factors which affect the obtaining of the approvals required for the development and implementation of the project. The approvals which are typically required for a real estate development project include approvals for building plans, the conversion of agricultural lands to non-agricultural lands (where applicable), the approval of lay-outs and approvals relating to certain infrastructure facilities such as power and water. Similarly, approvals from various government authorities, including from the relevant environmental authorities, airport authorities and fire authorities are required for buildings above a certain stipulated height. Building completion certificates are obtained in accordance with applicable law from the appropriate authorities after the projects have been completed.

Acquisition of title

As discussed under "– *Legal Analysis and Regulatory Approvals*", above, the right to purchase land is primarily dependent upon the laws and regulations governing the location of the proposed real estate project. The properties in our existing Land Bank have been acquired by us and are held directly by us (either directly or through long leases), or through joint development agreements or joint ventures. (See "– *Our Business – Our Land Bank*")

Project Planning, Design, Construction and Management

The planning of our projects is completed by our in-house planning department and design is undertaken by external architects and structural consultants appointed by us for that purpose. The majority of the architects and structural consultants engaged by us are specific to a particular project and are drawn from a pool of designers and architects. The architect we appoint provides us with the architectural design of the project and the structural design is provided

by an external structural consultant. A tender process is conducted with an approved panel of contractors who are pre-qualified at the time they are placed on the panel. Our in-house project and planning department conducts the estimates of the requirements for manpower, materials and machinery. The external consultants may continue to advise us during the course of the project.

Once the design and the estimates for the project have been finalized, we set up a project team under the supervision of a senior engineer which is dedicated to that particular project, and who is responsible for centralized coordination and reports to our senior management.

The purchase of materials is centralized and is based on the estimates given by the planning department or the architect, as the case may be. We are not dependent on any single contractor, builder or supplier for our construction activities. The orders are placed by us on the basis of arms-length negotiations and we conduct tender and bidding processes accordingly.

In 2009, we acquired 75 per cent. of the share capital of Team United, now known as K2K Infrastructure Private Limited, a construction company in South India, with the aim of developing an in-house construction capability. K2K Infrastructure Private Limited offers construction services to us and to third party developers outside of our group.

We seek to ensure that raw materials and other goods and services sourced from third party vendors are delivered in a timely and cost effective manner, that payment is made to suppliers promptly, and that any scrap or waste from project sites is effectively disposed of.

We have developed a system of internal reporting in order to monitor the status and progress of all the projects being developed by us on a weekly basis. The system helps us to reduce time and cost overruns.

We deploy representatives of our head office at the sites of our projects to deal with issues related to manpower planning, including the welfare of the workers, as well as security and administration of the site. These representatives travel from site to site in order to oversee such issues. As we do not employ site labor, we insist on our contractors ensuring compliance with relevant regulatory and statutory obligations in relation to their labor force.

Pricing

The prices of our properties are determined principally by market forces of supply and demand. We price our sales and rental properties by reference to market rates for similar types of properties in their locality. The sales and rental prices of our properties will therefore depend on the location, number, square footage and mix of properties we sell or rent during each fiscal period, and on prevailing market supply and demand conditions. Supply and demand conditions in the real estate market in the areas in which we operate, and hence the prices we may charge for our properties, are affected by various factors outside our control, including prevailing local economic, income and demographic conditions, interest rates available to purchasers requiring financing, the availability of comparable properties completed or under development, changes in governmental policies relating to zoning and land use, changes in applicable regulatory schemes, and competition from other real estate development firms.

In light of the above market forces, we price our projects for sale by taking the following factors into account:

- Cost of the land and final estimated construction costs;
- A premium, depending on the location of the project (e.g.: we typically include a higher premium where a project is situated in a suburban area or a central business district) and by reference to our targeted internal rates of return;
- The prevailing market for similar developments in that segment; and
- The maximum premium on a project which we believe to be achievable in the segment of the particular project.

We ordinarily conduct this pricing exercise prior to pre-launch marketing of a project, and review the prices reached by considering the above factors on a periodic basis.

Project Completion and Hand-Over

We transfer the title or lease hold rights, as the case may be, to the customer. We ensure that the entire consideration is paid to us prior to the transfer of title or before possession is handed over, whichever is earlier.

SALES AND MARKETING

We have a dedicated sales team which focuses on the sales of residential and commercial projects, and a dedicated leasing team which focuses on the leasing of commercial (including sub-lease and fit-out services) and retail projects. In our hospitality projects, marketing is undertaken by the hotel operator, in terms of the operating, marketing and technical services agreements that we enter into with them. We sell projects both on a pre-sale basis as well as during and after construction.

Our Sales Team

We undertake direct sales efforts, either through our sales team, which comprises of 78 professionals as of December 15, 2012, or through our external network of accredited marketing associates.

We maintain a detailed database of our existing clients for purposes of marketing new residential and commercial projects to them. In addition, all enquiries, whether from existing or new clients, are captured by a separate enquiries database. Both databases are used to target clients for any new real estate offering, and typically constitute the first reference list that our sales team uses in marketing any new project. We believe that these databases are one of the key factors in our ability to achieve high rates of pre-sales of projects. See "*– Our Competitive Strengths – Ability to pre-sell residential projects*".

Our marketing activities typically begin immediately following the finalization of the pricing of a real estate project, at which stage our sales team targets potential purchasers. Our sales team conducts an extensive marketing launch where they brief our marketing associates on the development in question, and provide them with all relevant information and materials necessary for the marketing of the development.

Our sales team also utilizes a mix of traditional marketing methods such as advertising and publicity in the leading newspapers and magazines of the region. In addition we also publish two in-house newsletters, Falcon News and UB Collection, which enable us to maintain contact with our clients periodically. We also utilise the internet to market our developments by advertising on property portals and search engines in order to reach potential clients outside of India and in parts of India outside of the South Indian region.

Finally, we typically build, furnish and landscape show units for residential projects and maintain an on-site sales office for each development. These show units are intended to provide potential clients with a virtual experience of our residential projects, and provides us with an opportunity to address and focus on the unique requirements of each potential client.

Our Leasing Team

Our leasing team has established relationships with international property consultant Jones Lang LaSalle through whom we source a number of our commercial lease clients. In lieu of providing such services to us, we pay such Jones Lang LaSalle a monthly fee. Our leasing team maintains contacts with Jones Lang LaSalle and regularly updates them on the availability of commercial space in our developments. In addition, our leasing team also conducts independent marketing activities aimed at procuring new lease clients, such as exhibiting at commercial trade fairs and events.

Our leasing team also recommends the terms of leases to management based on prevailing market conditions, and provides input to the project design process in order to ensure that our projects meet the prevailing demands of the market.

The leasing team retains responsibility for legal documentation, the collection of lease deposits and the timely collection of rentals. (See "– *Collections*", below).

Collection

As part of our sales process we typically ensure that we collect 15 per cent.-20 per cent. of the purchase price at the time of booking the sale of the unit, with structured installment payments to follow in terms of our agreement with the client. In instances where our clients default on the payment of the balance of a purchase price, our agreements include appropriate provisions which allow for the forfeiture of the pre-booking payment, though these amounts can be refunded in the event that the property is subsequently sold to another client.

All receivables of our real estate development business are managed using integrated ERP and accounting software (see "– *Information Technology*", below) to monitor the performance of our clients' purchase and rental installment obligations. This integrated software also generates both statements for our clients, as well as the appropriate data for our management information systems.

We send statements to our clients on a periodic basis (dependant on the agreed schedule of payments for purchase price installments or rental payments) and any outstanding payment obligations are promptly followed up on by our customer relationship management department, which has a dedicated collections team, with the client in question. Our collections team draws any significant arrears to the attention of our senior management, and where necessary, we meet with our clients who are in arrears to restructure, and otherwise facilitate, payments. We charge interest on payment obligations that are in arrears, and the amount is determined on a transaction-by-transaction basis, and agreed prior to the conclusion of a property transaction with our client.

COMPETITION

We operate in highly competitive markets and competition in these markets is based primarily on the availability and cost of land. To remain competitive, we strive to reduce procurement costs and improve operating efficiencies. We also face competition from both domestic and foreign companies in bidding for new property development projects.

The real estate development sector is still largely fragmented in India. Among the few organized entities in this sector, our chief competitors in South India in certain of our business segments are large developers such as Brigade Enterprises, Embassy Group, Puravankara Projects, RMZ Corp and Sobha Developers.

Competition in the market for leased commercial real estate space is driven principally by the location of the development and the pricing of rentals. In central business districts, competition in this segment comes from both new developments and existing developments which subsequently become vacant.

EMPLOYEES

As at Novemer 30, 2012, our Company had 488 employees consisting of finance, technical (engineering and architecture), marketing, property management, legal and administrative and non-technical staff. We do not take into count any manpower employed by our sub-contractors in calculating our personnel members. We expect that human resources and employee recruitment activities will increase as our business grows.

We believe that our employees are key contributors to our business success. We make a concerted effort to provide training and development to newly hired professionals in order to maximize the performance of our employees. Our work force consists of (i) our permanent employees, (ii) consultants who we engage on a contractual basis to assist in the architectural and structural design of our projects, and (iii) contractors who are engaged by us on a contractual basis and who employ laborers to work at project sites. In order to engage contract laborers for projects sites, we are required to be registered under certain regulations. For further information see – "*Risk Factors – India has stringent labor legislation that protects the interests of workers, and if our employees unionize, we may be subject to industrial unrest, slowdowns and increased wage costs*".

Insurance

In relation to our real estate development business, we obtain specialized insurance for construction risks and third-party liabilities for most projects for the duration of the project and the defect liability period. We may also be subject to claims resulting from defects arising from engineering, procurement or construction services. We generally maintain insurance covering our assets and operations at levels that we believe to be appropriate. Our contractor's all-risk insurance policy covers risks relating to physical loss or damage to materials and property, including contract works. Under the contractor's all-risks insurance policy, we are also provided with coverage for price escalation, debris removal and for damage to surrounding properties. Our general public liability insurance policy also indemnifies us against legal liability to pay damages for third-party civil claims arising out of bodily injury or property damage caused by an accident occurring in the ordinary course of business. We also maintain directors and officers liability for indemnification against certain losses such prosecution costs and damages to reputation.

Intellectual Property

We have obtained trademark registrations for our various logos, labels and brands which we use in our Business. We have registered trademarks over the name and logo *Prestige Group*, *Prestige Estates Projects Private Limited*, *The Falcon House* and *The Forum* for various classes of goods and services. Our Promoter and members of our Promoter Group have registered a trademark over the name and logo Prestige Group in relation to certain goods in the nature of paper, printed materials, clothes and toys. We have registered for the names Prestige Oasis and Prestige Golfshire. Our Subsidiary Prestige Amusements Private Limited also holds registered trademark over the name "The Forum" for various classes of goods and services. Our Promoters and our subsidiary, Prestige Amusements Private Limited, have licensed to our Company the use of the trademark Prestige Group and "the Forum" through licensing agreements dated December 30, 2005 and March 28, 2008, respectively, for a one-off fixed consideration of ₹ 10,000 each. Our Subsidiary Prestige Leisure Resorts Private Limited also holds registered trademark over the name "Transit".

Information Technology

We have incorporated modern software systems in our businesses and operations. In addition to standard software systems for word processing, providing secure access to applications and content from clients and other systems used by our employees, we have recently implemented an ERP package based on Quadra software to integrate and effectively manage our financial and procurement systems.

Our Office Property

We lease our Registered Office, located in our Falcon House premises in Bengaluru, India, from Cutchi Memon Union for a period of 15 years starting from April 1, 2004. The lease expires on March 31, 2019. Upon expiry, the Company is entitled to renew the lease by executing a new lease deed.

We also have our offices at the following locations in India:

No.	Property and location	Status of Title
1.	Marine Drive, Kochi	Leased
2.	T Nagar, Chennai	Leased
3.	Banjara Hills, Hyderabad	Leased

Litigation

For further information on material litigation involving our Company, its Subsidiaries and Associates, see –"*Legal Proceedings*".

Regulations and Policies

Draft Real Estate Bill

The Ministry of Housing and Urban Poverty Alleviation has framed the Draft Real Estate Bill which has been shared with the Ministry of Law and Justice and is subject to Cabinet approval and thereafter is subject to approval of the Indian Parliament as well as the President of India and publication in the Official Gazette before becoming law. The Draft Real Estate Bill aims to establish (i) a real estate regulatory authority for regulation and planned development in the real estate sector and to ensure sale of immovable properties in an efficient and transparent manner and to protect the interest of consumers in the real estate sector and (ii) an appellate tribunal to adjudicate disputes and hear appeals from the decisions or orders of the real estate regulatory authority. Under the Draft Real Estate Bill, it is proposed that every person including a builder, colonizer, contractor or developer who constructs or causes to be constructed any immovable property for the purpose of selling, is required to obtain a certificate of registration and no such person is permitted to issue or publish an advertisement or prospectus or invite any members of the public to buy or make bookings in such projects to be developed or take advances or deposits without obtaining such certificate of registration from the real estate regulatory authority. Under the Draft Real Estate Bill, restrictions have also been imposed on accepting any sum of money or advance payment or deposit from any proposed buyer without first entering into a written agreement for sale with the proposed buyer in the form specified in the Draft Real Estate Bill. Further, the real estate regulatory authority proposes to maintain a website containing details of the proposed projects, including, details of the sanctions obtained, nature of the title to the property, the agreement executed for the development of the proposed project, and details of all encumbrances on the land. The Draft Real Estate Bill also provides for payment of penalty and other sums of money to the proposed buyers in the event of failure to complete the project and deliver possession of the plot or building in accordance with the agreed terms. There is no certainty on whether the Draft Real Estate Bill will be approved in its current form or amended or enacted at all.

Further, the Land Acquisition, Rehabilitation and Resettlement Bill was introduced before the Indian Parliament to govern processes in relation to land acquisition in India.

For further details in relation to Draft Real Estate Bill and the Land Acquisition, Rehabilitation and Resettlement Bill, 2011, please refer to the disclosure under the risk factor "*Land is subject to compulsory acquisition by the government and compensation in lieu of such acquisition may be inadequate. Further, the proposed Land Acquisition, Rehabilitation and Resettlement Bill, 2011 and the draft Real Estate (Regulation and Development) Bill, 2011 if enacted, may materially and adversely affect our business"*.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors

The Company's Articles of Association provide that the minimum number of Directors shall be three and the maximum number of Directors shall be 12. As of the date of this Red Herring Prospectus, the Company has seven directors. The Company may, subject to the provisions of the Articles of Association and the Companies Act, alter the minimum or the maximum number of Directors by approval of its shareholders, subject to approval of the Government, if the increase is beyond the maximum permissible limits under its Articles of Association as first registered.

Not less than two-thirds of the total number of Directors shall be elected Directors who are liable to retire by rotation. At the Company's annual general meeting, one-third of the Directors for the time being who are liable to retire by rotation shall retire from office. A retiring director is eligible for re-election. The Executive Directors of the Company are not liable to retire by rotation. The quorum for meetings of the Board of Directors is one-third of the total number of Directors, or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-third of the total strength the number of remaining Directors present at the meeting, being not less than two, shall be the quorum.

The Company's Directors are not required to hold any Equity Shares to qualify to be a Director.

The following table provides information about the Company's current Directors as of the date of this Red Herring Prospectus:

Sr. No.	Name, DIN, Term and Nationality	Age (Years)	Designation
1.	**Irfan Razack** **DIN**: 00209022 **Term**: Re-appointed on October 20, 2009 with effect from October 1, 2009 for a term of five years **Nationality**: Indian	59	Chairman and Managing Director
2.	**Rezwan Razack** **DIN**: 00209060 **Term**: Re-appointed on October 20, 2009 with effect from October 1, 2009 for a term of five years **Nationality**: Indian	57	Joint Managing Director
3.	**Noaman Razack** **DIN**: 00189329 **Term**: Appointed on July 28, 2011 for a term of five years **Nationality**: Indian	56	Whole-Time Director
4.	**Jagdeesh K. Reddy** **DIN**: 00220785 **Term**: Liable to retire by rotation **Nationality**: Indian	45	Independent Director

Sr. No.	Name, DIN, Term and Nationality	Age (Years)	Designation
5.	**B.G. Koshy** **DIN**: 01651513 **Term**: Liable to retire by rotation **Nationality**: Indian	64	Independent Director
6.	**Noor Ahmed Jaffer** **DIN**: 00027646 **Term**: Liable to retire by rotation **Nationality**: Indian	63	Independent Director
7.	**Dr. Pangal Ranganath Nayak** **DIN**: 01507096 **Term**: Liable to retire by rotation **Nationality**: Indian	55	Independent Director

Brief Profile of the Directors

Irfan Razack, holds a Bachelors degree in Commerce from St. Joseph's College, Bengaluru University where he was awarded the Lifetime Achievement Award by St. Joseph's Old Boys Association. He has also attended a course by the United Nations University International's Leadership Academy (UNU/ILA) in Jordan. He has been the Honorary Secretary of the Al-Ameen Educational Society for 16 years and the President of Bengaluru Commercial Association (BCA), Chairman of the real estate committee of CREDAI Karnataka for four years. He is also a special invitee to the Southern Regional Council of Confederation of Indian Industries (CII) and conducted and chaired three editions of the Estate South summit organized by them. He is also the receipient of the "Entrepreneur Extraordinaire award 2010" awarded by the Builders Association of India and Confederation of Real Estate Developers Association of India. He was also awarded with the Best Developer Award in 2009-10 by Karnataka State Town Planning Department. As past president of Rotary Midtown, Bengaluru, he is still actively involved in the club's activities, and is also a Paul Harris Fellow.

He has been our Managing Director since 1997. He has overall experience of 38 years in the retail and real estate industry and established our Company in 1986. He is responsible for the overall management of our Company and oversees a gamut of activities from corporate strategic planning to decision making.

Rezwan Razack, holds a Bachelors degree in Commerce from the St. Joseph's College, Bengaluru University. He established our Company in 1986. He assumes overall responsibility for the construction (including aesthetic developments) and engineering activities of our Company and also guides our overall decision making processes. He has been our Joint Managing Director since 1997. He has over 36 years experience in the retail and real estate industry.

He has completed his research on Indian paper currency and has co-authored a book titled 'Indian Paper Money', which is a reference and guide on currency in India. He is currently the Chairman of the International Banknotes Society - India Banknote Collectors' Chapter, Bengaluru.

Noaman Razack, holds a Bachelors degree in Commerce from Bengaluru University. He is one of the founding members of the Company and the Whole-time Director of the Company since July 28, 2011. He is currently the head of the Company's retail division and also the Managing Director of Prestige Fashions Private Limited (a company under the same management). He has over 33 years of work experience in business development.

Jagdeesh K. Reddy, holds a Bachelor of engineering degree from the Mangalore University and a Master of Business Administration degree from Joseph M. Katz Graduate School of Business, University of Pittsburgh. He is currently engaged in the transport business. He has been a member of our Board since November 10, 2009.

B.G. Koshy holds a Master of Arts degree in English from the University of Bombay. He has served as a member of the advisory panel of Central Board of Film Censors at Bombay. He is also serving a as a member of the advisory cell pertaining to minorities attached to the Karnataka DG & IG of Police. He has been a member of our Board since November 10, 2009.

Noor Ahmed Jaffer holds a Bachelor of Commerce degree in Commerce from St. Joseph's College, Bengaluru University. He co-founded Paper Packaging Private Limited in Bengaluru. He is also a director on the boards of Accupak Private Limited, a packaging unit in Bengaluru and Shimoga Infrastructure Private Limited. He has extensive business experience and specialises in strategic decision making. He has been a member of our Board since November 24, 2009.

Dr. Pangal Ranganath Nayak holds a Bachelors degree in Medicine and Surgery from the St. John's Medical College and Hospital, Bengaluru University and Doctorate in Medicine from Command Hospital, Bengaluru University. He also holds a Doctor of Medicine degree in Cardiology from Christian Medical College, Vellore. He is currently Senior Consultant Cardiology at Vikram Hospital, Bengaluru. He also has extensive business experience in the fields of healthcare, pharmaceutical sciences and clinical research. He was awarded the Hargobind Overseas Training Fellowship in 1991 for training in interventional cardiology in Australia and France. He has been a member of our Board since November 24, 2009.

Borrowing Powers of the Board

In terms of the Articles of Association, the Board may, from time to time, at its discretion raise or borrow any sum or sums of money for the purposes of the Company and subject to the provisions of the Companies Act may secure payment or repayment of the same in such manner and terms as prescribed by the Board. The shareholders of the Company, through a resolution passed at the EGM dated November 10, 2009, authorised the Board to borrow monies together with monies already borrowed, in excess of the aggregate of the paid up capital of the Company and its free reserves, not exceeding ₹ 25,000 million at any time.

Shareholding of Directors

The following table sets forth the number of Equity Shares held by the Directors as of December 15, 2012:

Name	Number of Equity Shares	Percentage (%)
Irfan Razack	65,625,000	20.00
Rezwan Razack	65,625,000	20.00
Noaman Razack	65,625,000	20.00
Jagdeesh K. Reddy	-	-
B.G. Koshy	13,000	0.00*
Noor Ahmed Jaffer	-	-
Dr. Pangal Ranganath Nayak	-	-

***** *Less than 1.00%*

Compensation of the Directors

Executive Directors

Set forth below are details of the compensation (and other terms and benefits) paid by the Company to its Executive Directors:

Irfan Razack

Particulars	Remuneration
Salary	₹ 2 million per month
Other allowances	• Leave travel allowance for self and family once in a year as claimed by the Chairman & Managing Director • Medical reimbursement of actual expenditure incurred for self and his family as

Particulars	Remuneration
	claimed • Medical and/or Life Insurance as may be provided for by the Company equivalent to that provided to any key executive
Contribution to provident fund, gratuity and leave encashment	• *Provident Fund*: 12.00% per annum on basic plus dearness allowance • *Gratuity*: Gratuity allowance payable as per the Gratuity Act • *Leave Encashment:* Encashment of leave at the end of his tenure
Perquisites	• Entitled to a mobile connection and a landline connection at residence. • Entitled to use any car from the pool of cars owned or taken on lease by the Company. • Entitled for fuel reimbursements at actuals for Company owned cars or vehicles taken on lease by the Company.
Accommodation	• Rent free accommodation / house rent allowance
Additional payment by way of bonus or ex-gratia or payment in any other manner	• 2.00% of the Net Profits as commission in addition to the salary, if the same is within the limits specified in the Section 198 and Schedule XIII of the Companies Act
Salary in the event of inadequacy of profit	• In the event of loss or inadequacy of profit, in any financial year, he shall be entitled to receive a total remuneration including perquisites etc., not exceeding the ceiling limits as per Schedule XIII of the Act or any modifications, thereon.

Rezwan Razack

Particulars	Remuneration
Salary	• ₹ 2 million per month
Other allowances	• Leave travel allowance for self and family once in a year as claimed by the Joint Managing Director • Medical reimbursement of actual expenditure incurred for self and his family as claimed • Medical and/or Life Insurance as may be provided for by the Company equivalent to that provided to any key executive
Contribution to provident fund, gratuity and leave encashment	• *Provident Fund*: 12.00% per annum on basic plus dearness allowance • *Gratuity*: Gratuity allowance payable as per the Gratuity Act • *Leave Encashment:* Encashment of leave at the end of his tenure
Perquisites	• Entitled to a mobile connection and a landline connection at residence. • Entitled to use any car from the pool of cars owned or taken on lease by the Company. • Entitled for fuel reimbursements at actuals for Company owned cars or vehicles taken on lease by the Company.
Accommodation	• Rent free accommodation / house rent allowance
Additional payment by way of bonus or ex-gratia or payment in any other manner	• 2.00% of the Net Profits as commission in addition to the salary, if the same is within the limits specified in the Section 198 and Schedule XIII of the Companies Act
Salary in the event of inadequacy of profit	• In the event of loss or inadequacy of profit, in any financial year, he shall be entitled to receive a total remuneration including perquisites etc., not exceeding the ceiling limits as per Schedule XIII of the Companies Act or any modifications, thereon.

Noaman Razack

Noaman Razack is entitled to a salary of ₹ 0.25 million per month and such other facilities and perquisites as per the regulations of the Company.

The remuneration by way of salary and commission payable to Irfan Razack, Chairman and Managing Director, Rezwan Razack, Joint Managing Director and Noaman Razack, Whole-Time Director is within the limits laid down in Section 198 and Section 309 of the Companies Act.

Except Irfan Razack and Rezwan Razack, we do not have employment contracts with any other Directors.

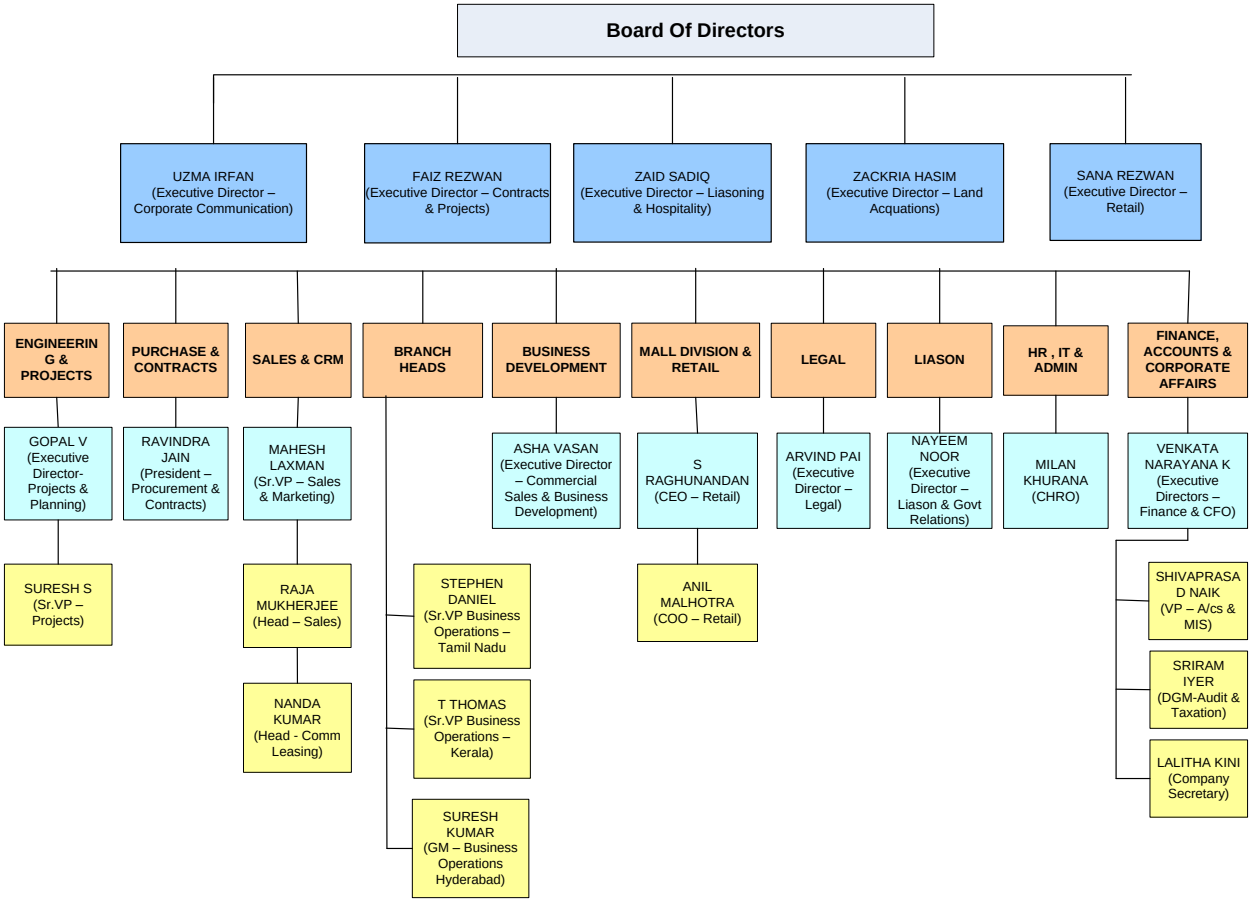
Non-Executive Directors

Our Non-Executive Directors (Independent Directors) are not paid any remuneration except for sitting fees.

Prohibition by SEBI or Other Governmental Authorities

None of the Promoters, Directors or persons in control of our Company or the companies with which they are or were associated as promoters, directors or persons in control have been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Organisation Structure



Key Managerial Personnel

The key managerial personnel of the Company, other than the Executive Directors, are as follows:

Faiz Rezwan, Executive Director (Contracts & Projects), aged 32 years is the son of Rezwan Razack. He joined our Company as a Director on June 1, 2005. He has been appointed as Executive Director (Contracts & Projects) with effect from October 1, 2009. He is currently the head of the procurement department and is engaged in the development and planning of Prestige Golfshire Project. He was also actively involved in the formation of the Inventure Academy which marked the entry of the group into the field of education. The remuneration paid to him in Fiscal 2012 was approximately ₹ 0.3 million.

Uzma Irfan, Executive Director (Corporate Communications), aged 33 years is the daughter of Irfan Razack. She joined our Company as a Director on January 1, 2007. She has been appointed as Executive Director (Corporate Communications) with effect from October 1, 2009. She holds a Bachelors degree in Business Administration and a dual degree (English and American) from the American Inter Continental University, London and a Degree of Bachelor of Arts. She is currently handling corporate communications and oversees the media relationships of the group. The remuneration paid to her in the Fiscal 2012 was approximately ₹ 0.3 million.

Zackria Hashim, Executive Director (Land Acquisition), aged 67 years joined our Company as a Director on June 1, 2005. He has been appointed as Executive Director (Land Acquisition) with effect from October 1, 2009. He has an experience of over 37 years in the real estate industry. He has been associated with our Company for over six years. He is involved in land surveying and land acquisition for our Company. The remuneration paid to him in the Fiscal 2012 was approximately ₹ 0.3 million.

Zaid Sadiq, Executive Director (Liasioning & Hospitality), aged 35 years joined our Company as a Director on January 1, 2007. He has been appointed as our Executive Director (Liasioning and Hospitality) with effect from October 1, 2009. He holds degree in B.A. (Hons) Hospitality Management and Masters in Business Management Administration from Thames Valley University, U.K. He also holds Hospitality Management diploma (American Hotel and Lodging Association) from The London Hotel School, and he completed his internship in the Copthorne Tara Hotel, London for a period of one year. He has an experience of over five years in the hospitality sector. He has been associated with our Company for the past 5 years and currently handles the public relations affairs of our Company. The remuneration paid to him in the Fiscal 2012 was approximately ₹ 0.6 million.

T. Arvind Pai, Executive Director (Legal), aged 45 years joined our Company on June 1, 1999. He holds a Bachelors degree in commerce and a Bachelors degree in law from the Mangalore University. Prior to joining us he was working with the Taj Group of Hotels, Bengaluru as a legal officer for the Bengaluru hotels. He has an experience of over 22 years and has been working as the head of the legal department of our Company for 13 years. He looks after the legal affairs of our Company, supports our land acquisition and development activities and is responsible for the management of our general contracting and legal processes and documentation. The remuneration paid to him in the Fiscal 2012 was approximately ₹ 10.05 million.

V. Gopal, Executive Director (Project & Planning), aged 48 years joined us on March 23, 1992. He holds a Bachelor of Engineer degree in civil engineering from the Bengaluru University. He has an experience of over 27 years and has been associated with our Company for the past 20 years. He is currently the head of the engineering, construction and planning division of our Company and is in charge of project execution. The remuneration paid to him in the Fiscal 2012 was approximately ₹ 10.78 million.

Venkata K. Narayana, Executive Director – Finance & Chief Financial Officer, aged 33 years joined us on July 1, 2003. He holds a Bachelors degree in Commerce from Indira Gandhi National Open University and is also a qualified Company Secretary, Chartered Accountant, costs accountant and is a member of the Institute of Chartered Secretaries and Administration (UK). He has an experience of over 12 years and has been associated with our Company for over eight years and is responsible for the overall finance function of our Company, corporate taxation and planning and corporate affairs. He was instrumental in introducing private equity investments into the group and for entering into several key strategic joint ventures. The remuneration paid to him in the Fiscal 2012 was approximately ₹ 12.82 million.

Shivaprasad Naik, **Vice President (Accounts and MIS)**, aged 47 years joined our Company on December 16, 1996. He holds a Bachelors degree in commerce from the Mangalore University and is a Chartered Accountant (Inter). He has an experience of over 26 years in finance and accounts. He has been associated with our Company for the past 15 years and is in charge of transaction processing, accounts and audit, MIS and budgeting. The remuneration paid to him in the Fiscal 2012 was approximately ₹ 7.85 million.

Asha Vasan, Executive Director – Business Development, aged 39 years joined us on May 4, 1992. She holds a diploma from the Bengaluru University. She has over 19 years of experience with our Company and has served in various business functions including guest relations, administration, collections, customer relations to sales and marketing and has been associated with our Company. She is currently the Executive Director – Business Development. She is responsible for sales of office and commercial space and resolving customer issues. The remuneration paid to her in the Fiscal 2012 was approximately ₹ 7.73 million.

Nayeem Noor, Executive Director (Public Relations), aged 52 years joined us on February 2, 1992. He has an experience of over 36 years and has been associated with our company for over 21 years. Prior to joining us, he was working with the Aluminium Etrusion Company in Saudi Arabia. He is currently the head of the department of public relations and liaison and is an interface between the Company, governmental departments and statutory authorities. The remuneration paid to him in the Fiscal 2012 was approximately ₹ 8.85 million.

Ravindra Jain, President (Procurement & Contracts), aged 64 years joined us on October 6, 2008. He holds a Bachelors degree in civil engineering from IIT Kanpur and a master's degree in business administration from the University of Allahabad. Prior to joining our Company he has worked with Topnotch Infrastructure Private Limited. He has an experience of over 37 years and has been associated with our Company for four years. He is currently the

head of the contracts and procurement department and is responsible for procurement, tender negotiations, awarding contracts, quality assurance, budgeting, cost monitoring etc. The remuneration paid to him for the Fiscal 2012 was approximately ₹ 6.56 million.

S. Raghunandhan, Chief Executive Officer (Retail), aged 53 years joined us on July 1, 2009. He has an experience of over 29 years across various business including hospitality logistics and retail. He is responsible for the retail mall business of the Company. He has been associated with our company for the past 3.5 years. The remuneration paid to him in the Fiscal 2012 was approximately ₹ 7.12 million.

Lt. Col. (Retd.) Milan Khurana, Chief Human Resource Officer, aged 45 years joined us on September 4, 2008. He holds a degree of Bachelor of Arts from the Jawarharlal Nehru University and participated in the eighth month of the Strategic HR Leader Programme organized by Totus HR School. He has an experience of 20 years in the Indian Army on various assignments that include Planning, HRD/Personnel, Training & Development, Security & Safety and General Administration. He has been associated with our company for the past four years. He is responsible for all the HR, IT & Admin activities that encompass recruitment, training and development. The remuneration paid to him for the Fiscal 2012 was approximately ₹ 3.64 million.

Sana Rezwan, Executive Director (Retail), aged 28 years is the daughter of Rezwan Razack. She has been appointed as the Executive Director of Retail with effect from February 1, 2012. She holds a degree in Bachelor of Fine Arts in Fashion Marketing from the American Inter Continental University, London. She has been admitted as a member of the Dean's list (Spring term 2006) for academic excellence by the Amercian Inter Continental University, London. She is actively involved with the retail vertical of the Prestige Group. The remuneration paid to her in the Fiscal 2012 was approximately Rs. 0.05 million.

V.V.B.S. Sarma, Sr. Vice President- Finance & Accounts, aged 55 Years was associated with the group since 1992 as a Consultant & joined Prestige Property Management & Services on May 1, 2009. He holds a Bachelor degree in Commerce from Bengaluru University and is also a qualified Chartered Accountant. He has over 27 Years of experience in finance and accounting and currently manages the finance and accounting function for Prestige Property Management & Services and other firms. The remuneration paid to him by Prestige Property Management and Services for the Fiscal 2012 was approximately ₹ 4.60 million.

Except for V.V.B.S. Sarma who is the employee of Prestige Property Management and Services all the other Key Management Personnel are permanent employees of our Company.

The following table sets forth the number of Equity Shares held by the key managerial personnel as of December 15, 2012:

Name	Designation	No. of Equity Shares held
Uzma Irfan	Executive Director (Corporate Communications)	5,475,750
Faiz Rezwan	Executive Director (Contracts & Projects)	5,465,250
T. Arvind Pai	Executive Director (Legal)	2,100
V. Gopal	Executive Director (Project & Planning)	3,270
Venkata K. Narayana	Executive Director – Finance & Chief Financial Officer	27,200
Shivaprasad Naik	Vice President (Accounts and MIS)	2,160
Asha Vasan	Executive Director – Business Development	3,270
Nayeem Noor	Executive Director (Public Relations)	540
Lt. Col. (Retd.) Milan Khurana	Chief Human Resource Officer	270

Corporate Governance

The Company complies with the applicable corporate governance requirements, including the requirements such as constitution of the Board and Committees thereof under the Equity Listing Agreement.

Currently, the Board consists of seven Directors out of which four are independent Directors. As the Chairman of the Company is a person related to the Promoters and an Executive Director, at least half of the Board is required to consist of independent directors, as required under the corporate governance norms provided in Clause 49 of the

Equity Listing Agreement. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and proper constitution of Committees of the Board. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Committees of the Board

As of the date of this Red Herring Prospectus, there are two Board level committees in the Company, which have been constituted and which function in accordance with the relevant provisions of the Companies Act and the Equity Listing Agreement: (i) the Audit Committee; (ii) the Investors' Grievance Committee.

The members of the aforesaid committees as of the date of this Red Herring Prospectus are:

Committee	Members
Audit Committee	Jagdeesh K. Reddy (Chairman), B.G. Koshy, Irfan Razack and Dr. Pangal Ranganath Nayak
Investors' Grievance Committee	B.G. Koshy (Chairman), Irfan Razack and Rezwan Razack

The Company has also constituted another Board level committee being the Management Sub-Committee with Irfan Razack, Rezwan Razack and Noaman Razack as members, *inter alia* empowered to facilitate the daily operations of the Company and dealing with borrowing, investing of funds and granting of loans to Subsidiaries, Associates and other entities.

Interest of Promoters, Directors and Key Managerial Personnel

Except as stated in "***Financial Statements – Related Party Transactions***", and to the extent of shareholding held in the Company and remuneration, sitting fees and benefits to which they are entitled as per their terms of appointment, the Directors do not have any other interest in the Company or its business. The Directors may also be regarded as interested in the Equity Shares, if any, held by or that may be subscribed by and allotted to them, their relatives, dependents, companies, firms, HUF or trusts, in which they are interested as directors, members, partners, karta and/or trustees. All the Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares and any other benefit arising out of such holding and transactions with the companies with which they are associated as directors or members.

Our Promoters are further interested in the operations of our Company to the extent of the personal guarantees issued by them as security for most of our borrowings.

Our Promoters may also be deemed to be interested in the Company to the extent that they or any entities promoted by them hold an interest in any of our existing, ongoing or upcoming projects or the lands on which they are being developed.

The Non-Executive Directors of the Company may also be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or a committee.

Except our Promoters, none of the other Directors are related to each other.

Certain of our Key Managerial Personnel have availed of loans and services of our Company to lease out immovable property which they have purchased from our Company. They consequently receive lease rentals from such immovable property through our Company. Further certain of our Key Managerial Personnel are partners in a partnership firm which provides automobile leasing services to the Company and earns lease revenue.

The Key Managerial Personnel of the Company do not have any other interest in the Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of the Equity Shares held by them or their dependants in the Company, if any.

PRINCIPAL SHAREHOLDERS

Irfan Razack, Rezwan Razack and Noaman Razack are the Promoters of the Company.

The shareholding pattern of the Company as of December 31, 2012 is as indicated in the table below:

Category of Shareholder	No. of Shareholders	Total No. of Equity Shares	Total No. of Equity Shares held in Dematerialised Form	Total Shareholding as a % of total No. of Equity Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	No. of Equity Shares	As a % of Total No. of Equity Shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Individuals / Hindu Undivided Family	3	196,875,000	196,875,000	60.01	60.01	-	-
Bodies Corporate	-	-	-	-	-	-	-
Persons acting in concert	6	65,625,000	65,625,000	20.00	20.00	-	-
Sub Total	**9**	**262,500,000**	**262,500,000**	**80.01**	**80.01**	**-**	**-**
(2) Foreign	-	-	-	-	-	-	-
Total shareholding of Promoter and Promoter Group (A)	**9**	**262,500,000**	**262,500,000**	**80.01**	**80.01**	**-**	**-**
(B) Public Shareholding							
(1) Institutions							
Mutual Funds / UTI	40	21,972,529	21,972,529	6.69	6.69	-	-
Financial Institutions / Banks	1	9,000	9,000	0.00*	0.00*	9,000	100.00
Foreign Institutional Investors	84	36,026,085	36,026,085	10.98	10.98	-	-
Sub Total	**125**	**58,007,614**	**58,007,614**	**17.68**	**17.68**	**9,000**	**0.00***
(2) Non-Institutions							
Bodies Corporate	259	5,275,220	5,275,220	1.61	1.61	120,550	2.28
Individuals							
Individual shareholders holding nominal share capital up to ₹ 0.1 million	6,603	1,251,844	1,251,841	0.38	0.38	6,668	0.53
Individual shareholders holding nominal share capital in excess of ₹ 0.1 million	15	423,252	423,252	0.13	0.13	70,000	16.54
Any Others (Specify)	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Category of Shareholder	No. of Shareholders	Total No. of Equity Shares	Total No. of Equity Shares held in Dematerialised Form	Total Shareholding as a % of total No. of Equity Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	No. of Equity Shares	As a % of Total No. of Equity Shares
Trusts	3	7,200	7,200	0.00*	0.00*	-	-
Non Resident Indians (Repatriable)	82	46,987	46,987	0.00*	0.00*	-	-
Non Resident Indians (Non Repatriable)	26	8,977	8,977	0.00*	0.00*	-	-
Clearing Members	159	552,676	552,676	0.17	0.17	396	0.00*
Sub Total	**7,147**	**7,566,156**	**7,566,153**	**2.31**	**2.31**	**197,614**	**2.61**
Total Public shareholding (B)	**7,272**	**65,573,770**	**65,573,767**	**19.99**	**19.99**	**206,614**	**0.32**
Total (A)+(B)	**7,281**	**328,073,770**	**328,073,767**	**100.00**	**100.00**	**206,614**	**0.06**
(C) Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-
(1) Promoter and Promoter Group	-	-	-	-	-	-	-
(2) Public	-	-	-	-	-	-	-
Sub Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A)+(B)+(C)	**7,281**	**328,073,770**	**328,073,767**	**100.00**	**100.00**	**206,614**	**0.06**

* *Less than 1.00%*

Shareholding of persons belonging to the category "Promoter and Promoter Group" as of December 31, 2012 is detailed in the table below:

Name of the Shareholder	Details of Equity Shares held	
	No. of Equity Shares held	As a % of grand total
Irfan Razack	65,625,000	20.00
Rezwan Razack	65,625,000	20.00
Noaman Razack	65,625,000	20.00
Almas Rezwan	16,406,250	5.00
Badrunissa Irfan	16,406,250	5.00
Sameera Noaman	16,406,250	5.00
Uzma Irfan	5,475,750	1.67
Faiz Rezwan	5,465,250	1.67
Zayd Noaman	5,465,250	1.67
Total	**262,500,000**	**80.01**

ISSUE PROCEDURE

*The following is a summary intended to present a general outline of the procedure relating to the application, payment, Allocation and Allotment of the Equity Shares offered in the Issue. The Company and the members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. This section applies to all Applicants. The Applicants are advised to inform themselves of any restrictions or limitations that may be applicable to them. Please see – "**Selling Restrictions**" and "**Purchaser Representations and Transfer Restrictions**". Applicants are advised to make their independent investigations and ensure that their applications do not exceed the Issue Size or the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.*

Authority for the Issue

The Issue was authorised and approved by the Board of Directors through a resolution dated October 30, 2012, by the shareholders of the Company through a special resolution dated December 4, 2012.

The Company has applied for and received in-principle approval from the BSE and the NSE on January 15, 2013 under Clause 24(a) of the Equity Listing Agreement for listing of the Equity Shares offered in the Issue on the Stock Exchanges. The Company has also filed a copy of this Red Herring Prospectus with the RoC, SEBI and the Stock Exchanges.

Prohibition by SEBI or Other Governmental Authorities

The Company, the Subsidiaries, the Promoters, the members of the Promoter Group, the Directors and the persons in control of the Company have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which the Promoters, the Directors or the persons in control of the Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Restrictions on Issue Size

Under Regulation 91-I of the SEBI Regulations, the aggregate of all tranches of the IPP undertaken by the Company cannot result in an increase in the public shareholding in the Company by more than 10% or such lesser percentage as may be required for the Company to achieve the required minimum public shareholding. The Company has obtained the approval of SEBI through letter dated December 18, 2012, for the issue and Allotment of Equity Shares aggregating to 46,926,230, pursuant to this Issue subject to certain conditions. Based on the Issue Size of up to 46,926,230 Equity Shares (assuming the exercise of the Over Allotment Option in full), the increase in public shareholding of the Company shall be [●]%.

SEBI Approval

The SEBI has permitted the issuance of up to 46,926,230 Equity Shares pursuant to letter dated December 18, 2012.Under the terms of the SEBI Approval we are required to ensure that the Floor Price shall be a price not less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the NSE during the two weeks preceding the relevant date, which shall be the date of the meeting of our Board of Directors or a committee thereof which decides to open the Issue.

However, the Company, in consultation with the Book Running Lead Managers, may issue and Allot up to 21,926,230 Equity Shares under Chapter VIII-A of the SEBI Regulations, in which case, the Company will not be required to and will not comply with the terms of the SEBI Approval.

Who can Apply

This Issue is being made only to Eligible QIBs.

Only the following categories of QIBs are eligible to invest in this Issue:

- mutual funds and venture capital funds registered with SEBI;
- foreign institutional investors and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual;
- public financial institutions, as defined in Section 4A of the Companies Act;
- scheduled commercial banks;
- state industrial development corporations;
- insurance companies registered with the Insurance Regulatory and Development Authority;
- provident funds with minimum corpus of ₹ 250 million;
- pension funds with minimum corpus of ₹ 250 million;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the GoI published in the Gazette of India;
- insurance funds set up and managed by army, navy or air force of the Union of India; and
- insurance funds set up and managed by the Department of Posts, India.

Note: FVCIs and multilateral and bilateral development financial institutions are not permitted to participate in this Issue.

FIIs are permitted to participate in the Issue only under the Portfolio Investment Scheme, subject to compliance with all applicable laws and such that the shareholding of the FIIs does not exceed specified limits as prescribed under applicable laws in this regard.

No single FII can hold more than 10% of the post Issue paid-up capital of the Company. In respect of a FII investing in the Equity Shares offered in the Issue on behalf of its eligible sub-accounts, the investment on behalf of each eligible sub-account shall not exceed 10% of the Company's total issued capital. **The aggregate FII holding in the Company cannot exceed 49% of the total issued capital of the Company.**

Note: Each eligible sub-account of a FII, other than a sub-account which is a foreign corporate or foreign individual, will need to submit separate ASBA Applications. FIIs or sub-accounts of FIIs, are required to indicate the SEBI FII/sub-account registration number in the ASBA Applications.

No Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being a Promoter or any person related to the Promoter(s). QIBs which have all or any of the following rights shall be deemed to be persons related to Promoter(s):

a) rights under a shareholders' agreement or voting agreement entered into with a Promoter or persons related to the Promoters;

b) veto rights; or

c) right to appoint any nominee director on the Board.

Provided that a QIB which does not hold any Equity Shares and which has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to the Promoters.

Applicants are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Applicants are advised to ensure that the number of Equity Shares for which they have provided ASBA Applications in the Issue does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus. Further, Applicants are required to satisfy themselves that their ASBA Applications would not result in triggering a tender offer under the Takeover Regulations.

A minimum of 25% of the aggregate number of Equity Shares to be Allotted in the Issue shall be Allocated and Allotted to Mutual Funds and Insurance Companies, subject to receipt of valid ASBA Applications at or above the Issue Price, provided that if this portion or any part thereof to be Allocated and Allotted to Mutual Funds and Insurance Companies remains unsubscribed, such minimum portion or part thereof may be Allotted to other Eligible QIBs. For further details, please see "– ***Basis of Allocation***".**

Affiliates or associates of the Book Running Lead Managers who are Eligible QIBs may participate in the Issue in compliance with applicable laws.

No person connected with the Issue shall offer any incentive, direct or indirect, in any manner, whether in cash, kind, services or otherwise, to any Applicant for making an ASBA Application.

Number of Allottees

The Equity Shares offered in the Issue will not be Allotted to less than 10 Allottees.

As provided in the SEBI Regulations, no single Allottee shall be Allotted more than 25% of the aggregate number of the Equity Shares Allotted in the Issue.

Provided further that Eligible QIBs belonging to the same group or those who are under common control shall be deemed to be a single Allottee for the purpose of the foregoing.

i. The expression 'belong to the same group' shall have the same meaning as 'companies under the same group' as provided in sub-section (11) of Section 372 of the Companies Act:

   Section 372(11) of the Companies Act - "*For the purposes of this section, a body corporate shall be deemed to be in the same group as the investing company-*

   a. if the body corporate is the managing agent of the investing company; or

   b. *if the body corporate and the investing company should, in virtue of subsection (1B) of section 370, be deemed to be under the same management*."

Under Section 370(1B) of the Companies Act, two bodies corporate are deemed to be under the same management if any of the following conditions are satisfied:

(a) The managing agent, secretaries and treasurers, managing director or manager of one body corporate is the managing agent, secretary or treasurer, managing director or manager of the other body corporate or a partner in a firm acting as the managing agents or secretaries and treasurers of the other body corporate or a director of a private company acting as managing agent or secretaries and treasurers of the other body corporate;

(b) A majority of the directors of the one body corporate constitute or at any time within the immediately preceding six months have constituted a majority of the directors on the board of the other body corporate;

(c) Not less than one-third of the total voting power with respect to any matter relating to each of the two bodies corporate is exercised or controlled by the same individual or body corporate;

(d) The holding company of one body corporate is under the same management as the other body corporate within the meaning of (a), (b) or (c) above; and

(e) One or more directors of one body corporate hold, either by themselves or together with their relatives, the majority of the shares in the other body corporate.

ii. The expression 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations:

Regulation 2(1)(e) of the Takeover Regulations – *""control" includes the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner:*

Provided that a director or officer of a target company shall not be considered to be in control over such target company, merely by virtue of holding such position."

Minimum Application Size

Each ASBA Application is required to be for such number of Equity Shares and at such price per Equity Share that the minimum Application Amount exceeds ₹ 200,000.

Information for the Applicants

(a) Only ASBA mode of payment can be used by Eligible QIBs to participate in this Issue.

(b) The Company, in consultation with the BRLMs, will decide the Floor Price or the Price Band for the Issue and the same shall be announced at least one day prior to the Issue Opening Date.

(c) The Company will publish the Issue Opening Date and the Issue Closing Date in the Floor Price/ Price Band Announcement. The Issue Period shall be for a minimum of one Working Day and shall not exceed two Working Days.

(d) The Company has filed this Red Herring Prospectus with the RoC at least working three days before the Issue Opening Date.

(e) Once a duly filled in ASBA Application is submitted by an Applicant, such ASBA Application constitutes an irrevocable offer and cannot be withdrawn. In addition, the price per Equity Share and/or the number of Equity Shares applied for in an ASBA Application cannot be revised downwards.

(f) The Company shall open the Public Issue Account with the Public Issue Account Bank in terms of Section 73 of the Companies Act to receive monies on the Designated Date from the ASBA Accounts.

(g) Upon the receipt of the ASBA Applications, the Company, after the closure of the Issue, shall determine the Issue Price for the Equity Shares offered in the Issue and the number of Equity Shares to be issued at the Issue Price, in consultation with the Book Running Lead Managers and in accordance with the Allotment Criteria. Upon finalisation of the Basis of Allocation, the Company will issue CANs to the successful Applicants. The dispatch of the CANs shall be deemed a valid, binding and irrevocable agreement on the part of the Applicant to subscribe to such number of Equity Shares as mentioned in their respective CANs at the Issue Price indicated in such CAN. The CAN shall contain details such as the number of Equity Shares Allocated to the Applicant and the Issue Price.

(h) The Company shall take all steps to ensure that listing and commencement of trading of the Equity Shares

Allotted in the Issue at the Stock Exchanges is within 12 Working Days of the Issue Closing Date.

(i) The Company or the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final listing and trading permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Final listing and trading approvals granted by the Stock Exchanges are also placed on their respective websites. Applicants are advised to apprise themselves of the status of the receipt of the listing and trading approvals from the Stock Exchanges or the Company.

(j) The Company will issue a statutory advertisement after the filing of the Prospectus with the RoC in terms of Regulation 66 of the SEBI Regulations, in an English national newspaper, a Hindi national newspaper and a Kannada newspaper, each with wide circulation.

(k) In case of a Mutual Fund, a separate ASBA Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such ASBA Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple ASBA Applications, provided that the ASBA Applications clearly indicate the scheme concerned for which it has been made. No Mutual Fund scheme can invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any Company's paid-up share capital carrying voting rights. Further, no single Mutual Fund shall be Allocated and Allotted more than 25% of the aggregate number of the Equity Shares Allotted in the Issue.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall, after registering this Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in an English national newspaper, a Hindi national newspaper and a Kannada newspaper, each with wide circulation.

ASBA Application and Revision Form

The ASBA Application and the Revision Form shall be in the form prescribed by SEBI pursuant to the circular dated September 27, 2011, to the extent applicable to the Issue.

By making an application for the Equity Shares offered in the Issue through an ASBA Application, an Applicant will be deemed to have made the representations, warranties and agreements made under "***Representations by Investors***", "***Selling Restrictions***" and "***Purchaser Representations and Transfer Restrictions***".

SCSBs would be entitled to a processing fee of ₹ 25 per valid ASBA Application collected by the members of the Syndicate in the Specified Cities and submitted to the SCSBs. No selling commission is payable in respect of ASBA Applications procured in the Issue.

Method and Process of Bidding

(a) ASBA Applications will be available with the SCSBs, the members of the Syndicate (only in the Specified Cities) and at the Registered Office of the Company. Electronic ASBA Applications will be available on the website of the Stock Exchanges and the Designated Branches of the SCSBs.

(b) Any eligible Applicant may obtain a copy of this Red Herring Prospectus and the ASBA Applications from the Registered Office of the Company.

(c) Applicants should approach the Designated Branches of the SCSBs or the members of the Syndicate (only in the Specified Cities) to submit their ASBA Applications.

(d) Applicants may submit their ASBA Applications, and / or the Revision Forms, during the Issue Period to (i) the members of the Syndicate in the Specified Cities; (ii) the Designated Branches of the SCSBs where the ASBA Account is maintained; or (iii) in electronic form to the SCSBs with whom the ASBA Account is maintained. For details, the Applicants should contact the SCSBs where the ASBA Account is maintained.

The SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or through any secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.

(e) ASBA Applications submitted directly to the SCSBs should bear the stamp of the SCSBs and the ASBA Application submitted to the members of the Syndicate in the Specified Cities should bear the stamp of the member of the Syndicate. Applicants also have an option to submit the ASBA Application in electronic form or submit ASBA Applications through the members of the Syndicate in the Specified Cities.

(f) For ASBA Applications submitted to the members of the Syndicate in the Specified Cities, the members of the Syndicate shall upload the details of the ASBA Application onto the electronic bidding system of the Stock Exchanges and deposit a schedule (containing certain information including the ASBA Application number and the Application Amount) along with the ASBA Application with the relevant branch of the SCSB, designated by such SCSB to accept such ASBA Applications from the members of the Syndicate in such Specified City. (A list of such branches is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/B55898148848.html). The relevant branch of the SCSB shall block an amount equal to the Application Amount specified in the ASBA Application in the ASBA Account. For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount equal to the Application Amount specified in the ASBA Application in the ASBA Account, before entering the required details of the ASBA Application into the electronic bidding system.

(g) The Applicant should mention its PAN allotted under the I.T. Act in the ASBA Application. Any ASBA Application without the PAN is liable to be rejected. Applicants should not submit the GIR number instead of the PAN as the ASBA Application is liable to be rejected on this ground.

(h) The Registrar to the Issue shall validate the details of the ASBA Application uploaded on the electronic bidding system of the Stock Exchanges with the Depository records and the complete reconciliation of the final certificates received from the SCSBs with the electronic details of the ASBA Applications.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the ASBA Application and entered into the electronic bidding system of the Stock Exchanges by the Syndicate/ SCSBs do not match with the DP ID, Client ID and PAN available in the database of Depositories, the ASBA Application is liable to be rejected.

(i) Each ASBA Application will give the Applicant the option to indicate up to three prices within the Price Band or at or above the Floor Price, as the case may be, and specify the demand (i.e., the number of Equity Shares applied for at each such price). The number of Equity Shares applied for by an Applicant at or above the Floor Price or within the Price Band, as the case may be, will be considered for Allocation and Allotment in accordance with the Basis of Allocation. The highest value indicated by the Applicant in the ASBA Application to subscribe for the Equity Shares applied for in the ASBA Application shall be blocked in the ASBA Account of such Applicant. After determination of the Issue Price, the maximum number of Equity Shares applied for by an Applicant at or above the Issue Price will be considered for Allocation and the rest of the options will become automatically invalid.

(j) The Applicant cannot submit another ASBA Application after one ASBA Application has been submitted to the SCSBs or any member of the Syndicate. Submission of a second ASBA Application to either the same or to another SCSBs or any member of the Syndicate will be treated as multiple applications and is liable to be rejected either before entering the required details of the ASBA Application into the electronic bidding system, or at any point of time prior to the Allotment of the Equity Shares offered in this Issue. However, the Applicant can revise the price per Equity Share or the number of Equity Shares applied for upwards through the Revision Form, the procedure for which is detailed under the paragraph titled "- ***Revision of ASBA Applications***".

(k) Upon receipt of an ASBA Application from the Applicant, in physical mode, the Designated Branches of the SCSBs shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Application, prior to uploading details of the ASBA Application on the electronic bidding system of the Stock Exchanges.

(l) If sufficient funds are not available in the ASBA Account, the Designated Branches of the SCSBs shall reject such ASBA Application and shall not upload the details of the ASBA Application on the electronic bidding system of the Stock Exchanges.

(m) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application and will enter the details of the ASBA Application into the electronic bidding system and generate a TRS for each price and demand option. It is the Applicant's responsibility to obtain the TRS from the members of the Syndicate or the Designated Branches of the SCSBs. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(n) The Application Amount shall remain blocked in the aforesaid ASBA Account until the finalisation of the Basis of Allocation, the dispatch of the CAN and consequent transfer of the Application Amount for the Allotted Equity Shares to the Public Issue Account from the ASBA Accounts, or alternatively, until the withdrawal of the Issue or the rejection of the ASBA Application, as the case may be. Once the Basis of Allocation is finalised and the CAN is dispatched, the Registrar to the Issue shall send an appropriate request to the SCSBs to unblock the relevant ASBA Accounts and to transfer the amount due on the Equity Shares to be Allotted to the successful Applicants to the Public Issue Account on the Designated Date.

(o) In case the Company withdraws or cancels the Issue, the Registrar to the Issue shall give instructions to the SCSBs to unblock the Application Amounts in the relevant ASBA Accounts of the Applicants within one day of receipt of such instruction. The Company shall also inform the Stock Exchanges of such cancellation or withdrawal.

Electronic Registration of ASBA Applications

(a) The members of the Syndicate and the SCSBs will register the ASBA Applications received, using the electronic bidding system of the Stock Exchanges.

(b) The members of the Syndicate and the SCSBs may undertake modification of selected fields in the details under the ASBA Application already uploaded within one Working Day from the Issue Closing Date.

(c) Neither the Company nor the Registrar to the Issue shall be responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the ASBA Applications accepted by the members of the Syndicate or the SCSBs, (ii) the details under the ASBA Applications uploaded by the members of the Syndicate or the SCSBs, or (iii) the ASBA Applications accepted but not uploaded by the members of the Syndicate or the SCSBs.

(d) The SCSBs shall be responsible for any acts, mistakes, errors or omissions and commissions in relation to (i) the ASBA Applications accepted by them, (ii) the details under the ASBA Applications uploaded by them, (iii) the ASBA Applications accepted but details not uploaded by them, and (iv) the ASBA Applications accepted and details uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for ASBA Applications uploaded by the SCSBs, the full Application Amount has been blocked in the relevant ASBA Account and can be transferred to the Public Issue Account on the Designated Date.

(e) The Stock Exchanges will offer an electronic facility for registering details under the ASBA Applications for the Issue. This facility will be available with the Syndicate and their authorised agents and the SCSBs during the Issue Period. The members of the Syndicate and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of details under the ASBA Applications, subject to the condition that they will subsequently upload the off-line data file into the electronic facilities offered by the Stock Exchanges. On the Issue Closing Date, the members of the Syndicate and the Designated Branches of the SCSBs shall upload the details under the ASBA Applications on the electronic bidding system of the Stock Exchanges till such time as may be permitted by the Stock Exchanges.

(f) The permission given by the Stock Exchanges to use its network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory

and other requirements by the Company, the members of the Syndicate or the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company or any scheme or project of the Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares offered in the Issue will be listed or will continue to be listed on the Stock Exchanges.

(g) The aggregate demand shall be displayed by Stock Exchanges without disclosing the price.

(h) With respect to details under the ASBA Applications submitted to the SCSBs, the SCSBs shall enter the following details in the electronic bidding system of the Stock Exchanges:

- ASBA Application number;
- PAN;
- DP ID and Client ID number of the beneficiary account of the Applicant;
- Application Amount;
- ASBA Account number;
- Category of the Applicant;
- Numbers of Equity Shares applied for; and
- Price per Equity Share.

(i) With respect to details under the ASBA Applications submitted to the members of Syndicate at the Specified Cities, the members of Syndicate shall enter the following details in the electronic bidding system of the Stock Exchanges:

- ASBA Application number;
- PAN;
- DP ID and Client ID number of the beneficiary account of the Applicant;
- Application Amount;
- ASBA Account number (not compulsory);
- Category of the Applicant;
- Numbers of Equity Shares applied for;
- Price per Equity Share;
- Bank code for the SCSB where the ASBA Account is maintained; and
- Name of the Specified City.

(j) Each ASBA Application will give the Applicant the choice to apply for up to three optional prices at or above the Floor Price or within the Price Band, as the case may be, and to specify the demand (i.e., the number of Equity Shares applied for) at each such price.

(k) TRS will be generated when the ASBA Application is registered for each price and demand option. The registration of the ASBA Application by the member of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be Allocated/Allotted either by the members of the Syndicate or the Company.

(l) Only those ASBA Applications details of which are uploaded on the electronic bidding system of the Stock Exchanges shall be considered for the Allocation and Allotment. Members of the Syndicate and the SCSBs will be given up to one Working Day after the Issue Closing Date to verify the DP ID and Client ID uploaded on the electronic bidding system of the Stock Exchanges during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchanges and will reconcile and validate the details of the ASBA Application uploaded on the electronic bidding system of the Stock Exchanges with the Depositories records. In case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such ASBA Applications are liable to be rejected.

(m) The details of the ASBA Applications uploaded on the electronic bidding system of the Stock Exchanges shall be considered as final and Allocation and Allotment will be based on such details.

Revision of ASBA Applications

(a) During the Issue Period, any Applicant who has submitted an ASBA Application subscribing to a specific number of Equity Shares at a particular price level may revise upwards the number of Equity Shares applied for and/or the price per Equity Shares within the Price Band or at or above the Floor Price, as the case may be, using the printed Revision Form, which is a part of the ASBA Application. **An ASBA Application cannot be withdrawn and the price per Equity Share and/or the number of Equity Shares applied for cannot be revised downwards**.

(b) Upward revisions can be made in both the desired number of Equity Shares and the price per Equity Share by using the Revision Form. The members of the Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.

(c) The Applicant can make this upward revision any number of times during the Issue Period. However, for any revision(s) in the ASBA Application, the Applicants will have to use the services of the same member of the Syndicate or the SCSB through whom such Applicant had placed the original ASBA Application. Applicants are advised to retain copies of the blank Revision Form and any revision in the ASBA Application must be made only in such Revision Form or copies thereof.

(d) Apart from mentioning the revised options in the Revision Form, the Applicant must also mention the details of all the options in his or her ASBA Application or earlier Revision Form. For example, if an Applicant has applied for three options in the ASBA Application and such Applicant is changing only one of the options in the Revision Form, the Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.

(e) In case of revision of the number of Equity Shares and/or the price per Equity Share, the relevant SCSB shall block the additional Application Amount in the ASBA Account of such Applicant. The Registrar to the Issue will reconcile the ASBA Application data and consider the revised ASBA Application data for preparing the Basis of Allocation.

(f) When an Applicant revises its ASBA Application, it should surrender the earlier TRS and request for a revised TRS from the members of the Syndicate or the SCSB as proof of it having revised the previous ASBA Application.

Allocation

(a) Allocation to FIIs, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(b) A minimum of 25% of the aggregate number of Equity Shares to be Allotted in the Issue shall be Allocated and Allotted to Mutual Funds and Insurance Companies, subject to valid ASBA Applications being received at or above the Issue Price, provided that if this portion or any part thereof to be Allotted to Mutual Funds and Insurance Companies remains unsubscribed, such minimum portion or part thereof may be Allotted to other Eligible QIBs.

(c) The Equity Shares will be Allotted to at least 10 Allottees under the Issue. However, as provided in the SEBI Regulations, no single Allottee shall be Allotted more than 25% of the aggregate number of the Equity Shares Allotted in the Issue. See "– ***Number of Allottees***".

Price Discovery

(a) Based on the demand for the Equity Shares offered in the Issue generated at various price levels, the Company, in consultation with the BRLMs, shall finalise the Issue Price.

(b) The Issue Price shall be the price at or above the Floor Price, or within the Price Band, as the case may be. The Equity Shares offered in the Issue shall be Allocated and Allotted at the Issue Price.

Please see – "***Issue Procedure-SEBI Approval***"

Allotment Criteria

The Equity Shares offered in the Issue will be Allocated and Allotted to successful Applicants as per the proportionate method.

Basis of Allocation

- ASBA Applications received at or above the Issue Price shall be grouped together to determine the total demand for the Equity Shares offered in the Issue. The Allocation and Allotment to all successful Applicants will be made at the Issue Price finalised by the Company, in consultation with the BRLMs.

- The Allocation shall be undertaken in the following manner:

  (a) In the first instance, Allocation to Mutual Funds and Insurance Companies for 25% of the aggregate number of Equity Shares to be Allotted in the Issue shall be determined as follows:

    - In the event that the aggregate demand from Mutual Funds and Insurance Companies exceeds 25% of the aggregate number of Equity Shares to be Allotted in the Issue, then subject to valid ASBA Applications received at or above the Issue Price, Allocation to Mutual Funds and Insurance Companies shall be made on a proportionate basis at the Issue Price as per the Allocation criteria mentioned below for 25% of the aggregate number of Equity Shares to be Allotted in the Issue.

    - In the event that the aggregate demand from Mutual Funds and Insurance Companies is equal to or less than 25% of the aggregate number of Equity Shares to be Allotted in the Issue, then all Mutual Funds and Insurance Companies shall get full Allocation at the Issue Price to the extent of valid ASBA Applications received at or above the Issue Price.

    - In the event that the aggregate demand from Mutual Funds and Insurance Companies exceeds 25% of the aggregate number of Equity Shares to be Allotted in the Issue, then the additional demand from Mutual Funds and Insurance Companies after Allocation of 25% of the aggregate number of Equity Shares to be Allotted in the Issue, shall be aggregated with the portion to be Allocated to other Eligible QIBs.

    - In the event subscription from Mutual Funds and Insurance Companies is below 25% of the aggregate number of Equity Shares to be Allotted in the Issue, the Equity Shares offered in the Issue that remain unsubscribed shall be available for Allocation to other Eligible QIBs as set out in (b) below.

  (b) In the second instance, Allocation to all Applicants shall be determined as follows:

    - All Applicants who have submitted valid ASBA Applications at or above the Issue Price shall be Allocated Equity Shares offered in the Issue at the Issue Price on a proportionate basis as per the Allocation criteria mentioned below, until the Equity Shares offered in the Issue representing up to 75% of the Issue Size or such number of Equity Shares offered in the Issue as may remain after Allocation to Mutual Funds and Insurance Companies are exhausted.

    - Mutual Funds and Insurance Companies, who have received Allocation as per (a) above, for less than the number of Equity Shares applied for by them, are eligible to receive Equity Shares on a proportionate basis as per the Allocation criteria mentioned below along with the

other Eligible QIBs. For the purpose of Allocation to Mutual Funds and Insurance Companies in this category, quantity of Equity Shares applied for in the Issue less the Equity Shares Allocated as per (a) above shall be considered for Allocation.

- In the event subscription from Mutual Funds and Insurance Companies pursuant to (a) above is below 25% of the aggregate number of Equity Shares to be Allotted in the Issue, such portion which remains unsubscribed would be included for Allocation along with the other Eligible QIBs on a proportionate basis.

Proportionate Method

The Allocation and Allotment shall be made on a proportionate basis as explained below:

(a) The number of Equity Shares applied for in the Issue at or above the Issue Price shall first be aggregated.

(b) Number of Equity Shares to be Allocated to the successful Applicants will be calculated on a proportionate basis, which is total number of Equity Shares applied for by each Applicant multiplied by the inverse of the over-subscription ratio, where oversubscription ratio means the ratio of the total number of Equity Shares applied for in the Issue and the remaining number of Equity Shares offered in the Issue that are available for Allocation.

(c) If the determination of proportionate Allocation to an Applicant is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allocation and Allotment to all Applicants would be arrived at after such rounding off.

THE DECISION OF THE COMPANY AND THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION AND ALLOTMENT SHALL BE BINDING ON ALL APPLICANTS.

Issuance of the CAN

(a) Upon approval of the Basis of Allocation by the Stock Exchanges and the dispatch of the CAN, the Registrar to the Issue shall send to the Book Running Lead Managers a list of the Applicants who would be Allotted Equity Shares in the Issue.

(b) The Company will then issue a CAN to the Applicants who have been Allocated Equity Shares in the Issue.

(c) The dispatch of the CAN shall be deemed a valid, binding and irrevocable agreement on part of the Applicant to subscribe to the Equity Shares Allocated to such Applicant at the Issue Price.

(d) On the basis of the approved Basis of Allocation, the Company shall pass necessary corporate action for Allotment of Equity Shares in the Issue.

RoC Filing

The Company will update and deliver a copy of the updated Red Herring Prospectus for registration to the RoC in accordance with the applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue and will be complete in all material respects. The Company will register a copy of the Prospectus with the RoC in terms of relevant provisions of the Companies Act.

Advertisement under Regulation 66 of the SEBI Regulations

The Company will issue a statutory advertisement after the filing of the Prospectus with the RoC in terms of Regulation 66 of the SEBI Regulations, in an English national newspaper, a Hindi national newspaper and a Kannada newspaper, each with wide circulation. Any material updates between the date of this Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Designated Date and Allotment of Equity Shares offered in the Issue

(a) The Company will ensure that (i) the Allotment of Equity Shares offered in the Issue; and (ii) credit to the successful Applicant's depositary account will be completed within 12 Working Days of the Issue Closing Date. After the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account on the Designated Date, the Company will ensure that the credit of the Equity Shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment.

(b) In accordance with the SEBI Regulations, Equity Shares offered in the Issue will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

(c) Allottees will have the option to re-materialise the Equity Shares so Allotted in the Issue as per the provisions of the Companies Act and the Depositories Act.

(d) In case of an over subscription to the Issue, an Allotment of not more than 4,266,020 Equity Shares or 1,993,293 Equity Shares, as the case may be, may be made by the Company in consultation with the Book Running Lead Managers, under the Over Allotment Option. The Over Allotment Option shall be exercised by the BRLMs in consultation with the Company on or prior to dispatch of CANs. The Allotment under the Over Allotment Option shall not result in an increase in the public shareholding in the Company by more than such percentage as is required for the Company to achieve the required minimum public shareholding.

(d) The Equity Shares will be Allotted to at least 10 Allottees under the Issue. As provided in the SEBI Regulations, no single Allottee shall be Allotted more than 25% of the aggregate number of the Equity Shares Allotted in the Issue. See "– ***Number of Allottees***".

Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to this Issue.

GENERAL INSTRUCTIONS

(a) Check if you are eligible to apply;

(b) Ensure that the price per Equity Share you have included in the ASBA Applications is a price per Equity Share at or above the Floor Price or within the Price Band, as the case may be;

(c) Do not apply for or revise the prices indicated in the ASBA Application to a price higher than the Cap Price, if applicable;

(d) Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares in the Issue will be in the dematerialised form only;

(e) Ensure that the ASBA Applications are submitted either to the members of the Syndicate (only in Specified Cities) or at a Designated Branch of the SCSB where the Applicant or the person whose ASBA Account will be utilised by the Applicant for bidding has an ASBA Account;

(f) Ensure that the ASBA Application is signed by the account holder(s) or an authorised signatory on behalf of the account holder, in case the Applicant is not the account holder. Ensure that you have mentioned the correct ASBA Account number in the ASBA Application;

(g) Ensure that the ASBA Application is completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA Application or in the Revision Form. Applicants should note that the members of the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible ASBA Applications or Revision Forms;

(h) Ensure that you request for and receive a TRS for each of the options applied for in the ASBA Application;

(i) Ensure that you have funds equal at least to the Application Amount in your ASBA Account maintained with the SCSB before submitting the ASBA Application to the respective Designated Branch of the SCSB or the member of the Syndicate in Specified Cities;

(j) Submit revised ASBA Applications to the same member of the Syndicate/SCSB through whom the original ASBA Application was placed and obtain a revised TRS;

(k) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

(l) Ensure that the name given in the ASBA Application is exactly the same as the name in which the beneficiary account is held with the Depository Participant;

(m) Ensure that the DP ID, the Client ID and the PAN mentioned in the ASBA Application and entered into the electronic bidding system of the Stock Exchanges by the members of the Syndicate match with the DP ID, Client ID and PAN available in the Depository database;

(n) Ensure that you use the ASBA Application bearing the stamp of the relevant SCSB and/or the Designated Branch of the SCSB and/or the member of the Syndicate (except in case of electronic forms);

(o) Applicants bidding through Syndicate should ensure that the ASBA Application is submitted to a member of the Syndicate only in the Specified Cities and that the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has named at least one branch in the Specified Cities for the members of the Syndicate to deposit the ASBA Applications;

(p) Ensure that in case of ASBA Applications made under power of attorney, relevant documents are submitted;

(q) Ensure that ASBA Applications submitted by Eligible QIBs resident outside India should be in compliance with applicable foreign and Indian laws;

(r) Ensure that you have correctly signed the authorisation/undertaking box in the ASBA Application, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the ASBA Application;

(s) ASBA Applications made on a repatriation basis shall be in the name of FIIs under the Portfolio Investment Scheme;

(t) Do not fill up the ASBA Application such that the number of Equity Shares applied for exceeds 25% of the Issue Size (assuming exercise of the Over Allotment Option in full) and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations; and

(u) Information provided by the Applicants will be uploaded on the electronic bidding system of the Stock Exchanges by the members of the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make Allocation and Allotment. Please ensure that the details are correct and legible.

Applicant's PAN, Depository Account and ASBA Account Details

Applicants should note that on the basis of PAN of the Applicants, DP ID and Client ID entered into the electronic bidding system of the Stock Exchanges by the members of the Syndicate or SCSBs, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants' ASBA Account details, and PAN registered with the Depository (the "Demographic Details"). These Demographic Details would be used for processing, including identifying ASBA Applications to be rejected on technical grounds and unblocking of ASBA Account. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in unblocking of the ASBA Account at the Applicants sole risk and none of the BRLMs, the Registrar to the Issue, the SCSBs or the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the

ASBA Application.

The Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs. The Demographic Details given by Applicants in the ASBA Application would not be used for any other purpose by the Registrar to the Issue.

By signing the ASBA Application, the Applicant would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

The CAN will be mailed at the address of the Applicant as per the Demographic Details received from the Depositories or the email address provided by the Applicant in the ASBA Application. Applicants may note that delivery of the CAN may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Please note that any such delay shall be at such Applicant's sole risk and none of the Company, BRLMs, or the Registrar to the Issue shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the parameters, namely, PAN of the Applicant, the DP ID and Client ID, then such ASBA Application is liable to be rejected.

ASBA Applications made under Power of Attorney

In case of ASBA Applications made pursuant to a power of attorney or by FIIs, Mutual Funds, Insurance Companies and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the ASBA Application.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a) With respect to ASBA Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the ASBA Application.

(b) With respect to ASBA Applications by Insurance Companies, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the ASBA Application.

(c) With respect to ASBA Applications made by provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the ASBA Application.

PAYMENT INSTRUCTIONS

Payment mechanism for Applicants

The Applicants shall specify the ASBA Account number in the ASBA Application. The SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the ASBA Application and each Applicant or the account holder shall be deemed to have agreed to block such amount. In case of revision of the number of Equity Shares applied for or the price per Equity Share, the SCSB shall block additional Application Amount in the ASBA Account of such Applicant and the Applicants or the account holder shall be deemed to have agreed to block such amount.

The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allocation in the Issue, dispatch of the CAN and consequent transfer of the Application Amount to the Public Issue Account, until rejection of the ASBA Applications or until withdrawal of the Issue, as the case may be. In the event of rejection of the ASBA Application or for unsuccessful or partially successful ASBA Applications, the Registrar to the Issue shall give instructions to the SCSB to unblock the application money in the relevant ASBA Account and the same shall be acted upon by the SCSB concerned within one Working Day of receipt of such instruction.

OTHER INSTRUCTIONS

Multiple Applications

An Applicant should submit only one (and not more than one) ASBA Application.

In case of a Mutual Fund, a separate ASBA Application may be made in respect of each scheme of the Mutual Fund and such ASBA Applications in respect of over one scheme of the Mutual Fund will not be treated as multiple ASBA Applications provided that the ASBA Applications clearly indicate the scheme concerned for which the ASBA Application has been made.

After submitting an ASBA Application, an Applicant cannot submit another ASBA Application, to either the same or another Designated Branch of the SCSB or member of the Syndicate. Submission of a second ASBA Applications in such manner will be deemed a multiple ASBA Application and would be rejected. However, the Applicants may revise their ASBA Application through the Revision Form, the procedure for which is described in "- ***Revision of ASBA Applications***" above.

Copies of ASBA Applications with the same PAN details shall be treated as multiple ASBA Applications and are liable to be rejected.

The Company, in consultation with the BRLMs, reserves the right to reject, in its absolute discretion, all or all except one of such multiple ASBA Application(s) in any or all categories.

1. All ASBA Applications will be checked for common PAN as per the records of Depository. For Applicants other than Mutual Funds and FII sub-accounts, ASBA Applications bearing the same PAN will be treated as multiple ASBA Applications and will be rejected.

2. For ASBA Applications from Mutual Funds and FII sub-accounts which were submitted under the same PAN, the ASBA Applications will be scrutinised for DP ID and Client ID. In case applications bear the same DP ID and Client ID, these will be treated as multiple applications.

The Registrar to the Issue will obtain, from the depositories, details of the Applicant's address based on the DP ID and Client ID provided in the ASBA Applications.

REJECTION OF ASBA APPLICATIONS

The Company has a right to reject the ASBA Applications based on technical grounds. The Designated Branches of the SCSBs shall have the right to reject ASBA Applications if at the time of blocking the Application Amount in the Applicant's ASBA Account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Applicant's ASBA Account maintained with the SCSB.

Grounds for Technical Rejections

Applicants are advised to note that ASBA Applications are liable to be rejected *inter alia* on the following technical grounds and for any other reasons after assigning reason for such rejection in writing:

(a) ASBA Applications other than by Eligible QIBs.

(b) Incomplete ASBA Application. For instance, ASBA Application not having details of the ASBA Account to be blocked or not containing the authorisations for blocking the Application Amount in the ASBA Account specified in the ASBA Application;

(c) The amount mentioned in ASBA Application does not tally with the amount payable for the value of the Equity Shares applied for;

(d) PAN not mentioned in the ASBA Application;

(e) ASBA Applications made at a price per Equity Share less than the Floor Price or not within the Price Band,

as the case may be;

(f) ASBA Application by Applicants whose demat account have been "suspended for credit" pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;

(g) Multiple ASBA Applications as explained in this Red Herring Prospectus. See "– ***Other Instructions – Multiple Applications***";

(h) ASBA Applications are not delivered by the Applicants within the time prescribed as per the ASBA Applications, the Floor Price / Price Band Announcement and this Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the ASBA Applications;

(i) In case no matching or corresponding record is available with the Depositories that matches the DP ID and the Client ID;

(j) Inadequate funds in the ASBA Account to block the Application Amount specified in the ASBA Application at the time of blocking such Application Amount in the ASBA Account;

(k) ASBA Application submitted by Applicants to a member of the Syndicate at locations other than the Specified Cities;

(l) ASBA Applications by persons in the United States – other than qualified institutional buyers as defined in Rule 144A of the U.S. Securities Act;

(m) ASBA Applications, details of which are not uploaded on the electronic bidding system of the Stock Exchanges;

(n) ASBA Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(o) Application by banks through separate account in own name with the Applicant SCSB/s (SEBI Circular No. CIR/CFD/DIL/1/2013); and

(p) ASBA Application does not have Bidder's depository account details.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

The Allotment of Equity Shares in this Issue shall be only in a dematerialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

Applicants can seek Allotment only in dematerialised mode. ASBA Applications from any Applicant without relevant details of its depository account are liable to be rejected.

(a) An Applicant applying for Equity Shares in the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the ASBA Application.

(b) Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant as provided in the ASBA Application.

(c) Names in the ASBA Application or Revision Form should be identical to those appearing in the account details in the Depository.

(d) The Applicant is responsible for the correctness of its Demographic Details given in the ASBA Application vis-à-vis those with its Depository Participant.

(e) The trading of the Equity Shares issued pursuant to the Issue of the Company would be in dematerialised form only for all Applicants in the demat segment of the Stock Exchanges.

(f) Non transferable CAN will be directly sent to the Applicants.

The Company or the members of the Syndicate will not be responsible or liable for the delay in the credit of the Equity Shares Allotted in the Issue due to errors in the ASBA Application or otherwise on part of the Applicants.

Communications

All future communications in connection with ASBA Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the Applicant, ASBA Application number, the Applicants' Depository Account details, number of Equity Shares applied for, date of the ASBA Application, name and address of the member of the Syndicate or the Designated Branch of the SCSBs where the ASBA Application was submitted and ASBA Account number in which the amount equivalent to the Application Amount was blocked.

Applicants can contact the Registrar to the Issue in case of any pre-Issue or post- Issue related problems such as non-receipt of the CAN, credit of Allotted Equity Shares in the respective beneficiary accounts etc. In case of ASBA Applications submitted with the Designated Branches of the SCSBs, Applicants can contact the Designated Branches of the SCSBs.

UNBLOCKING THE FUNDS

The Registrar to the Issue shall instruct the relevant SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the Application Amount specified in the ASBA Applications for rejected or unsuccessful or partially successful ASBA Applications within 12 Working Days of the Issue Closing Date and the same shall be acted upon by the SCSBs within one Working Day of receipt of such instruction.

DISPOSAL OF ASBA APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall take all steps to ensure that listing and commencement of trading of the Equity Shares Allotted in the Issue at the Stock Exchanges is within 12 Working Days of the Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, the Company further undertakes that:

(a) Allotment of Equity Shares in the Issue shall be made only in dematerialised form within 12 Working Days of the Issue Closing Date;

(b) Instructions for unblocking of the Applicant's ASBA Account shall be made within 12 Working Days from the Issue Closing Date; and

(c) The Company shall pay interest at 15% per annum for any delay, if Allotment is not made, funds in the relevant ASBA Accounts to the extent of the Application Amount specified in the ASBA Applications for rejected or unsuccessful or partially successful ASBA Applications are not unblocked and/or demat credits are not made to investors within the 12 Working Days.

IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"*Any person who:*

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

***shall be punishable with imprisonment for a term which may extend to five years.*"**

Issue Programme

ISSUE OPENS ON	[●], 2013
ISSUE CLOSES ON	[●], 2013

Details of the Issue programme shall be disclosed in the Floor Price/ Price Band Announcement. Investors should refer to the pre-issue advertisement and the Floor Price / Price Band Announcement for further details.

ASBA Applications and any revision in the ASBA Applications shall be accepted and uploaded only between 10 a.m. (Indian Standard Time, "**IST**") and 5 p.m. IST during the Issue Period as mentioned above by the members of the Syndicate at the Syndicate ASBA Bidding Centers and the Designated Branches of SCSBs as mentioned on the ASBA Application.

Withdrawal of the Issue

The Company reserves the right to withdraw the Issue at any stage prior to Allotment. In such an event, the Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published. The Registrar to the Issue, shall issue instructions to the SCSBs to unblock the ASBA Accounts of the Applicants within one day of receipt of such instructions. The Company shall also inform the Stock Exchanges of such withdrawal.

PLACEMENT

Issue and Placement Agreement

The Book Running Lead Managers have entered into the Issue and Placement Agreement with the Company, pursuant to which the Book Running Lead Managers have agreed to manage the Issue and use reasonable efforts to procure subscription for Equity Shares to be placed with the Eligible QIBs, pursuant to Chapter VIII-A of the SEBI Regulations.

The Issue and Placement Agreement contains customary representations and warranties, as well as indemnities from the Company and is subject to termination in accordance with the terms contained therein.

In case of over subscription in the Issue, the Company in consultation with the Book Running Lead Managers, can exercise the right to Allot an additional up to 4,266,020 Equity Shares or 1,993,293 Equity Shares, as the case may be, on or prior to dispatch of CANs.

The Company has received in-principle approvals from the Stock Exchanges under Clause 24(a) of the Equity Listing Agreement to list the Equity Shares being offered in the Issue on the Stock Exchanges. After Allotment of the Equity Shares pursuant to the Issue, applications shall be made to list the Equity Shares and admit them to trading on the Stock Exchanges. The Issue is subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after the Allotment.

In connection with the Issue, the Book Running Lead Managers (or their respective affiliates) may, for their own accounts, enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares at the same time as the offer and issuance of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Managers may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribution or in connection with the issuance of P-Notes. See – "***Offshore Derivative Instruments***".

From time to time, the Book Running Lead Managers and certain of their affiliates have provided and continue to provide commercial and investment banking services to us or our affiliates for which they have received and may in the future receive compensation.

Lock-up

The Company has agreed that it will not, without the prior written consent of the Book Running Lead Managers, from the date of the Issue and Placement Agreement and for a period of up to 90 days from the Allotment, directly or indirectly: (a) issue, offer, lend, sell, pledge, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares; (c) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe for or purchase Equity Shares in depository receipt facilities or enter into any such transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or (d) announce any intention to enter into any transaction whether any such transaction described in (a) or (b) above is to be settled by delivery of the Equity Shares, or such othe`r securities, in cash or otherwise.

The Promoters have agreed that, without the prior written consent of the Book Running Lead Managers, they will not, during the period commencing on the date of the Issue and Palcement Agreement and ending 90 days after the date of Allotment (the "**Lock-up Period**"), directly or indirectly: (a) issue, offer, lend, sell, pledge, contract to sell

or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares; (c) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe for or purchase Equity Shares in depository receipt facilities or enter into any such transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or (d) announce any intention to enter into any transaction whether any such transaction described in (a) or (b) above is to be settled by delivery of the Equity Shares, or such other securities, in cash or otherwise.

The restrictions in the foregoing paragraph shall not apply to (a) any inter-se transfer of Equity Shares between the Promoters and the Promoter Group, provided that the restrictions set forth in the previous paragraph shall continue to apply for the remaining period to the transferee and that such transferee shall be bound by the restrictions in the preceding paragraph until the Lock-up Period set forth herein has expired; and (b) any sale, transfer or disposal of such Equity Shares to the extent such sale, transfer or disposal is mandatorily required for compliance with applicable Indian law, including compliance with minimum public shareholding requirements applicable to the Company.

Inter-se Allocation of Responsibilities of the BRLMs

The following table sets forth the *inter se* allocation of responsibilities for various activities among the BRLMs for the Issue:

Sr. No.	Activities	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities	CLSA, JPM	JPM
2.	Due diligence of the Company including its operations, management, business plans, legal etc. Drafting and design of offer documents and other issue related material such as application forms etc. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalisation of offer documents and the RoC filing.	CLSA, JPM	JPM
3.	Drafting and approval of all statutory advertisements	CLSA, JPM	JPM
4.	Review of other publicity material such as corporate advertisements, press releases, etc.	CLSA, JPM	CLSA
5.	Appointment of intermediaries, including the Public Issue Account Bank, the Registrar to the Issue, the printers, the advertising agency.	CLSA, JPM	CLSA
6.	International institutional marketing strategy, which will cover, *inter alia**:*** • Finalising the list and division of investors for one to one meetings • Finalising the international road show schedule and investor meeting schedules • Preparing road show presentation and frequently asked questions	CLSA, JPM	CLSA
7.	Domestic institutional marketing strategy, which will cover, *inter alia*: • Finalising the list and division of investors for one to one meetings	CLSA, JPM	CLSA

Sr. No.	Activities	Responsibility	Co-ordinator
	• Finalising the domestic road show schedule and investor meeting schedules		
8.	Pricing, managing the book and allocation	CLSA, JPM	CLSA
9.	Co-ordination with the Stock Exchanges for book building software and bidding terminals. Post-bidding activities including management of escrow accounts, follow-up with SCSBs, Registrar to the Issue, co-ordination for allocation, demat delivery of Equity Shares, intimation of Allocation and dispatch of the CANs to Applicants etc. The Book Running Lead Manager shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with the Company. The post Issue activities will involve essential co-ordination and follow up steps with the Stock Exchanges, which include the finalisation of listing and trading of Equity Shares.	CLSA, JPM	CLSA

SELLING RESTRICTIONS

The distribution of this Red Herring Prospectus or any Issue material and the offering, sale or delivery of the Equity Shares offered in the Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Red Herring Prospectus or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Red Herring Prospectus may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised. No action has been taken or will be taken that would permit a public offering of the Equity Shares to be issued pursuant to the Issue to occur in any jurisdiction, except India, or the possession, circulation or distribution of this Red Herring Prospectus or any other material relating to the Company or the Equity Shares offered in the Issue in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Red Herring Prospectus nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

United States of America

The Equity Shares are being offered and sold (i) within the United States only to institutions that are "qualified institutional buyers" as defined in Rule 144A, and (ii) outside of the United States to non-U.S. Persons in reliance on Regulation S. The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons (as defined in Regulation S) except in certain transactions exempt from the registration requirements of the U.S. Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each of the Book Running Lead Managers has warranted that, except as permitted by the Issue and Placement Agreement, it will not offer or sell the Equity Shares in the Issue:

• as part of their distribution at any time; or

• otherwise until 40 days after the later of the commencement of the Issue and the Issue Closing Date

within the United States or to, or for the account or benefit of, U.S. Persons, and that it will have sent to each dealer to which it sells the Equity Shares (other than a sale pursuant to Rule 144A) during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the securities within the United States or to, or for the account or benefit of, U.S. Persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the first date upon which the Equity Shares were bona fide offered to the public, an offer of the Equity Shares within the United States by a dealer may violate the registration requirements of the U.S. Securities Act.

Prospective purchasers in the United States are hereby notified that the sellers of Equity Shares offered hereby may be relying on the exemption from the registration requirements under Section 5 of the Securities Act provided by Rule 144A from the U.S. Investment.

The Equity Shares are transferable only in accordance with the restrictions described under "*Purchaser Representations and Transfer Restrictions*".

United Kingdom

Each of the Book Running Lead Manager has represented and agreed that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the

Financial Services and Markets Act of 2000 ("FSMA")) received by them in connection with the issue or sale of the Equity Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by them in relation to the Equity Shares in, from or otherwise involving the United Kingdom.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Book Running Lead Manager has represented, warranted and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Equity Shares which are the subject of the offering contemplated by this Red Herring Prospectus to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Equity Shares to the public in that Relevant Member State:

(i) Approved prospectus: if an offer of those Equity Shares may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "Non-exempt Offer"), following the date of publication of a prospectus in relation to such Equity Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus, and the Company has consented in writing to its use for the purpose of that Nonexempt Offer;

(ii) Qualified investors: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(iii) Fewer than 100 offerees: at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Book Running Lead Managers for any such offer; or

(iv) Other Exempt offers: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Equity Shares referred to in (ii) to (iv) above shall require the Company or the Book Running Lead Managers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe the Equity Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Cayman Islands

No invitation whether directly or indirectly may be made to the public in the Cayman Islands to subscribe for the Equity Shares unless the Issuer is listed on the Cayman Islands Stock Exchange.

Hong Kong

Each of the Book Running Lead Manager has represented and agreed that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Equity Shares other than (a) to "professional investors" as defined in the Equity Shares and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Equity Shares and Futures Ordinance and any rules made under that Ordinance.

Singapore

The Red Herring Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore under the Equity Shares and Futures Act, Cap. 289 of Singapore, or the SFA, and accordingly, the Book Running Lead Managers may not offer nor sell the Equity Shares pursuant to an offering nor make the Equity Shares the subject of an invitation for subscription or purchase, nor will the Book Running Lead Managers circulate or distribute this Red Herring Prospectus or and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Equity Shares, whether directly or indirectly, to any person in Singapore other than under exemptions provided in the SFA for offers made (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) or any person, pursuant to an offer referred to in Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with, the conditions of any other applicable provision of the SFA.

Each holder of the Equity Shares should note that any subsequent sale of the Equity Shares acquired pursuant to an offer in this Red Herring Prospectus made under exemptions (a) or (b) above within a period of six months from the date of initial acquisition is restricted to (i) institutional investors (as defined in Section 4A of the SFA), (ii) relevant persons as defined in Section 275(2) of the SFA, and (iii) persons pursuant to an offer referred to in Section 275(1A) of the SFA.

Where the Equity Shares are acquired by persons who are relevant persons specified in Section 276 of the SFA, namely:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, the shares, debentures and units of shares and debentures of that corporation or the beneficiaries‘ rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except: (1) to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person as defined in Section 275(2) of the SFA, or any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets and further for corporations, in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

Japan

The Equity Shares offered in this Red Herring Prospectus have not been registered under the Equity Shares and

Exchange Law of Japan. The Equity Shares have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan, except (i) pursuant to an exemption from the registration requirements of the Equity Shares and Exchange Law and (ii) in compliance with any other applicable requirements of Japanese law.

Switzerland

This Red Herring Prospectus does not constitute an issue prospectus pursuant to Article 652a or Article 1,156 of the Swiss Code of Obligations. The Equity Shares will not be listed on the SIX Swiss Exchange and, therefore, this Red Herring Prospectus may not comply with the disclosure standards of the listing rules (including any additional listing rules or prospectus schemes) of the SIX Swiss Exchange. Accordingly, the Equity Shares may not be offered to the public in or from Switzerland, but only to a selected and limited circle of investors, which do not subscribe to the Equity Shares with a view to distribution. The prospective investors must be individually approached by a dealer from time to time.

Australia

This Red Herring Prospectus is not a disclosure document under Chapter 6D or Part 7.9 of the Corporations Act 2001 of the Commonwealth of Australia (the "Australian Corporations Act"), has not been and will not be lodged with the Australian Securities and Investments Commission ("ASIC") as a disclosure document for the purposes of the Australian Corporations Act and does not purport to include the information required of a disclosure document under the Australian Corporations Act. ASIC has not reviewed this Red Herring Prospectus or commented on the merits of investing in the Equity Shares, nor has any other Australian regulator.

No offer of the Equity Shares is being made in Australia, and the distribution or receipt of this Red Herring Prospectus in Australia does not constitute an offer of securities capable of acceptance by any person in Australia, except in the limited circumstances described below relying on certain exemptions in the Corporations Act. Accordingly,

(i) the offer of the Equity Shares in Australia under this Red Herring Prospectus may only be made to those select persons who are able to demonstrate that they are "Wholesale Clients" for the purposes of Chapter 7 of the Australian Corporations Act and fall within one or more of the following categories: "Sophisticated Investors" that meet the criteria set out in Section 708(8) of the Australian Corporations Act, "Professional Investors" who meet the criteria set out in Section 708(11) and as defined in Section 9 of the Australian Corporations Act, experienced investors who receive the offer through an Australian financial services licensee where all of the criteria set out in section 708(10) of the Australian Corporations Act have been satisfied or senior managers of the Company (or a related body, including a subsidiary), their spouse, parent, child, brother or sister, or a body corporate controlled by any of those persons, as referred to in section 708(12) of the Australian Corporations Act; and

(ii) this Red Herring Prospectus may only be made available in Australia to those persons who are able to demonstrate that they are within one of the categories of persons as set forth in clause (i) above.

The Equity Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the Equity Shares may be issued, and no draft or definitive offering circular, advertisement or other offering material relating to any of the Equity Shares may be distributed in Australia except where disclosure to investors is not required under Chapter 6D or Chapter 7 of the Australian Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations.

As any offer of the Equity Shares under this Red Herring Prospectus will be made without disclosure in Australia under the Australian Corporations Act, the offer of those Equity Shares for resale in Australia within 12 months may, under sections 707 or 1012C of the Australian Corporations Act, require disclosure to investors under the Australian Corporations Act if none of the exemptions in the Australian Corporations Act apply to that resale. Accordingly, any person who acquires the Equity Shares pursuant to this Red Herring Prospectus should not, within 12 months of acquisition of the Equity Shares, offer, transfer, assign or otherwise alienate those Equity Shares to investors in Australia except in circumstances where disclosure to investors is not required under the Australian

Corporations Act or unless a complaint disclosure document is prepared and lodged with the Australian Securities and Investments Commission.

Any person who accepts an offer of the Equity Shares under this Red Herring Prospectus must represent that, if they are in Australia, they are such a person as set forth in clause (i) above and acknowledge the restrictions on the on-sale of the Equity Shares set out above.

The provisions that define the exempt categories of person as set forth in clause (i) above are complex, and if you are in any doubt as to whether you fall within one of these categories, you should seek appropriate professional advice regarding those provisions.

This Red Herring Prospectus is intended to provide general information only and has been prepared without taking into account any particular person's objectives, financial situation or needs. Investors should, before acting on this information, consider the appropriateness of this information having regard to their personal objectives, financial situation or needs. Investors should review and consider the contents of this Red Herring Prospectus and obtain financial advice specific to their situation before making any decision to make an application for the Equity Shares.

United Arab Emirates (excluding the Dubai International Financial Centre)

The Equity Shares have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates ("U.A.E.") other than in compliance with the laws of the U.A.E. Prospective investors in the Dubai International Financial Centre should have regard to the specific notice to prospective investors in the Dubai International Financial Centre set out above. The information contained in this Red Herring Prospectus does not constitute a public offer of securities in the U.A.E. in accordance with the Commercial Companies Law (Federal Law No. 8 of 1984 of the U.A.E., as amended) or otherwise and is not intended to be a public offer. The Comapny and the Equity Shares have not been approved or licensed by or registered with the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other relevant licensing authorities or governmental agencies in the U.A.E. This Red Herring Prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or the Dubai Financial Services Authority. This Red Herring Prospectus is being issued to a limited number of selected institutional and sophisticated investors, is not for general circulation in the U.A.E. and may not be provided to any person other than the original recipient or reproduced or used for any other purpose. If you do not understand the contents of this Red Herring Prospectus, you should consult an authorized financial adviser. This Red Herring Prospectus is provided for the benefit of the recipient only, and should not be delivered to, or relied on by, any other person.

Dubai International Financial Centre

This Red Herring Prospectus relates to an exempt offer (an "Exempt Offer") in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the "DFSA"). This Red Herring Prospectus is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Red Herring Prospectus nor taken steps to verify the information set out in it, and has no responsibility for it. The Equity Shares to which this Red Herring Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Equity Shares offered should conduct their own due diligence on the Equity Shares. If you do not understand the contents of this Red Herring Prospectus, you should consult an authorized financial adviser. For the avoidance of doubt, the Equity Shares are not interests in a "fund" or a "collective investment scheme" within the meaning of either the Collective Investment Law (DIFC Law No. 2 of 2010) or the Collective Investment Rules Module of the Dubai Financial Services Authority Rulebook.

Korea

This Red Herring Prospectus is not, and under no circumstances is to be considered as, a public offering of securities in Korea for the purposes of the Financial Investment Services and Capital Market Act of Korea (the "FSCMA"). Neither the Company nor any of the Book Running Lead Managers may make any representation with respect to the

eligibility of any recipients of this Red Herring Prospectus to acquire the Equity Shares offered hereby under the laws of Korea, including but without limitation the Foreign Exchange Transaction Act of Korea and the regulations thereunder (the "FETA"). The Equity Shares offered hereby have not been registered under the FSCMA and the Equity Shares may not be offered, sold or delivered, directly or indirectly, or offered or sold to any person for re offering or resale, directly or indirectly, in Korea or to any resident of Korea (as defined in the FETA), except otherwise permitted by applicable laws and regulations of Korea, including, without limitation, the FSCMA and the FETA.

Kuwait

The Issue has not been approved by the Kuwait Central Bank or the Kuwait Ministry of Commerce and Industry, nor has the Company received authorization or licensing from the Kuwait Central Bank or the Kuwait Ministry of Commerce and Industry to market or sell the Equity Shares within Kuwait. Therefore, no services relating to the offering, including the receipt of applications and/or the allotment of Equity Shares, may be rendered within Kuwait by the Company or persons representing the Company.

People's Republic of China

Each of the Book Running Lead Managers, severally, and not jointly, and the Company represents, warrants and agrees that:

(a) This Red Herring Prospectus is not intended to constitute an offer, sale or delivery of shares or other securities under the laws of the People's Republic of China (the "PRC"). The Equity Shares have not been and will not be filed with, or approved by, the China Securities Regulatory Commission or any other regulatory authority in the PRC.

(b) The Red Herring Prospectus has not been, may not be, issued, circulated or distributed in the PRC and the Equity Shares have not been and may not be offered, sold, pledged or transferred, directly or indirectly, within the territory of PRC, to any PRC person or entity unless such person or entity has obtained the requisite approval from, or has made the appropriate filings with, the relevant PRC authorities.

Qatar

This Red Herring Prospectus does not, and is not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Red Herring Prospectus nor the Equity Shares have been registered, considered, authorized or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither the Company nor persons representing the Company are authorized or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Red Herring Prospectus may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This document shall not form the basis of, or be relied on in connection with, any contract in Qatar. Neither the Company nor persons representing the Company are, by distributing this document, advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

PURCHASER REPRESENTATIONS AND TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult legal counsel prior to making any purchase or resale, pledge or transfer of our Equity Shares.

U.S. Issue Purchaser Representations and Transfer Restrictions

Due to the following restrictions, purchasers are advised to consult legal counsel prior to making any purchase or resale, pledge or other transfer of Equity Shares. Terms used herein that are defined in Rule 144A or Regulation S are used herein as defined therein.

Each purchaser of the Equity Shares within the United States purchasing pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act will be deemed to have represented and agreed that it has received a copy of this Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision. Furthermore, by reviewing the instructions contained in, checking the relevant box, and otherwise duly completing and submitting the ASBA Application and by accepting this Red Herring Prospectus and any supplement hereto and/or the Prospectus and/or purchasing the Equity Shares, offerees and purchasers in the Issue will make the following representations, warranties, agreements, undertakings and acknowledgements to the Company, the Book Running Lead Managers and their respective affiliates:

(1) it is an institution that, in the normal course of business, invests in or purchases securities similar to the Equity Shares and it, and any accounts for which it is acting, (a) are a highly sophisticated investor that have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of our investments in the Equity Shares, and (b) are able to bear the economic risk, and sustain a complete loss, of such investment in the Equity Shares. It will not look to the Company, the Book Running Lead Managers, or any of their respective affiliates, for all or part of any loss it may suffer and have no need for liquidity with respect to its investment in the Equity Shares and have no reason to anticipate any change in our circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares;

(2) it is a "qualified institutional buyer" as defined in Rule 144A under the U.S. Securities Act (a "**US QIB**");

(3) it is not a broker-dealer which owns and invests on a discretionary basis less than US$25 million in securities of unaffiliated issuers;

(4) it is not a participant-directed employee plan, such as a plan described in subsection (a)(1)(i)(D), (E) or (F) of Rule 144A;

(5) if it is acquiring the Equity Shares as a fiduciary or agent for one or more investor accounts,
   (a) each such account is a US QIB,
   (b) it has sole investment discretion with respect to each account, and
   (c) it has full power and authority to make the representations, warranties, agreements, undertakings and acknowledgements contained in the ASBA Application on behalf of each such account;

(6) it hereby confirms that it is acquiring an interest in the Equity Shares for its own account as principal, or for the account of one or more other persons (i) who are able to and who shall be deemed to make all of the representations and agreements in the ASBA Application, (ii) for whom it exercises sole investment discretion, and (iii) on behalf of whom it has full power and authority to make the representations, warranties, agreements, undertakings and acknowledgements contained in the ASBA Application.

(7) it is authorized to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations;

(8) it understands that the Equity Shares are subject to significant restrictions on transfer and are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S.

Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act or under the securities laws of any state or other jurisdiction of the United States. It acknowledges and agrees that it is not taking up the Equity Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the U.S. Securities Act);

(9) it will make its own independent investigation and appraisal of the business, results, financial condition, prospects, creditworthiness, status and affairs of the Company and it will make its own investment decision to acquire the Equity Shares. It understands that the Company believes there is a possibility that, for U.S. federal income tax purposes, the Company may be considered a PFIC and, if it is, that there may be materially adverse consequences under US and other tax laws resulting from an investment in the Equity Shares, and it will make such investigation and consult such tax and other advisors with respect thereto as it deems appropriate. It will satisfy itself concerning, without limitation, the effects of United States federal, state and local income tax laws and foreign tax laws on its investment in the Equity Shares.

(10) the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for re-sales of any Equity Shares;

(11) it agrees, on its own behalf and on behalf of any accounts for which it is acting, that it will not reoffer, resell, pledge or otherwise transfer the Equity Shares, except to a non-U.S. person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act in each case in accordance with all applicable securities laws;

(12) it agrees, upon a proposed transfer of the Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, (i) of any transfer restrictions that are applicable to the Equity Shares being sold, and (ii) that the Equity Shares have not been and will not be registered under the U.S. Securities Act;

(13) it will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

(14) it understands and acknowledges that: (a) the Company shall not recognize any offer, sale, pledge or other transfer of the Equity Shares made other than in compliance with the above-stated restrictions and (b) the Company and its agents may require any U.S. person or any person within the United States who is required under these restrictions to be a "qualified purchaser" but is not a "qualified purchaser" at the time it acquires a beneficial interest in the Equity Shares to transfer the Equity Shares within 30 days to a non-U.S. person in an offshore transaction complying with the provisions of Regulation S and if the obligation is not met, the Company is irrevocably authorized, without any obligation, to sell such Equity Shares on either the Bombay Stock Exchange Limited or the National Stock Exchange of India Limited on such terms as the directors of the Company think fit, or the Company shall be entitled to redeem such Equity Shares at par;

(15) it acknowledges that its purchase of the Equity Shares is subject to and based upon all the terms, conditions, representations, warranties, agreements, undertakings and acknowledgements and other information contained in the Prospectus and the ASBA Application;

(16) it acknowledges that the Company, the Book Running Lead Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account;

(17) it irrevocably authorizes the Company, its affiliates, the Book Running Lead Managers and their respective affiliates and any person acting on their behalf to produce the ASBA Application or a copy hereof to any interested party in any administrative or legal proceedings, dispute or official inquiry with respect to the matters covered hereby;

(18) it agrees that if at any time its representations cease to be true, it will resell the securities at the Company's request;

(19) it agrees that neither on its own account, nor any of its affiliates, nor any person acting on its or its affiliates behalf, will make any "directed selling efforts" as defined in Regulation S, or any "general solicitation" or "general advertising" as defined in Regulation D, with respect to the Equity Shares. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any directed selling efforts, or general solicitation or general advertising;

(20) it will base its investment decision on a copy of the information contained in the Red Herring Prospectus and the Prospectus;

(21) it acknowledges that neither the Company nor any of its affiliates nor any other person (including the Lead Managers) or any of their respective affiliates has made or will make any representations, express or implied, to us with respect to the Company, the Issue, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning the Company, the Issue or the Equity Shares, other than (in the case of the Company and its affiliates only) the information contained in the Red Herring Prospectus;

(22) it understands and acknowledges that the Book Running Lead Managers are assisting the Company in respect of the Issue and that the Book Running Lead Managers are acting solely for the Company and no one else in connection with the Issue and, in particular, are not providing any service to investors, making any recommendations to investors, advising regarding the suitability of any transactions investors may enter into to subscribe, purchase or transfer any Equity Shares nor providing advice in relation to the Company, the Issue or the Equity Shares; and in connection with such understanding, it waives any and all claims, actions, liabilities, damages or demands it may have against the Book Running Lead Managers (or any of their respective affiliates) arising from their engagement with the Company. Furthermore, it acknowledges that it has not relied on and will not rely on any investigation by, or on any information contained in any research reports prepared by, the Book Running Lead Managers or any of their respective affiliates; and

(23) all representations, warranties, agreements, undertakings and acknowledgements it has made in the ASBA Application shall survive the execution and delivery thereof.

Global Offer Purchaser Representations and Transfer Restrictions

The Equity Shares are being offered and sold in the Issue only to non-U.S. persons in offshore transactions pursuant to, and in accordance with, Regulation S under the U.S. Securities Act. By reviewing the instructions contained in, checking the relevant box, and otherwise duly completing and submitting the ASBA Application and by accepting the Red Herring Prospectus and any supplement hereto and/or the Prospectus and/or purchasing the Equity Shares, offerees and purchasers in the Issue will make the following acknowledgements, representations and warranties to the Company, the Book Running Lead Managers and their respective affiliates:

(1) it is not a U.S. person (as defined in Regulation S under the U.S. Securities Act) and is acquiring the Equity Shares for its own account or the account or benefit of a non U.S. person in an offshore transaction pursuant to, and in accordance with, Regulation S;

(2) it understands that the Equity Shares are being offered in a transaction not involving any public issue in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act, or under the securities laws of any state or other jurisdiction of the United States;

(3) it agrees, on its own behalf and on behalf of any accounts for which it is acting, that it will not reoffer, resell, pledge or otherwise transfer the Equity Shares, except to a non-U.S. person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with all applicable securities laws; it understands and acknowledges that the Company shall have no obligation to recognize any offer, sale, pledge or other transfer made other than in compliance with the restrictions on transfer set forth and described herein and that the Company may make notation on its records or give instructions to any transfer agent of the Equity Shares;

(4) it acknowledges that its purchase of the Equity Shares is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in the Red Herring Prospectus, the final Prospectus and the ASBA Application;

(5) it understands that the foregoing representations, warranties, agreements, undertakings and acknowledgements are required in connection with United States and other securities laws and that the Company, the Book Running Lead Managers and their respective affiliates, and others are entitled to rely upon the truth and accuracy of the representations, warranties, agreements, undertakings and acknowledgements contained herein;

(6) it agrees that if any of the representations, warranties, agreements, undertakings and acknowledgements made herein are no longer accurate, it shall promptly notify the Company and the Book Running Lead Managers in writing; and

(7) all representations, warranties, agreements, undertakings and acknowledgements it has made in the ASBA Application and by accepting the Red Herring Prospectus and/or purchasing the Equity Shares shall survive execution and delivery of the ASBA Application.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from publicly available documents from various sources, including officially prepared materials from SEBI, the BSE and the NSE, and has not been prepared or independently verified by the Company, the Book Running Lead Managers or any of their respective affiliates or advisors.

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Stock Exchange Division, under the SCRA and the SCRR. Various rules, bye-laws and regulations of the respective stock exchanges regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner in which contracts are entered into, settled and enforced between members.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and other intermediaries, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, investor protection, insider trading, substantial acquisitions of shares and takeovers of companies, buybacks of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authorities.

Most of the stock exchanges have their own governing board for self regulation. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Listing of Securities

The listing of securities on a recognised Indian stock exchange is regulated by applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI and the equity listing agreements of the respective stock exchanges. The governing body of each recognised stock exchange is empowered to suspend or withdraw admission to dealings in a listed security for breach of or non compliance with any conditions under such equity listing agreement or for any other reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend such equity listing agreements and the bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognised stock exchange.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (the "**Delisting Regulations**") in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Pursuant to an amendment of the SCRR in June 2010, all listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25% and have been given a period of three years to comply with such requirement.

Pursuant to a notification dated January 30, 2012 and circulars dated February 1, 2012 and August 29, 2012, SEBI has introduced new mechanisms for listed Indian companies and their controlling shareholders to meet minimum public shareholding requirements, i.e., (i) the institutional placement programme; (ii) an offer for sale (secondary offering) by the promoters and promoter group through the relevant stock exchange; (iii) Rights Issues to public shareholders, with promoters/promoter group shareholders forgoing their rights entitlement; and (iv) Bonus Issues to public shareholders, with promoters/promoter group shareholders forgoing their bonus entitlement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply

daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, the BSE is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. It has evolved over the years into its present status as one of the premier stock exchange of India.

As of December 31, 2012, the BSE had 1,388 members, comprising 209 individual members, 1,150 Indian companies and 29 FIIs. Only a member of the BSE has the right to trade in the stocks listed on the BSE. As of December 31, 2012 there were 5,191 listed companies trading on the BSE (excluding permitted companies). The estimated market capitalisation of stocks trading on the BSE was ₹ 69,218 billion as on December 31, 2012. In December 2012, the average daily equity turnover on the BSE was ₹ 25.2 billion. As of December 31, 2012, the BSE had 15,727 trader work stations spread over 240 cities.

NSE

The NSE was established by financial institutions and banks to provide nationwide on-line satellite-linked screen-based trading facilities with electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. It has evolved over the years into its present status as one of the premier stock exchange of India. The NSE was recognised as a stock exchange in April 1993 and commenced operations in the wholesale debt market segment in June 1994.

The average daily turnover for December 2012 was ₹ 130.3 billion. The NSE launched the NSE 50 index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996. As of December 31, 2012 the NSE had 1,625 companies listed and market capitalisation of approximately ₹ 67,638 billion. The NSE has a wide network in major metropolitan cities and has a screen based trading and a central monitoring system.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the BSE and the NSE occurs from Monday through Friday, from 9.15 a.m. to 3.30 p.m. IST (excluding the 15 minutes pre-open session from 9.00 a.m. to 9.15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in cash and derivatives segments) subject to the condition that (i) the trading hours are between 9 a.m. and 5 p.m.; and (ii) the stock exchange has in place risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading (BOLT) facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. NSE also provides on-line trading facilities through a fully automated screen based trading system called 'National Exchange for Automated Trading' (NEAT).

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the specific regulations in relation to substantial acquisition of shares and takeover being the Takeover Regulations. Since the Company is an Indian listed company, the provisions of the Takeover Regulations apply to the Company.

Insider Trading Regulations

The Insider Trading Regulations have been notified by SEBI to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information. The Insider Trading Regulations also provide disclosure obligations for shareholders holding more than a pre-defined percentage, and directors and officers, with respect to their shareholding in the company, and the changes therein. The definition of "insider" includes any person who has received or has had access to unpublished price sensitive information of the company.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfers in book-entry form. Further, SEBI framed the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended, which among other things provide regulations in relation to the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

DESCRIPTION OF THE EQUITY SHARES

The following is a summary of some of the provisions contained in, and is qualified in its entirety by, the Company's Memorandum and Articles of Association, the Companies Act, the SCRA and other related Indian regulations. Prospective investors are urged to read the Company's Memorandum and Articles of Association carefully, and consult with their advisers, as to the Company's Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights of the holders of the Equity Shares.

Authorised Capital

The authorised share capital of the Company is ₹ 4,000 million divided into 400 million Equity Shares of ₹ 10 each.

Articles of Association

The Company is governed by its Articles of Association.

Dividends

Under the Companies Act, an Indian company pays dividend upon a recommendation by its board of directors and subject to approval by a majority of the members, who have the right to decrease but not to increase the amount of the dividend recommended by the board of directors. Subject to certain conditions specified under Section 205 of the Companies Act, no dividend can be declared or paid by a company for any financial year except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous financial year(s) arrived at as laid down by the Companies Act and remaining undistributed, or out of both.

However, the board of directors is not obligated to recommend a dividend. The decision of the Board of Directors and shareholders of the Company may depend on a number of factors, including but not limited to, the Company's profits, capital requirements and overall financial condition.

No unpaid or unclaimed dividend shall be forfeited by the board of directors. The Company shall comply with the provisions of Section 205A read with Section 205C of the Companies Act and the Articles of the Company in respect of unpaid or unclaimed dividend. In addition, as permitted by the Articles, the Board may from time to time pay to the members of the Company such interim dividends as appear to them to be justified by the profits of the Company.

Subject to applicable provisions of the FEMA, all dividends and other distributions declared and payable on the Equity Shares may be paid by the Company to the holder thereof in Indian Rupees and may be converted into foreign currency and freely transferred out of India without the necessity of obtaining any governmental or regulatory authorisation or approval in the India or any political subdivision or taxing authority thereof.

The Equity Shares issued pursuant to the Issue shall rank *pari passu* with the existing Equity Shares of the Company in all respects including entitlements to any dividends that may be declared by the Company.

Capitalisation of Profits and Issue of Bonus Shares

The Company may, upon recommendation of the Directors at a general meeting, capitalise any amounts standing to the credit of the Company's reserves or to the credit of the profit and loss account, or otherwise available for distribution in the manner as set forth in the Articles. The share premium account or the capital redemption reserve fund of the Company can only be applied towards payment for unissued Equity Shares to be issued to members of the Company as fully paid bonus shares. Any issue of bonus shares by a listed company will be subject to the applicable SEBI regulations.

Alteration of Share Capital

The Company's issued share capital may be increased by, *inter alia*, creation of new shares, such that the increase in the aggregate amount shall be divided into shares of such respective amounts as prescribed in its general meetings. The Company may also issue convertible debentures as detailed in the Articles at a discount only by passing a special resolution of the shareholders.

Subject to provisions of the Companies Act, the Company may also from time to time by special resolution reduce its share capital and convert all or any of its fully paid-up Equity Shares into stock and re-convert that stock into fully paid-up Equity Shares and cancel the Equity Shares which have not been or agreed to be taken up by any person.

The Articles further provide that the Company may in a general meeting, from time to time (i) divide, consolidate or sub-divide its share capital and the resolution may determine that as between the holders of the shares resulting from such sub-division, one or more such shares shall have some preference or special advantage as regards dividend capital or otherwise as compared with the others; (ii) cancel shares which at the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Pre-emptive Rights

When it is proposed to increase the subscribed capital of the Company by the issue of new Equity Shares, such Equity Shares shall be offered first to the existing shareholders in proportion, as nearly as circumstances admit, to the to the capital paid up on those shares at that date by a notice, specifying the number of Equity Shares and limiting a time not less than 30 days from the date of the offer which shall be deemed to include the right exercisable by the person concerned to renounce the Equity Shares offered to him in favour of any other person and shall contain a statement of this right. If the offer is not accepted it is deemed to have been declined. The Board is authorised to distribute any new Equity Shares not purchased by the existing shareholders in the manner that it deems most beneficial to the Company.

Further, new Equity Shares may be offered to any person whether or not those persons include existing shareholders, either if a special resolution to that effect is passed by the shareholders of the Company in a general meeting, or where a simple majority of shareholders present and voting have passed the resolution and the Government is satisfied that such issue is most beneficial to the Company.

Preference Shares

Subject to provisions of Section 80 of the Companies Act, the Company may issue preference shares which are liable to be redeemed. The resolution authorizing such issue is required to prescribe the manner, terms and conditions for such redemption.

General Meetings of Shareholders

The Company must hold its annual general meeting within six months after the expiry of each financial year, provided that not more than 15 months shall elapse between the date of the previous annual general meeting and the next, unless extended by the Registrar of Companies at the request of the company for any special reason for a period not exceeding three months.

Written notices convening a meeting setting out the date, place and agenda of the meeting must be given to members at least 21 days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received from all shareholders entitled to vote at an annual general meeting, or from shareholders holding not less than 95% of the paid-up capital of the company, at any other meeting. Further, the shareholders of a company can participate in the general meeting through video conference facility, in the event such facility is provided by the company.

A listed company intending to pass a resolution relating to matters such as, but not limited to, amendment in the objects clause of the memorandum of association, the issuing of shares with differential voting or dividend rights, a variation of the rights attached to a class of shares or debentures or other securities, buy-back of shares under the

Section 77A(1) of the Companies Act, giving loans or extending guarantee or providing security in excess of the limits prescribed under Section 372A(1) of the Companies Act, is required to obtain the resolution passed by means of a postal ballot instead of transacting such business in the company's general meeting. A notice to all the shareholders is required to be sent along with a draft resolution explaining the reasons therefore and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the letter. Such postal ballot includes procedure for voting by electronic mode.

Voting Rights

Every member present in person and entitled to vote shall have one vote on a show of hand unless a poll is demanded in accordance with Section 179 of the Companies Act. In case of joint-holders the vote of the first named of such joint holders who tenders a vote shall be accepted to the exclusion of votes of other joint holders.

A shareholder may exercise his voting rights by proxy to be given in the form required by the Articles. The instrument appointing a proxy is required to be deposited at the registered office of the Company at least 48 hours before the time of the meeting. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the prior death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received by the Company at the office before the vote is given. Further no member shall be entitled to exercise any voting right personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid in regard to which the Company has exercised any right of lien.

Register of Members

The Company is required to maintain a register of members wherein the particulars of the members of the Company are entered. For the purpose of determining the shareholders the register may be closed for such period not exceeding 45 days in any one year or 30 days at any one time at such times, as the board of directors may deem expedient.

Annual Report and Financial Results

The annual report must be laid before the annual general meeting of the shareholders of a company. This includes financial information about the company such as the audited financial statements as of the date of closing of the financial year, directors' report, management's discussion and analysis and a corporate governance section, and is sent to the shareholders of the company.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI, which provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. The Company has entered into an agreement for such depository services with NSDL and CDSL.

Under the Equity Listing Agreements, in respect of transfer of Equity Shares, in the event the Company does not effect transfer of Equity Shares within 15 days or where the Company fails to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares of the Company are freely transferable. Further, in terms of the Articles, any person, being a nominee, who becomes entitled to shares by reason of death of a member shall be entitled to the same dividend and other advantages to which he would be entitled if were the registered holder, except that he shall not before being registered as holder of such shares, be entitled in respect of them to exercise any right conferred by membership in relation to the meetings of the Company.

Liquidation Rights

Subject to the provisions of the Companies Act, in the event of a company's winding-up, the holders of such shares are entitled to be repaid the amounts of capital paid-up or credited as paid-up on such shares or, in case of a shortfall, proportionately. All surplus assets after payments due to employees, statutory creditors, secured and unsecured creditors and preference shareholders belong to the holders of the equity shares in proportion to the amount paid-up or credited as paid-up on such shares respectively at the commencement of the winding-up.

Under the Articles of the Company, the liquidator on any winding-up (whether voluntary under supervision or compulsory) may, with the sanction of a special resolution, but subject to the rights attached to any preference share capital, divide among the contributors in specie any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the liquidator shall think fit.

TAXATION

I. Statement of possible tax benefits available to the Company and its shareholders under the applicable laws in India

The Board of Directors
Prestige Estates Projects Limited
Bengaluru

Dear Sirs,

Re: Note on possible Direct Tax Benefits

We hereby enclose a Note (refer annexure) that states the possible general tax benefits available to Prestige Estates Projects Limited (the "Company") and its shareholders under the current tax laws in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance whether:

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been or would be met with.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated by you .No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to Prestige Estates Projects Limited for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to
have resulted primarily from bad faith or intentional misconduct.

The Direct Tax Code ("DTC") has been presented in the Parliament for approval and once approved would be enacted as a law. We are unable to express any opinion on the effect of the same on the shareholders as the Code has not yet been approved.

This note has been prepared solely in connection with the Offering of Equity shares by the Company through an Institutional Placement Programme under the Securities & Exchange Board of India under the Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the Offering).

If this Note is to be included in any offering document prepared in connection with the Offering and thereby associating our name with this Note (either as Preparer or otherwise), the same shall be subject to our prior written consent.

for Deloitte Haskins & Sells

Chartered Accountants
Firm Regn. No.: 008072S

K. R. Sekar
Partner
M. No: 28899

Place : Bengaluru
Date : 07 January 2013

Annexure

NOTE ON POSSIBLE TAX BENEFITS AVAILABLE TO PRESTIGE ESTATES PROJECTS LIMITED AND TO ITS SHAREHOLDERS

UNDER THE INCOME TAX ACT, 1961 (the IT Act)

Prestige Estates Projects Limited (herein referred to as '**PEPL**') is an Indian Company, subject to tax in India. PEPL is taxed on its profits. Profits are computed after allowing all reasonable business expenditure including depreciation.

Considering the activities and the business of PEPL, the following benefits may be available to PEPL.

I. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

1. In accordance with and subject to the conditions specified under Section 80-IB (10) of the IT Act, the Company is eligible for 100 percent deduction of the profits derived from development and building of housing projects approved before 31 March, 2008, by a local authority.

2. Under section 80-IAB of the IT Act, 100 percent of the profits derived by a developer, from the business of developing a special economic zone, notified after 01st day of April 2005, is deductible for a period of 10 consecutive assessment years. For this purpose, 'Developer' would have the same meaning as mentioned under clause (g) of section 2 of the Special Economic Zones Act, 2005.

II. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

There are no special tax benefits available to the shareholders

III. GENERAL TAX BENEFITS AVAILABLE TO THE COMPANY

1 Under section 24(a) of the IT Act, the Company is eligible for deduction of thirty percent of the annual value of the property (i.e. actual rent received or receivable on the property or any part of the property which is let out).

2 Under section 24(b) of the IT Act, where the property has been acquired, constructed, repaired, renewed or reconstructed with borrowed capital, the amount of interest payable on such capital shall be allowed as a deduction in computing the income from house property. In respect of property acquired or constructed with borrowed capital, the amount of interest payable for the period prior to the year in which the property has been acquired or constructed shall be allowed as deduction in computing the income from house property in 5 equal installments beginning with the year of acquisition or construction.

3 Subject to compliance of certain conditions laid down in Section 32 of the IT Act the Company will be entitled to a deduction for depreciation in respect of tangible assets and intangible assets being in the nature of know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after 1st day of April, 1998 at the rates prescribed under the Income Tax Rules, 1962;

Further, an additional depreciation of 20% can be claimed on new machinery or plant subject to fulfillment of certain conditions.

The unabsorbed depreciation shall be carried forward for set off in subsequent years indefinitely.

4 The company will be entitled for exemption under section 10(2A) of the I.T. Act for the share of profits received from the partnership firm in which the company is a partner.

5 The company will be entitled to amortize preliminary expenses being the expenditure incurred on public issue of shares, under Section 35D(2)(c)(iv) of the Act, subject to the nature of expenses and the limit specified in Section 35D(3).

6 Under section 35DD of the I.T. Act, for any expenditure incurred wholly and exclusively for the purposes of amalgamation or demerger, the Company is eligible for deduction of an amount equal to one-fifth of such expenditure for each of the five successive years beginning with the year in which amalgamation or demerger takes place.

7 The Company will be entitled to claim expenditure incurred in respect of voluntary retirement scheme under scheme 35DDA of the I.T. Act in five equal annual installments.

8 Under section 71 of the Act, business loss suffered by the company during the year is allowed to be set-off against income from any other head.

Under section 72 of the Act, the shareholder is entitled to carry forward business losses that cannot be set off against permitted sources of income in the relevant assessment year, for a period of 8 consecutive assessment years immediately succeeding the assessment year when the losses were first computed, and set off such losses against income chargeable under the head "Profits and gains form business or profession" in such assessment year. The set off is permissible even if the business in which the loss was sustained is not carried on in the year of set off.

9 Under section 79 of the IT Act, the carry forward and set off of business losses of a listed company would not be impacted on a change in shareholding pattern of the company.

10 Under Section 115JAA(1A) of the IT Act, where any tax is paid under the MAT provisions for any assessment year[2] commencing on the 1st day of April 2006, credit in respect of tax so paid shall be allowed to the company in accordance with the provisions of the IT Act. Tax credit eligible to be carried forward will be the difference between the MAT paid and the tax computed as per the normal provisions of the IT Act for that assessment year. Such MAT credit is allowed to be carried forward for set off purposes for up to 10 years succeeding the year in which the MAT credit is allowed.

11 Under section 115O of the IT Act, for the purpose of payment of dividend distribution tax (DDT) on the dividends, the dividends so declared, distributed or paid by the domestic company shall be reduced by the dividends received from its subsidiary provided the subsidiary has paid DDT on the same.

For the said purpose, a company shall be a subsidiary of another company, if such other company, holds more than half in nominal value of the equity share capital of the company.

Dividend Income

1 As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115 – O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received from domestic company is exempt from income-tax.

2 As per Section 10(35) of the Act, the following income will be exempt in the hands of the Company:

a. Income received in respect of the units of a Mutual Fund specified under clause (23D) of Section 10; or
b. Income received in respect of units from the Administrator of the specified undertaking; or
c. Income received in respect of units from the specified company

However, this exemption does not apply to any income arising from transfer of such units by the unit holder.

[2] Assessment year means the period of twelve months commencing on the 1st day of April every year succeeding the financial year.

For this purpose (i) "Administrator" means the Administrator as referred to in Section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) "Specified Company" means a Company as referred to in Section 2(h) of the said Act.

Capital Gains

1 Under Section 10 (33) of the Income Tax Act, 1961, any income arising from the transfer of a capital asset, being a unit of the Unit Scheme, 1964 referred to in Schedule I to the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 (58 of 2002) and where the transfer of such asset takes place on or after the 1st day of April 2002 is exempt.

2 As per Section 10(38) of the Act, Long term capital gains arising to the company on transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund will be exempt in the hands of the Company, provided such transaction is chargeable to securities transaction tax.

For this purpose, "Equity Oriented Fund" means a fund –

a. where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and
b. which has been set up under a scheme of a Mutual Fund specified under Section 10(23D) of the Act.

The Long Term Capital gains exempt under Section 10(38) would be liable to book profit tax under Section 115JB of the Act.

3 Under Second Proviso to Section 48 of the IT Act, long term capital gains of the Company arising on the transfer of capital assets other than bonds and debentures (not being capital indexed bonds) will be computed after applying the relevant indexation on the cost of acquisition and cost of improvement. The resulting long term capital gains would be charged @ 20% (plus applicable surcharge and education cess) as per Section 112 of the IT Act. Alternatively, at the option of the company, in respect of long term capital gains from the sale of listed securities or units or zero coupon bonds where the tax payable in respect of any such long term capital gains exceeds 10% of the amount of capital gains arrived at without indexing the cost, the capital gains is charged at a concessional rate of 10% (plus applicable surcharge and education cess).

4 Under Section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under Section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

"Long term specified asset" for the purpose of making investment under Section 54EC of the Act, means any bond, redeemable after three years and issued on or after the 1st day of April 2007:

a. by the National Highways Authority of India constituted under Section 3 of the National Highways Authority of India Act, 1988 or;
b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place. The

investment in the Long Term Specified Asset made by the Shareholder on or after April 1, 2007 during the financial year should not exceed 50 lakhs rupees.

The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the Income Tax under Section 80C for any assessment year beginning on or after 1 April, 2006.

5 Under Section 111A of the Act, short term capital gains arising to the Company from the sale of a short term capital asset being an equity share or a unit of an equity oriented fund will be taxable at the rate of 15% (plus applicable surcharge and education cess) where such transaction is chargeable to securities transaction tax. Short Term Capital Gains arising from transfer of shares in a Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

For this purpose, 'equity oriented fund' would have the same meaning as specified in section 10(38) above.

6 Short-term capital loss suffered by the Company during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term/short term capital gains.

Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

IV. GENERAL TAX BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS

1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115 – O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received from domestic company is exempt from income tax in the hands of shareholder.

2. As per the provisions of Section 10(38) of the IT Act, long term capital gains arising on sale of equity shares in the Company would be exempt from tax where the sale transaction has been subjected to securities transaction tax.

3. Under Second Proviso to Section 48 of the IT Act, long term capital gains of the shareholder arising on the transfer of capital assets other than bonds and debentures (not being capital indexed bonds) will be computed after applying the relevant indexation on the cost of acquisition and cost of improvement. The resulting long term capital gains would be charged @ 20% (plus applicable surcharge and education cess) as per Section 112 of the IT Act. Alternatively, at the option of the shareholder, in respect of long term capital gains from the sale of listed securities or units or zero coupon bonds where the tax payable in respect of any such long term capital gains exceeds 10% of the amount of capital gains arrived at without indexing the cost, the capital gains is charged at a concessional rate of 10% (plus applicable surcharge and education cess).

4. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) would be exempt from tax to the extent such capital gains are invested in long term specified assets within 6 months from the date of such transfer in the bonds issued by:

    a. National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988:
    b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

    If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place. The

investment in the Long Term Specified Asset made by the Shareholder on or after April 1, 2007 during the financial year should not exceed 50 lakhs rupees.

The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the Income Tax under Section 80C for any assessment year beginning on or after 1 April, 2006.

5. As per the provisions of Section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains(which are not exempt under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ("HUF") on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

6. As per section 70, short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance short term loss, if any, could be carried forward under section 74 for eight years for claiming set-off against subsequent years' long-term/short term capital gains.

   Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

7. Where the resident shareholder is a corporate assessee, then, to the extent its business consists of purchase and sale of shares of other companies, the provisions of Explanation to Section 73 may be attracted. In other words, the losses arising on the purchase and sale of such shares shall be allowed to be set off only against the profits arising on the sale of such shares. The unabsorbed losses, if any, shall be allowed to be carried forward for a period not exceeding four assessment years immediately succeeding the assessment year in which the loss is first computed and set off against the profits arising from the sale of such shares.

8. As per the provisions of Section 111A of the IT Act, short-term capital gains from the sale of an equity share of the Company would be taxable at a rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short Term Capital Gains arising from transfer of Shares in a Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

V. GENERAL TAX BENEFITS AVAILABLE TO NON-RESIDENTS/ NON-RESIDENT INDIAN SHAREHOLDERS (OTHER THAN MUTUAL FUNDS, FIIs AND FOREIGN VENTURE CAPITAL INVESTORS)

1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received on the shares of any company is exempted from the tax and are not subjected to any deduction of tax at source.

2. As per the provisions of Section 10(38) of the IT Act, long-term capital gains arising on transfer of equity shares in the Company would be exempt from tax provided the transaction is chargeable to securities transaction tax.

3. Under Section 111A of the IT Act, short-term capital gains arising from the sale of an equity share, being a short term capital asset in the company, would be taxable at a concessional rate of 15 percent (plus applicable surcharge and education cess) where such transaction of is liable to securities transaction tax. Short Term Capital Gains arising from transfer of shares in the company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

4. In terms of the first proviso to Section 48 of the IT Act, in case of a non-resident, while computing the capital gains arising from transfer of shares in or debentures of the company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of

foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The Capital gains/loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into same foreign currency which was utilized in the purchase of shares.

5. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) would not be chargeable to tax to the extent such capital gains are invested in long term specified assets within 6 months from the date of transfer and held for a period of 3 years, from the date of acquisition, in bonds issued by:

   a. National Highway Authority of India constituted under Section 3 of the National Highway Authority of India Act, 1988;
   b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

   If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place. The investment in the Long Term Specified Asset made by the Shareholder on or after April 1, 2007 during the financial year should not exceed 50 lakhs rupees.

   The cost of long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the Income Tax under Section 80C for any assessment year beginning on or after 1 April, 2006.

6. As per the provisions of Section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) arising to an individual on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

7. Taxation of Income from investment and long term capital gains (other than those exempt under section 10(38) of the Act):

   a) A non-resident Indian, i.e. an individual being a citizen of India or person of Indian origin has an option to be governed by the special provisions contained in Chapter XIIA of the Act, i.e. "Special provisions relating to certain incomes of non-residents".

   b) Under section 115E of the Act, where shares in a company are subscribed for in convertible Foreign Exchange by a non-resident Indian, capital gains arising to such non-resident Indian on transfer of shares held for a period exceeding 12 months shall (in case not covered under Section 10(38) of the Act) be concessionally taxed at a flat rate of 10% (plus applicable educational cess) without indexation benefit, but with protection against foreign exchange fluctuation under the first proviso to Section 48 of the Act.

   c) Under section 115F of the Act, long term capital gain (not covered under section 10(38) of the Act) arising to a non-resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax if the entire net consideration is reinvested in specified new assets within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the new assets are transferred or converted into money within three years from the date of their acquisition.

d) Under section 115-G of the Act, non-resident Indians are not obliged to furnish a return of income if their only source of income is income from specified investments or long term capital gains or both arising out of specified investments acquired, purchased or subscribed in convertible foreign exchange, provided tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the Act.

e) Under section 115-H of the Act, where a non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from specified investments for that year and subsequent assessment years until such investments are transferred or converted into money.

f) Under section 115-I if the Act, a non-resident Indian may elect not to be governed by the provisions of Chapter XII-A of the Act for any assessment year by furnishing his return of income under section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year. In such a case the tax on investment income and long term capital gains would be computed as per normal provisions of the Act.

8. As per Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the Non-Resident/ Non-Resident Indian would prevail over the provisions of the IT Act to the extent they are more beneficial to the Non-Resident/ Non-Resident Indian subject to Tax Residency Certificate being furnished as per prescribed format.

VI. GENERAL TAX BENEFITS AVAILABLE TO MUTUAL FUNDS

As per Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

VII. GENERAL TAX BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FIIs')

1. As per the provisions of Section 10(34) of the IT Act, dividend income (referred to in Section 115-0 of the IT Act) would be exempt from tax in the hands of the shareholders of the Company and are not subjected to deduction of tax at source.

2. As per the provisions of Section 10(38) of the IT Act, long term capital gains arising on transfer of equity shares of the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.

3. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) would not be chargeable to tax to the extent such capital gains are invested in long term specified assets within 6 months from the date of transfer and held for a period of 3 years, from the date of acquisition, in bonds issued by:

   a. National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;
   b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act,1956;

   If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place. The

investment in the Long Term Specified Asset made by the Shareholder on or after April 1, 2007 during the financial year should not exceed 50 lakhs rupees

4. Where the Foreign Institutional Investor is a corporate assessee, to the extent its business consists of purchase and sale of shares of other companies, provisions of Explanation to Section 73 may be attracted. In other words, the losses arising on the purchase and sale of such shares shall be allowed to be set off only against the profits arising on the sale of such shares. The unabsorbed losses, if any, shall be allowed to be carried forward for a period not exceeding four assessment years immediately succeeding the assessment year in which the loss is first computed and set off against the profits arising from the sale of such shares.

5. Where the Foreign Institutional investor is a corporate assessee, then, to the extent its business consists of purchase and sale of shares of other companies, then provisions of Explanation to Section 73 may be attracted.

6. As per Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FII would prevail over the provisions of the IT Act to the extent they are more beneficial to the FII subject to Tax Residency Certificate.

7. Under the provisions of Section 111A of the IT Act, short-term capital gains arising from transfer of equity share in the Company would be taxable at a concessional rate of 15 percent (plus applicable surcharge and education cess) where such transaction which has been subjected to securities transaction tax.

8. As per the provisions of Section 115AD of the IT Act, income (other than income by way of dividends referred to in Section 115-O of the IT Act) of FIIs arising from securities (other than the units purchased in foreign currency referred to Section 115AB of the IT Act) would be taxed at concessional rates, as follows:

Nature of income	Rate of tax (%)
Income in respect of securities	20
Long term capital gains (other than long term capital gain referred to in section 10(38)]	10
Short term capital gains (Other than short term capital gain referred to in Section 111A)	30

The above tax rates would be increased by the applicable surcharge and education cess. The benefits of indexation and foreign currency fluctuation protection as provided under Section 48 of the IT Act are not available.

GENERAL TAX BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES / FUNDS

1. As per Section 10(23FB) of the IT Act, any income of a Venture Capital Company or Venture Capital Fund, registered with the Securities and Exchange Board of India, from investment in a Venture capital Undertaking, would be exempted from income tax subject to the fulfillment of conditions specified.

2. Under Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement (DTAA) between India and the country of residence of the Fund/company (if non- resident) would prevail over the provisions of the IT Act to the extent the DTAA is more beneficial to the non-resident.

NEW AMENDMENTS UNDER THE IT ACT

The Government of India has recently made amendments in the existing income tax laws to incorporate provisions relating to General Anti-Avoidance Rules (GAAR). GAAR would be effective from 01st April 2013.

UNDER THE WEALTH TAX ACT, 1957

Assets as defined under Section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares of the Company held by the shareholders would not be liable to wealth tax.

UNDER THE GIFT- TAX ACT

Gift tax is not leviable in respect of gifts made on or after 1st October, 1998.

Notes:

a. *The above statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.*

b. *The above statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.*

c. *Legislation, its judicial interpretations and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the above. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of the above. Unless specifically requested, we have no responsibility to carry out any review of our comments for changes in laws or regulations occurring after the date of issue of this note.*

d. *This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.*

e. *In respect on non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.*

f. *The statement of possible tax benefits enumerated above is as per the Income Tax Act, 1961 as amended by the Finance Act 2012.*

This note has been prepared solely in connection with the Offering of Equity shares by the Company through a Institutional Placement Programme under the Securities & Exchange Board of India under the the Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the Offering).

II. Certain U.S. Federal Income Tax Considerations

The discussion of U.S. tax matters in this Red Herring Prospectus was written in connection with the promotion or marketing of the Equity Shares, and it was not intended to be, and cannot be used by any person for the purpose of avoiding penalties that may be asserted against the holder under U.S. federal, state and local tax law. Taxpayers should seek their own advice based on their particular circumstances from an independent tax adviser.

The following is a discussion of certain U.S. federal income tax consequences of the purchase, ownership and disposition of Equity Shares, but it does not purport to be a comprehensive description of all the tax considerations that may be relevant to a particular person's decision to acquire such securities. The discussion applies only to U.S. Holders (as defined below) that hold Equity Shares as capital assets for U.S. federal income tax purposes.

This discussion does not describe all of the U.S. federal income tax consequences that may be relevant to U.S. Holders in light of their particular circumstances or to U.S. Holders subject to special rules, such as

- financial institutions;
- insurance companies;
- dealers and traders in securities or foreign currencies;
- persons holding Equity Shares as part of a hedge, straddle, conversion or other integrated transaction;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. Dollar;
- partnerships or other entities classified as partnerships for U.S. federal income tax purposes;
- persons liable for the alternative minimum tax;
- tax-exempt organizations;
- persons holding Equity Shares that own or are deemed to own 10.0% or more of any class of our stock; or
- persons who acquired Equity Shares pursuant to the exercise of an employee stock option or otherwise as compensation.

This discussion is based on the Internal Revenue Code of 1986, as amended (the "**Code**") and administrative pronouncements, judicial decisions, final, temporary and proposed Treasury regulations, all as of the date hereof. These authorities are subject to change, possibly on a retroactive basis. Prospective purchasers should consult their own tax advisers concerning the U.S. federal, state, local and non-U.S. tax consequences of owning and disposing of Equity Shares in their particular circumstances.

As used herein, the term "**U.S. Holder**" means a beneficial owner of Equity Shares that is, for U.S. federal income tax purposes: (i) an individual that is a citizen or resident of the United States; (ii) a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state or the District of Columbia; or (iii) an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

Taxation of distributions

Subject to the discussion of PFIC considerations below, distributions received by a U.S. Holder of Equity Shares will constitute foreign source dividend income to the extent paid out of our current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). The amount of the dividend a U.S. Holder will be required to include in income will equal the U.S. Dollar value of the distribution, regardless of whether the payment

is converted into U.S. Dollars on the date of receipt. If the dividend is converted into U.S. Dollars on the date of receipt, the U.S. Holder generally should not be required to recognize foreign currency gain or loss in respect of the dividend income. Corporate U.S. Holders will not be entitled to claim the dividends-received deduction with respect to dividends that we pay. U.S. Holders should consult their advisors with respect to how to account for dividends paid in a foreign currency.

Subject to certain limitations, a U.S. Holder may claim a credit for taxes it pays to a foreign government in connection with distributions on the Equity Shares, including withholding tax. In the alternative, such foreign tax may be taken as a deduction. Although we are liable for a dividend distribution tax on any dividends we pay on the Equity Shares, such tax is paid by us rather than by the U.S. Holder. The rules relating to the determination of the foreign tax credit are complex, and U.S. Holders should consult their tax advisors to determine whether a credit would be available in their particular circumstances.

Sale and other disposition of Equity Shares

Subject to the discussion of PFIC considerations below, for U.S. federal income tax purposes, gain or loss realized on the sale or other disposition of Equity Shares will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder held the Equity Shares for more than one year. The amount of the gain or loss will equal the difference between the U.S. Holder's tax basis in the Equity Shares disposed of and the amount realized on the disposition, in each case as determined in U.S. Dollars. This gain or loss will generally be U.S.-source gain or loss for foreign tax credit purposes.

Passive foreign investment company considerations

In general, a non-U.S. corporation will be considered a PFIC for any taxable year in which either (i) 75% or more of its gross income consists of passive income or (ii) 50% or more of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income. For purposes of the above calculations, a non-U.S. corporation that directly or indirectly owns at least 25% by value of the stock of another corporation is treated as if it held its proportionate share of the assets of such other corporation and received directly its proportionate share of the income of such other corporation. Passive income generally includes dividends, interest, rents, royalties and capital gains.

Based on the nature of our business, we do not expect to be classified as a PFIC. However, PFIC status depends on facts that generally are not determinable until after the close of the taxable year. Some of these facts may be out of our control. There can be no assurance that we will not be classified as a PFIC for any given year. If we are classified as a PFIC for any year during a U.S. Holder's holding period, the U.S. Holder may be subject to materially adverse U.S. tax consequences.

In addition, we hold direct and indirect equity interests in entities that may be PFICs ("**Lower-tier PFICs**"). If we are classified as a PFIC, U.S. Holders will be subject to the PFIC rules with respect to these Lower-tier PFICs as well. We do not intend to assess our PFIC status or that of any of our direct or indirect subsidiaries for any taxable year.

Unless a U.S. holder makes a valid and timely "mark-to-market" election, as described below, gain recognized upon a disposition (including, under certain circumstances, a pledge) of Equity Shares by such U.S. Holder, or upon an indirect disposition of shares of a Lower-tier PFIC, will be allocated rateably over the U.S. Holder's holding period for such shares. The amounts allocated to the taxable year of disposition and to years before we became a PFIC will be taxed as ordinary income. The amount allocated to each other taxable year will be subject to tax at the highest rate in effect for such taxable year for individuals or corporations, as appropriate, and an interest charge will be imposed on the tax attributable to such allocated amounts. Further, to the extent that any distribution received by a U.S. Holder on its Equity Shares (or a distribution by a Lower-tier PFIC to its shareholder that is deemed to be received by a U.S. Holder) exceeds 125% of the average of the annual distributions on such shares received during the preceding three years or the U.S. Holder's holding period, whichever is shorter, such distribution will be subject to taxation as described above. If we were a PFIC for any year during which a U.S. Holder held Equity Shares, it generally would continue to be treated as a PFIC with respect to that holder for all succeeding years during which the U.S. Holder held Equity Shares, even if our income and assets ceased to cause us to be classified as a PFIC.

A U.S. Holder may make a mark-to-market election with respect to the Equity Shares (but not with respect to the shares of any Lower-tier PFICs) if the Equity Shares are "regularly traded" on a "qualified exchange." In general, the Equity Shares will be treated as "regularly traded" in any calendar year in which more than a *de minimis* quantity of Equity Shares are traded on a qualified exchange on at least 15 days during each calendar quarter.

If a U.S. Holder makes the mark-to-market election, for the first year in which we are a PFIC during the U.S. Holder's holding period, the U.S. Holder will generally include as ordinary income the excess, if any, of the fair market value of the Equity Shares at the end of the taxable year over their adjusted tax basis, and will be permitted an ordinary loss in respect of the excess, if any, of the adjusted tax basis of the Equity Shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). If a U.S. Holder makes the election, the holder's tax basis in the Equity Shares will be adjusted to reflect any such income or loss amounts. Any gain recognized on the sale or other disposition of Equity Shares will be treated as ordinary income. U.S. Holders should consult their own tax advisers regarding the availability and advisability of making a mark-to-market election in their particular circumstances.

U.S. Holders should consult their tax advisers regarding the potential availability of a "deemed sale" election that would allow them to eliminate continuing PFIC status under certain circumstances.

If a U.S. Holder owns Equity Shares during any year in which we are a PFIC, the holder must file IRS Forms 8621 with respect to us and any Lower-tier PFICs. In addition, under newly enacted legislation, unless otherwise provided by the U.S. Treasury, each U.S. Holder of a PFIC is required to file an annual report containing such information as the U.S. Treasury may require. If we are or become a PFIC, U.S. Holders should consult their own tax advisers regarding any reporting requirements that may apply.

Backup withholding and information reporting

Information returns may be filed with the IRS in connection with distributions on the Equity Shares and the proceeds from their sale, exchange or redemption unless a U.S. Holder establishes that it is exempt from the information reporting rules, for example, because such U.S. Holder is a corporation. If the U.S. Holder does not establish this, it may be subject to backup withholding on these payments if the U.S. Holder fails to provide its taxpayer identification number or comply with certain certification procedures. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against its U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

U.S. Holders should consult their own tax advisers regarding any additional tax reporting or filing requirements they may have as a result of acquiring, owning or disposing of the Equity Shares.

LEGAL PROCEEDINGS

We are involved in various legal proceedings including, among others, title and land disputes, consumer disputes, criminal proceedings and income tax proceedings. Except as described below, we believe that we are not involved in any material legal proceedings, and in our opinion, no proceedings are threatened, which may have, or have had during the 12 months preceding the date of this Red Herring Prospectus, a material adverse effect on our business, financial position, profitability or results of operations.

Cases filed against our Company

A summary of litigation and disputes involving potential financial liability of ₹ 10.00 million or more and certain other litigation which we consider material are as follows:

Criminal litigation

1. Ramaiah (the "**Petitioner**") has filed a criminal petition bearing 4985/2012 dated August 21, 2012 before the High Court of Karnataka, Bengaluru (the "**Court**") against the Whitefield Police Station and Virendra Kumar, an employee of our Company (the "**Respondents**"). The Petitioner has alleged that he has purchased the property bearing No. 154/1 and 154/2, Pattandur Agrahara Village, K.R. Puram Hobli, Bengaluru East Taluk. The Petitioner has filed a suit bearing O.S. No. 91/ 2012 before Principal Senior Civil Judge, Bengaluru in respect of the above property and our Company is one of the defendants in the above mentioned suit of O.S. No. 91/2012. The Petitioner has alleged that Virendra Kumar, an employee of our Company had approached the Whitefield Police Station and had filed a complaint on February 16, 2012 against the Petitioner alleging offences punishable under Sections 416, 417, 419, 420 and 468 of the Indian Penal Code, 1860. The Petitioner has alleged that Virender Kumar has filed the complaint with the sole intention of blackmailing the Petitioner and coerce him to withdraw the above suit filed by him. The Petitioner has prayed before the Court to quash the complaint filed by Virender Kumar against the Petitioner before the Whitefield Police Station and the subsequent first information report submitted by the Whitefield Police Station to the Additional Chief Judicial Magistrate, Bengaluru in Cr. No. 47/2012 dated February 16, 2012. The matter is pending. This complaint has been filed in respect of our project "The Mansion" in "Prestige White Meadows".

Civil litigation

1. A civil suit bearing O.S. No. 1958/2007 has been filed by Gaffer Baig seeking permanent injunction against Chaitanya Projects Private Limited before the Court of the Civil Judge (Junior Division), Bengaluru. Our Company is the second defendant in the suit. The contention of the plaintiff is that the defendants have encroached on the property belonging to the plaintiff, situated in Sy. No. 136 (old 122) of Nagondanahalli Grama, K.R. Puram Hobli, Bengaluru to an extent of 2.35 acres while constructing a compound wall and developing layouts of 'Prestige Glen Morgan', developed by our Company. However, our Company has maintained, in its written statement, that no encroachment had occurred. Our Company has further alleged that the new survey numbers were allotted based on a sketch prepared by the survey department, which failed to serve notice on the defendants as required under law. An interim order was passed by the Civil Judge (Junior Division), Bengaluru Rural District on this matter on February 22, 2008. Accordingly, the interim application filed by the plaintiff seeking interim injunction to restrain the defendants from constructing unauthorised walls on the suit property was dismissed. An interim application filed by our Company seeking exclusion of our Company's name from the list of defendants and interim applications filed by defendant 3, Castlewood Investments seeking restoration of status quo ante and status quo were also dismissedThe matter is pending for further arguments.

2. A civil suit bearing O.S. No. 15595/2006 has been filed by Andrews Development & Investment Enterprises and others against Square Projects Associates and others before the City Civil Court, Bengaluru. The suit relates to a dispute relating to shop property bearing Sy. No. 101-102, having shop numbers 104 to113, Andrews Building, M.G. Road, Bengaluru and premises bearing No. 8/1. Raja Ram Mohan Roy Road, Bengaluru. Our Company has been impleaded as a party and the alleged case against our Company is unjust enrichment by purchase of disputed property. Our Company filed an objection to the same stating that our Company is the absolute owner and is in possession of the property pursuant to a duly

executed sale deed. The matter is pending and has been posted for hearing the interim application. This suit has been filed in respect of our project "Prestige Zeenath.

3. A civil suit bearing O.S. No.1688/2005 has been filed by Srinivasa Reddy and another person against Chikkapillappa and others before the First Additional City Civil Judge (Senior Division), Rural District, Bengaluru. Anjum Razack and Rezwan Razack representing our Company are the second and third defendants respectively. The plaintiff has sought permanent injunction restraining Anjum Razack and Rezwan Razack from constructing on the property measuring 3 acres located at Sy. No. 53/2 at Addevishwanathpura Village, Hessaraghatta Hobli, Bengaluru in respect of our project "Prestige North West County". The contention of the plaintiff is that they are eligible for proportionate share in the suit property as grandsons of Late Munivenkata Reddy. Chikkapillappa acquired the property under a Panchayat Parikhat and thereafter sold to the same to our Company. The court granted a temporary injunction on August 04, 2005 restraining our Company from undertaking any construction activity on the property and to restrain from alienating the property further. The ex-parte order of temporary injunction was vacated by an order dated November 11, 2005, passed by the First Additional Civil Judge (Senior Division), Bengaluru. The matter is pending.

4. A civil suit bearing O.S. No. 5688/2009 has been filed by C. Ahamed Pasha against our Company before the City Civil Court, Bengaluru. The plaintiff claims ownership over the property situated at Municipal No. 10, 10A and 11 (old No. 4, which was subsequently renumbered as 6 and 6A), Kensington Road, Clarandan hall (Begum hall), Ward No. 81, Ulsoor, Bengaluru relating to our project 'Hilton Hotel'. The contention of the plaintiff is that the defendants have entered into the plaintiff's property, which was bequeathed to him by his relative C. Abdul Rahman, and interfered with the peaceful possession. The plaintiff seeks a perpetual injunction to restrain the defendant from interfering with the plaintiff's peaceful possession of the property. Our Company has filed an interim application dated October 5, 2009 stating that our Company is the absolute owner of the property and has prayed before the court to dismiss the plaint of the plaintiff. Defendants have also filed objections to the interim application filed by our Company. The matter is pending.

5. A civil suit bearing O.S. No. 6733/07 has been filed by B. Zahir Ahamed against Ramachandra and others before the Seventeenth Additional City Civil and Sessions Judge, Bengaluru. Our Company is the thirteenth defendant in the suit. The plaintiff claims that he had executed a memorandum of understanding with the first and second defendant for purchase of property situated at No. 33 (Old No.3), Ulsoor Road, Bengaluru in relation to our project 'Prestige Dynasty'. The contention of the plaintiff is that the first and second defendant executed a lease deed with our Company in violation of terms contained in the memorandum of understanding. The suit has been filed for specific performance of execution of sale deed in furtherance to the memorandum of understanding, for the balance consideration. The plaintiff has also sought the joint execution of the sale deed by our Company, by which our Company shall denounce its leasehold interest in the property. The plaintiff has filed an interim application on August 22, 2007 seeking an ad-interim injunction to restrain the first, second and thirteenth defendant from carrying on construction activities on the suit property, pending disposal of the suit. Our Company filed a written statement and a statement of objections on October 26, 2007. Subsequently, the plaintiff has also filed an application dated October 13, 2009, seeking an ad-interim injunction against the defendants restraining them from creating any third party interest in the building built on the property in dispute. The first and second defendants have filed interim applications for rejection of plaint and dismissal on March 24, 2008. The matter is pending and has been posted for hearing the interim applications filed by the first and second defendants.

6. A civil suit bearing O.S. No. 9294/2004 has been filed by M. Nagaraju against Damagunta Rajeshwaramma and others before the City Civil Court, Bengaluru for partition and separate possession of property. Our Company is the eighth defendant in the suit. The plaintiff claims that the property measuring one acre situated at Sy. No. 6, Kadubeesanahalli Village, Varthur Hobli, Bengaluru South relating to our project 'Cessna Business Park' belongs to the HUF of the plaintiff. The first defendant has sold the property in favour of our Company, pursuant to which our Company has undertaken construction activities on the property. The plaintiff has also prayed that the sale in favour of our Company be set aside. Our Company has filed an interim application on October 28, 2006 to delete our Company's name as a party to the suit and the interim application is till pending. The High Court of Karnataka, Bengaluru (the "**High Court**")

has passed an order dated August 24, 2011 in writ petition No. 22853/2010 filed by the plaintiff against the order of the trial court which had directed the plaintiff to pay ₹ 0.35 million as court fees. The High Court pursuant to the order has held that the plaintiff has to pay the market value on $1/6^{th}$ share of the property and has set aside the order of the trial court. The plaintiff has filed objections to the same. The matter is pending.

7. A civil suit bearing O.S. No. 1083/2008 has been filed by Chowdamma against Akkayamma and others before the Civil Judge (Senior Division), Bengaluru for partition and for setting aside the sale deed executed in favour of our Company in respect of 9.77 acres of land situated at Sy. No. 62/1, Addevishwananthapura Village, Hesarghatta Hobli, Bengaluru North, forming part of our project 'Oasis' and the plaintiff has sought for permanent injunction to restrain our Company from alienating, mortgaging, leasing, encumbering or in anyway parting with possession of the property. Our Company has filed a written statement and also preferred an interim application before the Second Additional Civil Judge (Senior Division), Bengaluru North seeking orders to direct the plaintiff to pay sufficient court fees as required under the Karnataka Court Fees and Suit Valuation Act, 1958. The matter is pending.

8. A civil suit bearing O.S. No. 7039/2003 has been filed by Mandali Ranganna and others against Ramachandra and others before the Eighteenth Additional City Civil Judge, Bengaluru for partition of the plaintiff's property which relates to our project 'Prestige Dynasty'. Our Company is the twelfth defendant in the suit. The contention of the plaintiff is that the properties situated at No. 33 (Old No.3), Ulsoor road, Bengaluru and at No. 108, 109 and 110 located at Jumma Masjid Road (Old OPH Road), Bengaluru relating to our project 'Prestige Dynasty' belongs to the joint family of the plaintiff and was being managed by the first and second defendant, who alienated the property without authority. The matter is pending.

T. Ramachandra and others (the "**Petitioners**") have filed a writ petition bearing No. 2352/2012 dated January 19, 2012 before the High Court of Karnataka, Bengaluru against Mandali Ranganna, our Company and seventeen others (the "**Respondents**"). This writ petition has been filed by the Petitioners against the order dated January 17, 2012 passed by the XVIII Additional City Civil Judge, Bengaluru in O.S. No. 7039/2003 overruling the objection filed by the Petitioners and permitting to mark the secondary evidence. The Petitioners have alleged that they are in exclusive possession of the properties situated at No. 33 (Old No.3), Ulsoor road, Bengaluru and at No. 108, 109 and 110 located at Jumma Masjid Road (Old OPH Road), Bengaluru relating to our project 'Prestige Dynasty'. The Petitioners have alleged that our Company is merely impleaded as a party and no relief has been sought against our Company. The matter is pending.

9. A civil suit bearing O.S. No. 797/1995 has been filed by Vijaya Srinivasan and others against Sharada Devi and others before the City Civil Court, Bengaluru. The plaintiff claims that the property measuring 5.05 acres situated at Sy. No. 96 and the property measuring 0.75 acres situated at Sy. No. 26/2, Ramagondanahalli Village, Varthur Hobli, Bengaluru South belongs to the HUF of the plaintiff. The contention of the plaintiff is that the sale deed executed by one of the defendants, Ramaiah in favour of another defendant, Sharada Devi is a nominal sale deed that was not to be relied upon. The plaintiff alleges that on the basis of a power of attorney executed by Sharada Devi in favour of Rezwan Razack, our Company has developed a layout for the project, 'Prestige Lake Vista' on the suit property. The plaintiffs prays for partition of the suit property and separate possession as well as proportionate profits generated from the property. The defendants have claimed in their written statement that the plaintiffs have failed to establish their title to the suit property and that they have relied upon the sale deeds executed by Ramaiah, alienating the suit property. On the above grounds, the defendants have prayed for the suit to be dismissed. The plaintiffs have filed an interim application for rejection of the power of attorney executed by Sharada Devi in favour of Rezwan Razack and for hearing the matter *ex-parte*. The matter is pending.

10. A civil suit bearing O.S. No. 27044/2009 has been filed by Khaleel-ur-rehman and others against C. Padma and others before the court of the Additional City Civil Judge, Bengaluru. Our Company is the fourth defendant in the suit. The plaintiffs claim that they have been occupying the property situated at No. 33 (Old No.3), Ulsoor Road, Bengaluru, by virtue of an unregistered lease deed executed by the first three defendants in favour of the plaintiffs. The plaintiffs allege that the first defendant sold the suit property without the plaintiffs' knowledge, in favour of our Company based on which our Company has commenced development activities on the suit property. The plaintiffs allege that a suit for eviction of the plaintiffs is

presently pending and that the eviction should be carried out only in compliance with law. The plaintiff has sought interim orders to restrain our Company from dispossessing the Plaintiff from the suit property. The matter is pending. This suit has been filed in respect of our project "Prestige Dynasty".

11. A writ petition bearing W.P. No. 22918/2010 has been filed by Max Hypermarket India Private Limited against the Union of India and others before the High Court of Karnataka, Bengaluru. Our Company is the seventh respondent in the suit. The writ petition has been filed to challenge the constitutional validity and legality of Sections 65(90)(a), 65(105)(zzz) and Section 66 of the Finance Act, 1994 in so far it relates to service of renting immovable property mentioned in Section 65(105)(zzz) of the Finance Act, 1994. In the writ petition the legality of notification No.24/2007 dated May 22 2007, and Circular No. 98/1/2008-ST dated April 1, 2007 issued by the finance ministry has also been challenged. The matter is pending.

12. A writ petition bearing W.P. No. 26225/2010 has been filed by Dish Hospitality Private Limited against the Union of India and others before the High Court of Karnataka, Bengaluru. Our Company is the sixth respondent in the suit. The writ petition has been filed to challenge the constitutional validity and legality of Sections 65(90)(a), 65(105)(zzz) and Section 66 of the Finance Act in so far it relates to service of renting immovable property mentioned in Section 65(105)(zzz) of the Finance Act, 1994. In the writ petition the legality of notification No.24/2007 dated May 22 2007, and Circular No. 98/1/2008-ST dated April 1, 2007 issued by the finance ministry has also been challenged. The matter is pending.

13. A writ petition bearing W.P. No. 21808/2010 has been filed by Time Zone Entertainment Private Limited against Union of India and others before the High Court of Karnataka. Our Company is the seventh respondent in the suit. The writ petition has been filed to challenge the constitutional validity and legality of Sections 65(90)(a), 65(105)(zzz) and Section 66 of the Finance Act, 1994 in so far it relates to service of renting immovable property mentioned in Section 65(105)(zzz) of the Finance Act, 1994. In the writ petition the legality of notification No.24/2007 dated May 22 2007, and Circular No. 98/1/2008-ST dated April 1, 2007 issued by the finance ministry has also been challenged. An interim order has been passed on July 22, 2010 to the effect that service tax shall not be levied for renting of immovable properties until further orders. The matter is pending.

14. A civil suit bearing O.S. No. 5553/2010 has been filed by S. Sridhara against Ogilvy and Mather Private Limited before the Additional City Civil and Sessions Judge, Bengaluru. Our Company is the second defendant in the suit. The suit is in the nature of a money suit. The plaintiff contends that it had carried out work of erecting flex front lite hoardings of the second defendant on behalf of the first defendant and that payments were due from the first defendant. The plaintiff has not prayed for any relief from our Company. The matter is pending.

15. V. Lakshminarayana (the "**Plaintiff**") has filed a suit bearing O.S. No. 3867/2011 dated June 2, 2011 against our Company and eleven others (the "**Defendants**") before the Court of the City Civil Judge, Bengaluru (the "Court"). The Plaintiff has alleged that Sri Ramalingeswara Mutt has executed an agreement in favour of the Plaintiff by under which the selling the property bearing Survey No. 1, situated at Ulsoor Village, Bengaluru-560 008 measuring 1,42,441.2 square feet (the "Property") was sold to the Plaintiff for the benefit and development of the Mutt. The Plaintiff has alleged that the Defendants have created a forged sale deed dated June 8, 2005 in favour of our Company, in respect of the Property and are trying to occupy the same illegally. The Plaintiff has prayed before the Court to pass an order of permanent injunction in order to prevent the Defendants from interfering with the peaceful possession and enjoyment of the Property by the Plaintiff. Further, the Plaintiff has prayed before the Court to pass a mandatory injunction order to demolish and remove the alleged illegal construction put up by our Company. The Plaintiff has filed an interim applications before the Court praying for interim order restraining the Defendants from interfering with the possession of the Property, restraining our Company from undertaking any construction on the Property and encumbering the Property or creating any documents in favour of third parties in respect of the Property, untill disposal of the above suit. Our Company has filed objections dated June 10, 2011 to the interim applications filed by the Plaintiff and denied the allegations made by the Plaintiff. The matter is pending. This suit has been filed in respect of our project "Hilton Hotel".

16. Trishankara has filed a suit bearing O.S. No. 647/2012 before the Court of the Senior Civil Judge, Anekal (the "**Court**") against our Company and seven others (the "**Defendants**"). The Plaintiff has alleged that our Company in collusion with the other Defendants have executed a fraudulent document of sale deed dated August 17, 2012 in order to defeat the right and interest of the Plaintiff in respect of the land bearing Sy. No. 95/1 measuring 22 ½ guntas, Ittanguru Village, Sarjapura Hobli, Anekal (the "**Property**"). The Plaintiff has alleged that the Property is a joint family property and has prayed before the Court for partition of the Property and allotment of 1/7th share in the Property to the Plaintiff. Further, the Plaintiff has prayed before the Court to declare the sale deed executed in respect of the Property as not binding on the Plaintiff. The matter is pending. This suit has been filed in respect of the land situated at Sarjapur.

17. Mohammed Anwar and another (the "**Plaintiffs**") have filed a suit bearing 25651/2011 dated March 29, 2011 before the Court of the City Civil Judge, Bengaluru (the "Court") against our Company and six others (the "Defendants"). The Plaintiffs have stated that our Company and the six other defendants have executed a joint development agreement for development of the property situated at No. 1 to 11, Central Street, Shivajinagar, Bengaluru-560 001 (the "**Scheduled Property**"). The Plaintiffs have alleged that the Defendants are attempting to encroach upon the conservancy lane situated at Central Street, Shivajinagar, Bengaluru, which exists in between the property owned by the plaintiffs and the Schedule Property, Defendants property and which is used by the occupants of the locality for common use. Accordingly, the Plaintiffs have prayed before the Court to pass an order and decree restraining the Defendants from putting up any construction on the conservancy lane and grant such other reliefs that the Court may deem fit. The matter is pending.This suit has been filed in respect of our project "Prestige Atrium".

18. Jayamma (the "**Plaintiff**") has filed a suit bearing O.S. No. 512/2010 dated March 28, 2012 before the Court of Civil Judge (Senior Division), Bengaluru (the "**Court**") against Irfan Razack, our Company and fourteen others (the "**Defendants**"). The Plaintiff has alleged that she is entitled to half share in the land bearing Sy No. 120/3, measuring 1 acre 34 guntas, Seegehalli Village, Bidarahalli Hobli, Bengaluru, R.S. No. 24/9 measuring 37 guntas and Sy. No. 121/1 measuring 07 guntas (the "**Property**"). The Plaintiff has alleged that part of the Property bearing R.S. No. 24/9 which is a joint family property, measuring to the extent of 37 guntas has been sold to our Company and another Defendant by Irfan Razack and other Defendants without the knowledge of the Plaintiff. The Plaintiff has prayed before the Court to pass a judgement and decree for partition and separate possession of Plaintiff's half share and to declare all the sale deeds and other agreements executed in respect of the Property as not binding on the Plaintiff. The Plaintiff has also prayed before the Court to pass an order of permanent injunction restraining the Defendants from alienating/creating any encumbrance in respect of any portion of the Property. The matter is pending.

19. M. Ramaiah (the "**Plaintiff**") has filed a suit bearing O.S. No. 91/2012 dated January 16, 2012 before the Court of the Principal Senior Civil Judge, Bengaluru (the "**Court**") against our Company and Nagaveni (the "**Defendants**"). The Plaintiff has filed the suit for declaration of title and consequential relief of permanent injunction against the Defendants in respect of the agricultural land measuring to an extent of 0-8 guntas in Sy. No. 154/1, Pattandur Agrahara Village, K.R. Puram Hobli, Bengaluru East Taluk and agricultural land measuring to an extent of 0-27 guntas in Sy. No. 154/2, Pattandur Agrahara Village, K.R. Puram Hobli, Bengaluru East Taluk (the "**Properties**").The Plaintiff has alleged that he is the absolute owner of the Properties having purchased the same under registered sale deed dated July 20, 2011. The Plaintiff has prayed before the Court to pass a decree declaring that the Plaintiff as the absolute owner of the Properties and to grant a decree of permanent injunction against the Defendants restraining them from entering or putting up any construction on the Properties and disturbing the peaceful possession and enjoyment of the Properties by the Plaintiff. The Court had dismissed the interim application filed by the Plaintiff restraining the Defendants from interfering with the possession of the Properties. The High Court of Karnataka has passed an order dated August 21, 2012 in writ petition bearing No. 22773/2012 filed by the Plaintiff directing the Court to rehear the interim applications No. I and 11 filed by the Plaintiff for temporary injunction and extension of the ex-parte ad-interim order in respect of the Properties. The Court has granted temporary injunction to the Plaintiff restraining the Defendants from interfering with the Property. Our Company has filed a memo dated September 14, 2012 before the Court to dismiss the temporary injunction granted in favour of the Plaintiff. The matter is pending. This suit has been filed in respect of the project "The Mansion" in "Prestige White Meadows".

20. Nagaveni (the "**Plaintiffs**") has filed a suit bearing O.S. No. 356/2011 dated April 2, 2011 before the Court of the Civil Judge (Junior Division), Bengaluru (the "**Court**") against J.S. Ice Cream Factory and Prestige Groups and Infrastructures (the "**Defendants**"). The Plaintiff has alleged that the property bearing Khaneshumari No. 154, Hagadur Village, K.R. Puram, Bengaluru (the "**Property**") belongs to Nagaveni and that J.S. Ice Cream has entered into a joint development agreement with Prestige Groups and Infrastructures for development of the Property. The Plaintiffs have alleged that the Defendants in collusion with each other have attempted to encroach upon the Property without any right, title or interest over the same. The Plaintiffs have prayed before the Court to pass a judgement and decree for permanent injunction restraining the Defendants from interfering with the peaceful possession and enjoyment of the Property by the Plaintiffs. The Court had passed an interim order dated April 5, 2011 restraining the Defendants from interfering with the peaceful possession of the Property until April 21, 2011. Our Company has filed an interim application before the Court dated April 21, 2011 for vacating the interim order and has stated, among other things that since there is no entity by the name of Prestige Groups and Infrastructures, the suit against a non-existing party is liable to be dismissed. The matter is currently pending. This suit has been filed in respect of the project "The Mansion" in "Prestige White Meadows".

21. Lakshmamma (the "**Plaintiff**") has filed a suit bearing O.S. No. 969/2012 before the Court of the Principal Senior Civil Judge, Bengaluru (the "**Court**") against our Company and twenty two others (the "**Defendants**"). The Plaintiff has alleged that she is entitled to 1/4th share in land bearing Sy. No. 155, measuring 5 acres 31 guntas, Kannamangala Village, Bidarahalli Hobli, Bengaluru East Taluk and land bearing Sy. No. 156, measuring 5 acres 30 guntas, Kannamangala Village, Bidarahalli Hobli, Bengaluru East Taluk (the "**Properties**") which the Plaintiff alleges to be an ancestral joint family property. The Plaintiff has stated that the sale deed executed in respect of the Property in favour of our Company is not binding on the Plaintiff. The Plaintiff has prayed before the Court to grant permanent injunction restraining the Defendants from interfering with the Plaintiff's peaceful enjoyment over her share in the Properties. The Plaintiff has also made an application for an order of temporary injunction restraining the Defendants from alienating the Properties pending disposal of the suit. The matter is pending.

22. Gopalan Enterprises (the "**Plaintiff**") has filed a suit bearing O.S. No. 1268/2005 dated March 25, 2009 before the Court of the Civil Judge (Junior Division), Bengaluru (the "**Court**") against Leenanatha Reddy and others (the "**Defendants**"). The Plaintiff has filed the suit seeking for a permanent injunction against the Defendants restraining them from interfering with the Plaintiff's peaceful possession and enjoyment in respect of the property bearing Sy No. 133, Kundanahalli Village, K.R. Puram Hobli, Bengaluru admeasuring 5 acres 33 guntas and Sy No. 151, Pattandur Agrahara Village, K.R. Puram, Bengaluru South Taluk measuring to an extent of 5 acres (the "**Property**"). The Plaintiff has alleged that the Defendants have executed joint development agreement with the Plaintiff in respect of the Property and that it could not complete construction on the Property since the khatha could not be registered in the name of the Defendants and hence it had to delay construction. The Defendants have alleged that the Plaintiff is not entitled to any relief and have prayed before the Court to dismiss the suit filed by the Plaintiff. The Plaintiff has filed an application before the Court to implead our Company as one of the defendants since one of our projects is proposed to be constructed on the Property. This suit has been filed in respect of our project "Prestige Park View".

23. Abdul Haq Surathi (the "**Petitioner**") has filed a writ petition dated 8624/2012 dated March 16, 2012 before the High Court of Karnataka, Bengaluru (the "**Court**") against Roshan Baig, Member of Legislative Assembly, our Company and two others. The Petitioner has alleged that Roshan Baig has purchased land from Karnataka State Electronics Development Corporation at No. 105, Electronic City, Bengaluru in the name of his sole proprietary concern Suby Electronics for a sum of ₹ 1.94 million. The Petitioner has alleged that Roshan Baig had made an application to Karnataka State Electronics Development Corporation for allotment of government land purporting to set up a small scale industry. The Petitioner has alleged that Roshan Baig is not eligible for allotment of government land and has abused his powers as the minister of state in procuring the land. The Petitioner has alleged that Roshan Baig has received a sum of ₹ 26.00 million from our Company as refundable noninterest bearing deposit guaranteeing the performance of the joint development agreement for development of the property. The Petitioner has prayed before the Court to issue a writ quashing the allotment of land to Roshan Baig and to cancel the deed of sale in respect of the

property. The Petitioner has prayed before the Court to direct Karnataka State Electronics Development Corporation to reclaim physical possession of the property. The Petitioner has prayed before the Court to direct Government of Karnataka to initiate suitable proceedings to recover the illegal gains earned by Roshan Baig and our Company. The matter is pending. This suit has been filed in respect of our project "Prestige Alecto".

24. Lakshmaiah and four others (the "**Plaintiffs**") have filed a suit bearing No. 755/2012 before the Court of the Senior Civil Judge, Anekal (the "**Court**") against our Company and twenty four others. The Plaintiffs have alleged that certain defendants have colluded with each other and sold the land bearing Sy. No. 28, measuring 24 guntas situated at Yamure Village, Sarjapura Hobli, Anekal (the "**Property**") to our Company by a sale deed dated August 21, 2012 without the knowledge and consent of the Plaintiffs and that the sale deed is illegal, void and not binding on the Plaintiffs. The Plaintiffs have alleged that the Property is a joint family property and that the Plaintiffs are entitled to a share in the Property. The Plaintiffs have prayed before the Court to pass an order directing certain defendants to effect partition of the Property into three equal parts and allot one such share to the Plaintiffs and put the Plaintiffs in possession of its share. The Plaintiffs have prayed before the Court to declare the sale deed in favour of our Company as not binding on the Plaintiffs. The matter is pending. This suit has been filed in respect of the land situated at Sarjapur.

25. Infiniti Retail Limited (the "**Petitioner**") has filed a writ petition bearing No. 19512/2010 dated June 23, 2010 before the High Court of Karnataka, Bengaluru (the "**High Court**") against Union of India, our Company and twenty others (the "**Respondents**"). The Petitioner has filed the writ petition challenging the constitutional validity and the retrospective effect of the amendment made to Section 65 (105) (zzzz) of the Finance Act, 1994 by the Finance Act, 2010 with effect from June 1, 2007, whereby service tax is sought to be imposed with retrospective effect from June 1, 2007 on the very act of renting or leasing of immovable property, whether by way of license, rent or lease, by considering the same to be a purported service. The Petitioner has submitted that the act of renting of immovable property is only a property transaction and the same cannot be considered to be rendering of service. The Petitioner has taken certain premises owned by the Respondent on lease or license basis. The Petitioner alleges that under the agreements for lease, the liability is that of the owner to pay the service tax, but the said owners insisted upon the Petitioner to pay such service tax based on the endorsement of the Government of India in its letter dated February 26, 2010. Accordingly, the petitioner is filing this writ petition against the liability being imposed upon the Petitioner. The Petitioner has prayed before the High Court for the following reliefs:

a. to declare the impugned provisions *viz*., Section 65(90a) read with Section 65(105)(zzzz) of the Finance Act, 1994 as amended by the Finance Act, 2007, Finance Act 2008 and Finance Act, 2010 as null and void and ultra vires the Constitution of India and/or Section 66 of the Finance Act and be pleased to strike down the said provisions as illegal, arbitrary and violative of Articles 14, 246 and 265 of the Constitution of India;
b. issue a writ, order or direction setting aside Section 75(5)(h) and Section 76 of the Finance Act, 2010;
c. declare the notification No. 24/2007 dated May 22, 2007 and circular No. 98/1/2008-ST dated January 4, 2008 as revived by the Finance Act, 2010 issued by the Union of India as illegal, null and void and ultra vires the provisions of the Finance Act, 2008 and Finance Act, 2010; and
d. issue a writ of mandamus, or a writ in the nature of mandamus, or any other appropriate writ restraining the Respondents from giving effect to or acting upon the impugned notifications or impugned circulars or collecting any taxes on the basis of Section 65(90a), Section 65 (105) (zzzz) read with Section 66 of the Finance Act, 2010 and provide retrospective operation on and from June 1, 2007.

The Petitioner has prayed before the High Court to pass an interim order to stay the notification No. 24/2007 dated May 22, 2007 and circular No. 98/1/2008-ST dated January 4, 2008 issued by the Union of India and to restrain the Respondents from collecting taxes till final disposal of the writ petition. The matter is pending.

26. Lakshmamma and two others (the "**Plaintiffs**") have filed an amended plaint in suit bearing O.S. No. 5484/1997 dated October 6, 2010 before the Court of the Additional City Civil Judge, Bengaluru (the "**Court**") against the Chairman and Managing Director, Chaitanya Properties Limited and four others (the "**Defendants**"). The Plaintiffs have alleged that the property bearing Sy No. 129/2, measuring 1 acre and

20 guntas and Sy No. 130, measuring 4 acres situated at Hoodi Village, K.R. Puram Hobli, Bengaluru South Taluk (the "**Properties**") belonged to the father of the Plaintiffs and that it was a self acquired property. The Plaintiffs have alleged that Albert Ejakelel, M.M. Ejakelel and C. Ejakalel (Defendants 3 to 5) have created a false document in the respect of the Properties. The Plaintiffs have alleged that Vicon Limited (Defendant No. 2) despite knowing the false nature of the document has alienated the Properties to Chaitanya Properties Limited after purchasing the same. The Plaintiffs have prayed before the Court to pass a judgement and decree declaring the sale deed dated May 25, 1996 obtained by Defendants 3 to 5 as fraudulent, concocted, null and void and not binding on the Plaintiffs. The Plaintiffs have also sought for a permanent injunction restraining Chaitanya Properties Limited from interfering with the peaceful possession of the Properties. The Plaintiffs have filed an application dated January 7, 2011 to implead our Company as one of the Defendants since the Defendants have made attempts to create interest in the Properties in favour of our Company. This suit has been filed in respect of our project "Prestige Shantiniketan". Our Company has been impleaded as a defendant by an order dated March 19, 2011. The matter is pending.

27. Kanthamma (the "**Plaintiff**") had filed a suit bearing O.S. No. 35/2007 before the Court of the Civil Judge (Senior Division), Bengaluru (the "**Court**") against M. Kaverappa and six others (the "**Defendants**"). The Plaintiff has alleged that the Plaintiff and P. M. Kaverappa, K. Ravi, K. Shekhar, K. Harish and Sudha ("**Defendants 1 to 5**") are joint owners and are in joint possession of properties bearing Sy No. 134/1, measuring 2 acre 36 guntas, Sy No. 134/2, measuring 2 acres 5 gunta and Sy No. 84/5, measuring 1 acre 35 guntas, Sy No. 25, measuring 26 guntas and house property at Bhoganahalli Village, Varthur Hobli, Bengaluru East Taluk (the "**Properties**"). The Plaintiff has alleged that the Properties are a joint family property. The Plaintiff has alleged that the sale transactions between Defendants 1 to 5 and Amitha Garg and M.R. Babu (V.T.B.) are not binding on the Plaintiff and that the same has been executed without the knowledge and consent of the Plaintiff. The Plaintiff has prayed before the Court to pass a judgement and decree granting half share in the Properties in favour of the Plaintiff and direct enquiry into the mesne profits in respect of the income derived from the Properties. The Plaintiff has further prayed before the Court to declare the sale deeds executed in respect of the Properties as not binding on the Plaintiff. The Plaintiff had filed an application before the Court to pass an ad-interim order of temporary injunction restraining the Defendants from alienating the Properties or creating any charge over the Properties. The Plaintiff had filed an application dated December 16, 2011 before the Court to implead our Company as one of the Defendants since some portion of the Properties bearing Sy No. 134/1, measuring 2 acre 36 guntas and Sy No. 134/2, measuring 2 acre 5 guntas in Bhoganahalli Village, Varthur Hobli, Bengaluru East Taluk has been sold to our Company by Amitha Garg. This suit has been filed in respect of our project "Prestige Sunny Side". Our Company has filed a written statement dated August 2, 2012 and has sought for dismissal of the suit on the grounds that it has made substantial investment in the properties and also transferred substantial portion in favour of the Bruhat Bengaluru Mahanagara Palike by a relinquishment deed dated February 15, 2012. The matter is pending.

28. Jameela Begum and others (the "**Plaintiffs**") have filed a suit bearing O.S. No. 462/2012 dated January 11, 2012 before the Court of the City Civil Judge, Bengaluru (the "**Court**") against Abdul Jabbar, our Company and sixteen others (the "**Defendants**"). The Plaintiffs have alleged that the joint development agreement executed by defendants 11 to 17 in favour of our Company is void and not binding on the Plaintiffs. The Plaintiffs have alleged that they are entitled to a share in the property bearing Municipal Nos. 10, 10/1, 11, 11/1, Ulsoor Road and Municipal No. 25/3, 25/4, 25/5, 25/6 and 25/7 of Kensington Road, Municipal Ward No. 81, Bengaluru totalling measuring 1,04,352 sq ft (the "**Property**"). The Plaintiffs have prayed before the Court to pass a judgement and decree declaring that the Plaintiffs are entitled to $197/480^{th}$ share jointly in the Property and consequently partition their share in the Property. The Plaintiffs have sought for permanent injunction to restrain the Defendants 11 to 17 and our Company from dealing with the Property and changing the nature of the Property or putting up any structure and construction over the Property and creating any charge on the Property and to declare the joint development agreement executed between our Company and Defendants 11 to 17 as illegal, void and not binding against the Plaintiffs. The Plaintiffs had also filed an application before the Court to pass an ad interim order restraining the Defendants from alienating or creating any charge over the Property. The Court has passed an order dated September 22, 2012 dismissing the interim application filed by the Plaintiffs. The matter is pending. This suit has been filed in respect our project "Hilton Hotel".

29. Ramaswamy Setty (the "**Plaintiff**") has filed a suit bearing O.S. No. 760/2012 before the Court of the Civil Judge, Bengaluru (the "**Court**") against The Tahsildar, Bengaluru East Taluk, our Company and three others (the "**Defendants**"). The Plaintiff has alleged that he is the owner of the property bearing No. 96, measuring 2 acres of dry land situated at Bommanahalli Village, Bidrahalli Hobli, Bengaluru East Taluk (the "**Property**"). The Plaintiff has alleged that K.K. Malpani has entrusted the work of forming a residential layout at the Property to our Company and hence our Company is an interested party to the suit. The Plaintiff has prayed before the Court to grant a permanent injunction restraining the Defendants from interfering with the possession of the Property by the Plaintiff and to issue a writ directing the Tahsildar, Bengaluru East Taluk to mutate the name of the Plaintiff in revenue records in respect of the Property and restraining the Defendants from changing the nature of the Property and from forming any residential layout over the Property. The matter is pending. This suit has been filed in respect of our project "Prestige Tranquillity".

30. The Prestige Shantiniketan Apartment Owners Welfare Association (the "**Petitioners**") have filed a writ petition bearing W.P. No. 34536/2011 dated September 6, 2011 before the High Court of Karnataka, Bengaluru (the "**Court**") against the Union of India, The Central Board of Excise and Customs, The Director General of Service Tax, The Commissioner of Service Tax and our Company (the "**Respondents**"). The petition has been filed by the Petitioners being aggrieved by the Respondents demands for service tax on construction of residential complex prior to July 1, 2010, despite notification dated July 1, 2010 which states that service tax would be applicable on all payments made by the purchasers prior to July 1, 2010. The Petitioners have alleged that members of the association have made a majority of their payments to our Company prior to July 1, 2011, however despite this the Respondents are demanding service tax which is illegal and in violation of 65 (105) (zzzh) of the Finance Act, 2010 read with notification dated July 1, 2010 issued by the Ministry of Finance. The Petitioners have prayed before the Court to issue a writ of mandamus or any other appropriate writ ordering that no service tax is payable under Section 65 (105) (zzzh) for construction services on all payments made by the purchasers before July 1, 2010. The Petitioner have prayed before the Court to issue a writ of mandamus or any other appropriate writ restraining the Respondents from demanding or collecting service tax from the members of the Petitioner and to refund the amount of service tax collected from the members of the Petitioner association. The Petitioners have also filed an interim application for restraining the respondents from collecting service tax until disposal of the petition. The matter is pending.

31. Maheshwari and another (the "**Plaintiffs**") have filed a suit bearing O.S. No. 5465/12 dated July 30, 2012 before the Court of the City Civil Judge, Bengaluru (the "**Court**") against our Company. The Plaintiffs have alleged that our Company has encroached the property bearing Sy No. 98 and 99 (old Sy. No. 84 and 85 and CTS No. 2258, Ulsoor Village, Ulsoor Kasaba Hobli, Bengaluru Cantonment Civil Station Area (the "**Property**") measuring 50,426 sq ft without having any manner of right, title or interest. The Plaintiffs have alleged that our Company has interfered with the Plaintiffs possession of the Property on the basis of forged documents. The Plaintiffs have prayed before the Court to pass a judgement and decree granting permanent injunction restraining our Company from interfering with the Plaintiffs possession of the Property. The Plaintiffs had also filed an application before the Court seeking grant of temporary injunction restraining our Company from constructing on the Property. The matter is pending.

32. Rathnamma and two others (the "**Plaintiffs**") have filed a suit bearing No. 816/2011 before the Court of the Civil Judge (Senior Division), Anekal (the "**Court**") against Guallamma and nine others (the "**Defendants**"). The Plaintiffs have alleged that the land bearing Sy. No. 28/5 measuring 16 ½ guntas, Sy. No. 119, measuring 1 acre 6 guntas situated at Valagere Kallahalli Village, Sarjapura Hobli, Anekal Taluk, Bengaluru (the "**Properties**") are joint and ancestral properties of the Plaintiffs and certain other defendants. The Plaintiffs have alleged that certain other defendants in collusion with the male members of the family have illegally and unlawfully alienated the Properties without the knowledge of the Plaintiffs. The Plaintiffs have prayed before the Court to pass a judgement and decree for partition and separate possession of the Plaintiffs 3/7th share in the Properties. The Plaintiffs have further prayed before the Court to declare the sale deeds executed in respect of the Properties as not binding on the Plaintiffs and to issue a permanent injunction restraining the Defendants from alienating the Properties. Our Company has been issued a summons in this suit. The matter is pending.

Consumer cases

1. There are twenty six consumer complaints filed against our Company by various parties under the Consumer Protection Act, 1986 before the District Disputes Redressal Forum and the Karnataka State Disputes Redressal Forum alleging deficiency of service. All the consumer complaints have been filed before the forums in Karnataka, Bengaluru. The parties have filed the consumer complaints alleging that our Company has delayed in handing over possession of the apartment purchased by the parties from our Company as per the terms contained in the agreement. Out of the twenty four consumer complaints, one consumer complaint has been filed in respect of the project "Prestige Southridge" and the rest have been filed in respect of the project "Prestige Shantiniketan". All the matters are pending.

Civil litigation

1. A civil suit bearing O.S. No. 17779/2005 has been filed by our Company against Presteege Property Developers and another Company before the City Civil Court, Bengaluru alleging passing off of trademark under the Trademarks Act, 1999. The contention of our Company is that the word 'Presteege' was used by the defendants, who were also engaged in the real estate and construction business, to mislead the plaintiff's customers. An interim application was filed by our Company for restraining the first defendant from trading under the name 'Presteege' and accordingly an interim order was passed on December 13, 2005 whereby the first defendants were restrained from trading under the name 'Presteege'. Subsequently, an interim application was filed by the first defendant on February 25, 2006 for setting aside the interim order of December 13, 2005 which was dismissed by the trial court on April 20, 2006. Aggrieved by the order, the defendants have preferred an appeal bearing M.F.A. No. 4954/2006 before the High Court of Karnataka for setting aside the order of April 20, 2006. The High Court of Karnataka stayed the order of the trial court in O.S. 17779/20005 on the grounds of lack of jurisdiction. Our Company preferred a special leave petition bearing SLP 9208/2010 before the Supreme Court of India over the order passed in M.F.A. No. 4954/2006. The Supreme Court has by its order dated January 19, 2012 directed the trial court to dispose of the suit within one year of the date of receipt of this order. Our Company had also filed an application bearing ORA/255/2008/TM/CH/7605 before the Intellectual Property Appellate Board ("**IPAB**") against Presteege Property Developers and the IPAB has passed an order bearing 180/2011 dated October 31, 2011 declaring the impugned trademark "Presteege" used by Presteege Property Developers to be in contravention of the Trademarks Act, 1999 and directing the Registrar of Trademarks to remove the impugned trademark from the registry. Presteege Property Developers have filed a writ petition bearing No. 873/2012 before the High Court of Kerala, Ernakulam against the order dated October 31, 2011 passed by the IPAB in application bearing No. ORA/255/2008/TM/CH/7605. The matter is pending.

2. A civil suit bearing O.S. No. 26677/2007 has been filed by our Company against Prestige Avenues Limited and another before the City Civil Court, Bengaluru alleging passing off of trademark under the Trademarks Act, 1999. The contention of our Company is that the word 'Prestige' was used by the defendants, who were also engaged in the real estate and construction business, to mislead the plaintiff's customers. Based on an interim application filed by our Company, the Court of XVIII Additional City Civil and Sessions Judge, Bengaluru has passed an order on May 28, 2008 restraining the defendants from trading under the name 'Prestige' until disposal of the suit. The court also appointed a commissioner to seize materials in the possession of the defendants, which infringed our Company's trademark. Aggrieved by the order, the defendants preferred an appeal bearing M.F.A. No. 6259/2008 and a writ petition bearing W.P. No. 6945/2009 before the High Court of Karnataka. The writ petition has been filed to quash the lower court's order appointing a commissioner. The High Court of Karnataka by its order dated October 6, 2010, allowed the writ petition and directed the trial court to re-hear the matter after giving opportunity to Prestige Avenues Limited to file objections. Prestige Avenues Limited had also filed an application bearing ORA/191/2008/TM/CH before the Intellectual Property Appellate Board ("**IPAB**") against our Company for rectification of the trademark 'Prestige" registered in the name of our Company. The IPAB has passed an order dated August 16, 2011 bearing order No. 122/2011 dismissing the application filed by Prestige Avenues Limited. The matter is pending.

3. A civil suit bearing O.S. No. 15004/2006 was filed by our Company against Prestige Shelters Private Limited before the Additional City Civil Judge, Bengaluru. The contention of our Company was that the defendant had infringed the trademark of our Company bearing the name 'Prestige'. Our Company sought for a permanent injunction to restrain the defendants from using the trademarks 'Prestige', 'Prestige Lake View' and 'Prestige Shelters'. The Additional City Civil Judge Court passed an order on the matter on February 12, 2009 permanently restraining the defendant from infringing our Company's trademark, 'Prestige'. Further, the court ordered the defendants to present the accounts of the defendant and particulars of profits earned by it by way of using the trademark 'Prestige'. The defendants have preferred an appeal over the above order bearing M.P. No. 557/2009 with a prayer to set aside the judgment passed in O.S No. 15004/2006. The matter is pending.

4. Our Company and United Breweries Holdings Limited have filed writ petitions bearing 48165-66/2011 and 48133-48134 dated December 21, 2011 before the High Court of Karnataka, Bengaluru (the "**Court**") against the Chief Controlling Revenue Authority and Inspector General of Registration and Commissioner of Stamps and the District Registrar, Shivaji Nagar, Bengaluru (the "**Respondents**"). Our Company has alleged that United Breweries (Holdings) Private Limited ("**UB**") and our Company had entered a joint development agreement dated April 25, 2003 for development of the property bearing No. 24, Vittal Mallya Road, Bengaluru in respect of the project "Prestige UB City". Our Company has alleged that pursuant to the joint development agreement UB executed two registered sale deeds both dated February 28, 2008 selling their undivided share, right, title and interest in the property in favour of our Company in respect of our Company's share to be given pursuant to the joint development agreement. Our Company had alleged that the District Registrar has directed our Company by its order dated April 30, 2008 to pay stamp duty of ₹ 23.46 million and ₹ 5.98 million respectively on the above sale deeds. Our Company has alleged that it has paid the stamp duty as directed by the District Registrar and after a lapse of nearly two years the Chief Controlling Revenue Authority and Inspector General of Registration and Commissioner of Stamps issued a notice to our Company stating that the order dated April 30, 2008 passed by the District Registrar is not correct and has resulted in a revenue loss. The Chief Controlling Revenue Authority and Inspector General of Registration and Commissioner of Stamps has passed an order dated August 17, 2010 and October 31, 2011 impounding the joint development agreement and powers of attorney dated April 25, 2003 since the same are not duly stamped. Further, the Chief Controlling Revenue Authority and Inspector General of Registration and Commissioner of Stamps has directed that the sale deeds February 28, 2008 be treated as Exchange Deed. Our Company has alleged that the order passed by the Chief Controlling Revenue Authority and Inspector General of Registration and Commissioner of Stamps is perverse and is passed ignoring Article (5)(f) and 41(ea) of the Schedule of the Karnataka Stamp Act, 1957. Our Company has prayed before the Court to issue a writ of certiorari or any other writ, order or direction quashing the order dated August 17, 2011 and October 31, 2011 passed by the Chief Controlling Revenue Authority and Inspector General of Registration and Commissioner of Stamps. Our Company has prayed before Court to issue an interim order staying the operation the order dated August 17, 2011 October 31, 2011 passed by the Chief Controlling Revenue Authority and Inspector General of Registration and Commissioner of Stamps. The Court has issued an interim order dated December 23, 2011staying the operation of the orders dated August 17, 2011 and October 31, 2011 issued by the Chief Controlling Revenue Authority and Inspector General of Registration and Commissioner of Stamps. The matter pending.

Cases filed against the Directors

Civil litigation

B.G. Koshy

1. Puravankara Projects Limited (the "**Petitioner**") has filed a writ petition bearing W.P. No. 18742/2006 before the High Court of Karnataka, Bengaluru (the "**Court**") against Bengaluru Mahangara Palike (the "**BBMP**"), Station House Officer, B.G. Koshy, Hyder Vali, M.H. Rizwan, M.H. Imran, M.H. Irfan and Sunitha Arun (the "**Respondents**"). The Petitioner has alleged that it has purchased the property bearing Municipal No. 1-15, Old Madras Road, Bengaluru Mahanagara Palike, Ward No. 85, Bengaluru, Binnamangala in all measuring 2,34,489 square feet (situated in portion of the converted land in Sy. Nos. 4/1B, 4/1C, 4/1D and 4/1E of Binnamangala village, Manavarthakaval village, KR Puram hobli, Bengaluru east) from Suresh Salariya, V.

Mohammed Shafiulla, Mohammed Samad and Rohit Salariya. The Petitioner has alleged that there were certain disputes between the Petitioner and Suresh Salariya which resulted in an arbitration claim being filed. The Petitioner has alleged that during the pendency of the arbitration claim, B.G. Koshy and others have filed a false suit in O.S. 16313/2006 claiming to be the purchasers of certain portion of the property and seeking partition thereof. The Petitioner has alleged that officials of the BBMP have demolished the compound around the property without giving the Plaintiff an opportunity to produce documents in respect of the property. The Plaintiff has prayed before the Court to issue a writ of mandamus, or any other appropriate writ restraining Respondents from interfering with the Petitioner rebuilding/further demolishing the compound wall demolished by the Bengaluru Mahanagara Palike. The Petitioner has prayed before the Court to issue a writ of mandamus, or any other appropriate writ restraining the Respondents from laying a road on the property belonging to the Petitioner. The Petitioner has also prayed before the Court for police protection and to extend the validity and operation of the sanction plan in respect of the property. The High Court of Karnataka passed an order dated February 4, 2008 in favour of the Petitioner, directing the BBMP to extend the validity of the operation of the sanctioned plan, restraining the BBMP from interfering with the Petitioner's right to rebuild their compound wall which is illegally demolished by the officials of the BBMP and ordering not to further demolish the compound wall or trespass the property. A writ appeal No. 566/2008 has been filed by the BBMP against Puravankara Projects Limited, B.G. Koshy and six others to set aside the order dated February 4, 2008 passed in the W.P. No. 18742/2006 and to dismiss the writ petition bearing WP No. 18742/2006. The matter is pending.

2. Mission Estates and Properties (the "**Plaintiff**") has filed a suit bearing O.S. No. 6582/1998 before the Court of the City Civil Judge, Bengaluru (the "**Court**") against Altaf Ahmed, Nafiseh Khaleeli, Nishat Begum and Bengaluru Estates and Agencies (the "**Defendants**"). The Plaintiff has alleged Altaf Ahmed, Nafiseh Khaleeli and Nishat Begum had agreed to sell the property bearing No. 55/6, Main Road, Sampangiramanagar, Bengaluru to Bengaluru Estates and Agencies and that they had also received ₹ 9.42 million as earnest deposit money. The Plaintiff has alleged that it had been agreed between the parties that when Bengaluru Estates and Agencies finds a buyer in respect of the property the earnest deposit money of ₹ 9.42 million should be repaid to Bengaluru Estates and Agencies from the total consideration payable by the buyer in respect of the property. The Plaintiff has alleged that pursuant to the negotiations, the Plaintiff had agreed to purchase the property. The Plaintiff has prayed before the Court to pass an order directing the Defendants to specifically perform the agreement dated April 18, 1995 by executing a sale deed in respect of the property and placing the Plaintiff in possession of the same after obtaining all such clearances as may be required under law. The Plaintiff has prayed before the Court that alternatively in the event that the Court finding that the specific performance of the agreement of sale is not possible, to pass an order directing Altaf Ahmed to pay a sum of ₹ 3.35 million, Nafiseh Khaleeli to pay ₹ 4.19 million, Nishat Begum to pay ₹ 11.01 million and Bengaluru Estates and Agencies to pay ₹ 9.15 million to the Plaintiff together with 18% per annum from the date of suit till the date of payment. The Plaintiff has further prayed before the Court to pass an order directing the Defendantsto pay a sum of ₹ 20.00 million as damages together with interest thereon from the date of the suit till the date of payment. The matter is pending. Aggrieved by the order passed by the City Civil Judge directing the Plaintiffs to jointly and severally pay to Bengaluru Estates and Properties a sum of ₹ 13.225 million, the Plaintiff filed a writ petition bearing W.P. No. 3352/2007. The W.P. 3352/2007 was allowed and the application was remanded to the trial court for reconsideration. The trial court once again allowed the interim application filed by Bengaluru Estates and Properties by its order dated January 24, 2010. Accordingly, the Plaintiff has once again filed a writ petition bearing W.P. no. 25093/2010 against the above order of the trial court and has prayed for the court to issue a writ of certiorari quashing the order dated April 24, 2010 passed in O.S. No. 7219/1997 by the City Civil Judge, Bengaluru.

Jagdeesh K. Reddy

1. A writ petition bearing W.P. No. 9852/08 has been filed by G.V. Vasantha Kumar against the State of Karnataka and others for a writ of certiorari before the High Court of Karnataka, Bengaluru. Jagdeesh K. Reddy is the third respondent in the suit. The contention of the petitioner is that the third respondent was operating two stage carriage services in the Thirupathi-Tumkur route while permit was only for operation of carriage services in the Thirupathi-Mulabagal route. However, item No. 13 in annexure IX of the draft inter-state agreement executed between the state of Andhra Pradesh and the state of Karnataka on March 7, 2008 grants permission to the third respondent to operate carriage services till Tumkur. The High Court of Karnataka has passed an order dated December 22, 2008 vacating the interim order granted on July 16, 2008. The Jagdeesh K. Reddy has filed

a writ appeal No. 5340/2011 dated July 6, 2011 along with an application to grant an order of stay of the order passed by the learned single judge in so far as it relates to this writ petition and No. 13 in annexure IX of the draft inter-state agreement. The writ has been filed for deleting item No. 13 of annexure IX of the above inter-state agreement. The matter is pending.

2. A writ petition bearing No. 23850/2011 dated August 19, 2011 has been filed by the Managing Director, Karnataka State Road Transport Corporation (the "**Petitioner**") before the High Court of Andhra Pradesh (the "**Court**") against Jagdeesh K. Reddy and five others (the "**Respondents**"). Pursuant to the affidavit, the Petitioner has alleged that Jagdeesh K. Reddy had filed a suit bearing R.P. Nos. 634, 1339, 1222 to 1229/2007 questioning the grant of stage carriage permits on the inter-state route of Bengaluru to Madanapalli to the Petitoner in 2007 before the State Transport Appellate Tribunal, Bengaluru which were dismissed on the ground that the grant of permits to the Petitioner are in accordance with law. Subsequently the State Transport Authority, Andhra Pradesh stated that Jagdeesh K. Reddy and other Respondents have objected to the application of the Petitioner for grant of permits. The Petitioner has stated that Jagdeesh K. Reddy does not have any permit on the inter-state route Bengaluru to Madanapalli via Yelahanka, Vijayapura, Chintamani and Rayalpad and the inter-state route Bengaluru via Hosakote, Chintamani and Rayalpad and that Jagdeesh K. Reddy has not stated as to how the grant of permits to the Petitioner on the above routes affects him. The Petitioner has prayed before the Court to pass an order directing the State Transport Authority, Hyderabad to permit the Petitioner to run its buses on the inter-state routes stated above pending disposal of this writ petition. The matter is pending.

Cases filed by the Directors

Civil litigation

B.G. Koshy

1. B.G. Koshy and four others (the "**Plaintiffs**") have filed a original suit bearing O.S. No. 16313/2006 before the Court of City Civil Court, Bengaluru (the "**Court**") against Sunitha Arun and ten others (the "**Defendants**"). The Plaintiffs have alleged that they have purchased 25,000 sq. ft undivided interest in joint family property measuring 2 acres 13 guntas in survey No. 4/1E, Binnamangala Manavarthakaval, K.R. Puram Hobli, Bengaluru East Taluk from Sunitha Arun on the proposition of law that there is no restriction for transferring property by a co-sharer even if there is no division of joint possession of the joint family property. The Plaintiffs have alleged when they proceeded to take possession of the property Ravi Puravankara, Nani R. Choksey, Girish Puravankara and Purvankara Projects Limited (Defendants 4 to 7) claimed right over the property stating that they had purchased the same from Mohammed Shafiulla, Suresh Salariya, Rohit Salariya and Mohammed Samadh (Defendants 8 to 11). The Plaintiffs have prayed before the Court to pass a decree for partition and separate possession of the Plaintiff's $1/3^{rd}$ share in the joint family property, to put the Plaintiffs in possession of the property measuring 25,000 sq ft, Binnamangala Manvarthakaval, K.R. Puram Hobli, Bengaluru and to declare that transfer made prior to the partition ignoring the share of Sunitha Arun as not binding on the Plaintiffs. The Plaintiffs have also filed an application for temporary injunction for restraining the Defendants from altering or changing the nature of the property. The court of the PRL City Civil and Sessions Judge at Bengaluru has issued an order in favour of the Plaintiffs and restraining the Defendants 4 to 7 from altering or changing the nature of the property. Further, Puravankara Projects Limited filed two applications on June 25, 2012 to (i) recall the order dated June 16, 2012 for taking further cross examination of PW-1 as nil and (ii) to recall the witness PW-1 for further cross-examination. The court of the XXVIII Additional City Civil Judge, Bengaluru passed an order dated June 28, 2012 rejecting the above applications of Defendant No. 7. The Defendants have filed an appeal bearing W.P. Nos. 24017-24019/2012 and W.P. Nos 24020-24022/2012 dated July 13, 2012 before the High Court of Karnataka against the above order dated June 28, 2012 of the Court. The matter is pending.

2. Bengaluru Estates and Agencies (a partnership firm) (the "**Plaintiff**") has filed a suit bearing O.S. No. 7219/1997 before the Court of the Additional City Civil Judge, Bengaluru (the "**Court**") against Altaf Ahmed and three others (the "**Defendants**"). The Plaintiff has alleged Altaf Ahmed, Nafisah Khaleeli and Nishat Begum (Defendants 1 to 3) as owners of the property bearing No. 55 and 55/6, Mission Road, Sampangiramangar, Bengaluru 560 027 had entered into an agreement with the Plaintiff appointing the Plaintiff

as their agent to identify purchasers for the property. The Plaintiff has alleged that as per the terms of the agreement Altaf Ahmed, Nafisah Khaleeli and Nishat Begum were to receive ₹ 2,000 per sq ft out of the sale consideration and that the Plaintiff was entitled to receive sale consideration amount in excess of ₹ 2,000 in respect of the property. In addition, the Plaintiff had undertaken the responsibility to secure a compromise to the litigation in respect of the property then pending between defendant No. 10 and others and in pursuance of which the Plaintiff has paid ₹ 4.62 million towards settlement of the dispute. The Plaintiff has alleged that Mission Estates and Properties (Defendant No. 4) had pursuant to negotiations agreed to purchase the property at ₹ 2,500 per sq ft. and entered into an agreement dated April 18, 1995 with defendants 1 to 3 and the Plaintiff. The Plaintiff has prayed before the Court to pass an order directing the Defendants to jointly and/or severally pay to the Plaintiff a sum of ₹ 13.225 million being the principal amount in terms of the agreement dated April 18, 1995 along with ten percent interest per annum from the date of the suit till actual realisation thereof. The Plaintiff has prayed before the Court to pass an order of mandatory injunction against the Defendants directing them to complete the sale transaction in terms of the agreement of sale dated April 18, 1995 and to grant a permanent injunction restraining the Defendants from alienating the property to third parties. The Court has passed an order in favour of the Plaintiff and aggrieved by the order of the Court, Mission Estates and Properties (Defendant No. 4) has filed a W.P. No. 25093/2010. The matter is pending.

Jagdeesh K. Reddy

1. A writ petition bearing W.P. No. 17711-17720/2008 has been filed by Jagdeesh K. Reddy against the Karnataka State Transport Association and another for a writ of certiorari before the High Court of Karnataka, Bengaluru. The contention of the petitioner is that two stage carriage services were being operated by the petitioner on the Thirupathi-Bengaluru route via Madanapalli based on permits issued in the year 1965 and interstate agreements on single point tax basis which were valid till January 13, 2010. However the route was extended to the second respondent based on a supplemental agreement executed by the Government of Karnataka and Andhra Pradesh. On the basis of the agreement the second respondent was granted license to operate services in the Thirupathi-Bengaluru route, which was challenged by the petitioner in R.P No. 634/07 and Appeal No. 1339/07 before the Karnataka State Appellate Tribunal, Bengaluru which dismissed the suit. The writ petition has been filed over the above order of the Karnataka State Appellate Tribunal. Jagdeesh K. Reddy has filed an appeal bearing No. 1005-1006/2011 in W.P. No. 17711-17720/2008 against the order dated January 19, 2011 passed by the Single Judge bench of the High Court of Karnataka dismissing the writ petition filed by Jagdeesh K. Reddy. The matter is pending.

2. A writ petition bearing W.P. No. 3910/05 has been filed by Jagdeesh K. Reddy against the Karnataka State Transport Association and others for a writ of certiorari before the High Court of Karnataka, Bengaluru. The contention of the petitioner is that a carriage services permit was granted to the petitioner to operate on the route between Tirupathi and Bengaluru, via Kaiwara in pursuance of an inter-state agreement executed between the government of Andhra Pradesh and Karnataka on September 1, 1975. However based on a petition filed by the second and third respondent, the Karnataka State Transport Appellate Tribunal passed an order on January 12, 2005 for setting aside the permit granted in favour of the petitioner. The writ petition has been filed for quashing the above order. The matter is pending.

Dr. Pangal Ranganath Nayak

Arbitration proceedings

1. Cardiac Care India (the "**Petitioner**") represented by its partners Dr. Pangal Ranganath Nayak and another has filed an arbitration petition bearing No. 14/2012 against Rangachari Narasimhan (the "**Respondent**") before the Supreme Court of India (the "**Court**"). The Petitioner has alleged that the Respondent had entered into a Non-Disclosure Agreement dated December 5, 2008 (the "**Agreement**") with the Petitioner pursuant to which the treatment of Arrhythmia using inhalation technique (the "**Technique**") was shared with the Respondent by the Petitioner. The Petitioner has alleged that the Technique shared by the Petitioner is the key to the business now set up by the Respondent and that the Petitioner has alleged that the Respondent seeks to enjoy the commercial benefits of the Technique without due consideration to the Petitioner. The Petitioner has alleged that the Respondent has set up Pleiadas Cardio-Therapeutics Inc., by cashing in on the idea of the Petitioner. The

Petitioner has filed the present arbitration application invoking the arbitration clause in the Agreement to resolve the dispute between the parties. The Petitioner's claims are broadly as follows:

a. injunction restraining the Respondent from proceeding further with the disclosure and/or commercialisation of the confidential information provided to him pursuant to the Agreement;
b. injunction restraining the Respondent from committing any act of disclosure and/or any action for commercial gain relating to the method of treating cardiac Arrhythmias via inhalation techniques (or the "inhaled rescue therapies to treat irregular heart rhythms");
c. injunction restraining the Respondent from proceeding further with the patent application filed in this regard in the United States of America or filing any other patent applications in any country in an attempt to patent the method of treating Arrhythmia using inhalation technique;
d. damages for the illegal use of the Petitioner's intellectual property rights and know-how, by the Respondent; and
e. costs of all legal proceedings incurred by the Petitioner and such other reliefs as the Petitioner seeks to raise in accordance with law.

The Petitioner has prayed before the Court to appoint the sole Arbitrator in accordance with the Arbitration clause of the Agreement and/or take necessary measures as required under the said clause. The matter is pending.

Cases filed against the Promoters

Criminal litigation

Nil

Civil litigation

Irfan Razack, Rezwan Razack and Noaman Razack

1. A writ petition bearing W.P. No. 24923/2010 has been filed by Joy Alukkas Traders India Private Limited against Union of India and others before the High Court of Kerala. Our Promoters and certain members of our Promoter Group have been impleaded as defendants in the matter on account of them being landlords of the property in which the petitioner was conducting business. The suit has been filed to challenge service tax imposed under provisions of the Finance Act, 1994 on property taken on lease by the petitioner. The matter is pending.

2. Nandishamma and another (the "**Plaintiffs**") have filed a O.S. No. 331 of 2012 against Irfan Razack, Rezwan Razack, Noaman Razack and twenty others before the Court of the Senior Civil Judge, Devanahalli (the "**Court**"). The Plaintiffs have alleged that the Plaintiffs and certain other defendants constitute a joint hindu family and are in possession of 1 acre 26 guntas in the total extent of land measuring 4 acres and 39 guntas in Sy No. 30, Kempathimmanahalli Village, Kundana Hobli, Devanhalli Taluk, Bengaluru Rural District (the "**Property**"). The Plaintiffs have alleged that Nanjappa and Thimmarayappa have sold the Property without the knowledge of the Plaintiffs to Ranganath. The Plaintiffs have alleged that Ranganath has sold the Property to Irfan Razack, Rezwan Razack and Noaman Razack who in turn have sold the Property to Shamin Lahiri, Avinash Lahiri and Siddharth Lahiri. The Plaintiffs have alleged that they have been deprived of their legitimate share in the Property. The Plaintiffs have prayed before the Court to declare that all the sale deeds executed in respect of the Property are not binding on the Plaintiffs. Further, the Plaintiffs have prayed before the Court for partition of the Property and to declare that the Plaintiffs are jointly entitled to $1/6^{th}$ share in the Property. The Plaintiffs have prayed before the Court to grant an order of permanent injunction restraining Shamin Lahiri, Avinash Lahiri and Siddharth Lahiri from interfering with the Plaintiffs peaceful possession of the Property. The Plaintiffs have also filed an interim application before the Court praying for an ad-interim order of temporary injunction. The matter is pending. This suit has been filed in respect of our project "Prestige Hillside Retreat".

Irfan Razack

1. Golden Palm Canteen (the "**Petitioner**") has filed a writ petition bearing No. 35280/2011 before the High Court of Karnataka (the "**Court**") against the Commissioner, Bruhat Bengaluru Mahanagara Palike and Irfan Razack. The Petitioner has filed the writ petition aggrieved by the license granted by the Commissioner, Bruhat Bengaluru Mahanagara Palike to Irfan Razack for construction of a huge shopping mall in the close vicinity of a historical building namely BRV Complex belonging to the Indian Army. The Petitioner challenges the validity of the license on the grounds that such license has been granted, without obtaining the consent of the Ministry of Defence and complying with the norms and conditions of the enactment of the State. It is further alleged that the construction of the building has caused irreparable damage to the BRV complex and endangers the lives of the permanent workers and customers who visit the Petitioner. The Petitioner had prayed before the Court to issue a writ of mandamus directing the Commissioner, Bruhat Bengaluru Mahanagara Palike to cancel the license granted for the construction of the building, ordering Irfan Razack to demolish the building constructed so far and impose penalty on Irfan Razack for the illegal construction. The Petitioner had further prayed before the Court to order a probe in granting of the license to Irfan Razack by the Criminal Bureau of Investigation. The Petitioner has also prayed before the Court to direct Irfan Razack to make available a complex of similar size and shape in the best interest of the army and security of the building. The Petitioner had prayed before the Court to pass an interim order restraining Irfan Razack from continuing construction and directing the Commissioner, Bruhat Bengaluru Mahanagara Palike to cease the license until disposal of the writ petition. Irfan Razack had filed objections dated December 16, 2011 before the Court stating that since the entire construction of the building is completed and an occupancy certificate has also been obtained, the writ petition seeking stoppage of work and cancellation of allotting of no objection certificate to Irfan Razack is infructuous and liable to be dismissed. Subsequently, the Petitioner has filed a rejoinder to the objections filed by Irfan Razack requesting that since the demolition of the building at this stage is not practically possible, Irfan Razack should be ordered to carry out extensive repairs so that the historic building, BRV Complex can be saved. The matter is pending. This suit has been filed in respect of our project "Prestige Atrium".

2. Amanath Co-Operative Bank Limited (the "**Petitioner**") has filed an application bearing JRD/ACB/37/2007-2008 dated January 16, 2008 before the Joint Registrar of Co-Operative Societies against Irfan Razack and ten others (the "**Respondents**"). The Petitioner has alleged that Irfan Razack as director of the Petitioner in collusion with other Defendants have illegally released the properties mortgaged to the Petitioner by settling the loan amount under one time settlement thereby giving a concession jointly and severally of ₹ 0.53 and ₹ 2.77 million without prior approval of the Reserve Bank of India thereby causing a loss of ₹ 3.31 million to the Petitioner. The Petitioner has prayed before the court to pass an order directing the Respondents to pay a sum of ₹ 3.31 million with future interest at 17.5% to 2% per annum from September 17, 2003 till the date of realisation. Separately Irfan Razack was served a summons dated January 24, 2008 to appear before the Joint Registrar of Cooperative Societies in relation to an application that had been filed by Amanath Cooperative Bank Limited under the Karnataka Cooperative Societies Act 1959, for the attachment of immovable property belonging to certain persons. However, Mr. Irfan Razack is not being represented in this case since it has been filed against him in the capacity of an ex-director of the Petitioner, which has been denied by him earlier. Additionally, Irfan Razack has obtained a written confirmation from Syed Zameer Pasha, the present administrator of the Bank, by a letter dated March 24, 2010 stating that Irfan Razack has at no point of time accepted a position as a director on the board of directors of the Petitioner. The matter is pending.

Rezwan Razack

1. A civil suit bearing O.S. No. 645/2007 has been filed by Ambuja R against Hemavathi and others before the City Civil Court, Bengaluru. An application has been made by the plaintiff on March 12, 2009 to implead Rezwan Razack on the ground that he tried to interfere with the plaintiff's peaceful possession of property measuring 20 guntas situated at Sy. No. 60/2, Addevishwanathapura Village, Hesaraghatta Hobli, Bengaluru North. Rezwan Razack has filed application seeking rejection of the application made by the plaintiff on March 12, 2008, on the grounds that the property is not in the name of Rezwan Razack and hence, the plaintiffs allegations are false. The matter is pending. This suit has been filed in respect of our project "Prestige Oasis/Northwest County".

2. A civil suit bearing O.S. No. 264/2005 has been filed by Girijamma and the others against R.C. Basavarajaiah and others before the First Additional Civil Judge (Senior Division), Bengaluru Rural District, Bengaluru. Rezwan Razack, Anjum Razack and Prestige Constructions are the seventh, eighth and ninth defendants

respectively. The Plaintiffs have alleged that Rezwan Razack and Anjum Razack have taken possession of the property of the plaintiffs by threat and coercion and that the sale deeds executed in their favour are illegal and void. The plaintiffs have filed an interim application seeking temporary injunction to restrain defendants six to nine from altering the nature of the suit property situated at Sy. No. 60/2 at Addevishwanathapura, Hesarghatta Hobli, Bengaluru North and from alienating the suit property in favour of third parties pending disposal of the suit. Defendants six to nine have opposed the interim application on grounds that the plaintiffs have thrice failed previously to make a prima facie case against the defendants and in proving balance of convenience in their favour for grant of an interim injunction. The defendants have also filed an interim application to the effect that the valuation of the suit is inaccurate. The matter is pending. This suit has been filed in respect of our project "Prestige Oasis".

Irfan Razack and Rezwan Razack

1. An appeal bearing M.A. No. 606/2002 has been filed by S.Vasudeva against the Government of Karnataka and others before the Karnataka Appellate Tribunal, Bengaluru. Irfan Razack and Rezwan Razack are named as defendants 22 and 23. The contentions of the plaintiff relate to the properties alleged to have been acquired by the fourteenth respondent, a member of parliament and his family members beyond their respective sources of income. Irfan Razack and Rezwan Razack were not made parties though allegations about them acquiring agricultural lands measuring 6.92 acres situated at Sy. No. 105 and 106 of Ramagondanahalli Village, Varthur Hobli, Bengaluru South were made. The appellant further alleged that respondents 22 and 23 have developed layouts on the land to an extent of 46.37 acres, while conversion orders were obtained for only 30 acres. The matter is pending. This suit has been filed in respect of our project "Prestige Laughing Waters".

2. A dispute bearing No. JRD/ACB/III/2007-2008 has been filed by Amanath Co-operative Bank Limited against PHR Developers, represented by partners Irfan Razack, Rezwan Razack and another before the Joint Registrar of Co-operative Societies Bengaluru. Amanath Co-operative Bank Limited had entered into a memorandum of understanding with PHR Developers whereby the latter had undertaken to construct a multi-storeyed building for the complainant bank. The contention of the complainant is that that pursuant to such memorandum of understanding, PHR Developers has charged excessive costs to the extent of approximately ₹ 388.87 million on account of inflated land costs, inflated interest on the overdraft account that was opened with the bank in the name of PHR Developers to finance the construction of the building, transfer of funds from the aforementioned account to unauthorized persons and failure to produce bills to support certain costs incurred. The complainant also alleges violation of procedure since one of the partners of PHR Developers was the wife of the then President of Amanath Co-operative Bank Limited. The complainant has prayed for the loss to be made good along with interest and had demanded that Irfan Razack and Rezwan Razack along with other respondents owe an amount of ₹ 388.87 million along with interest at 18% per annum to Amanath Bank Co-operative Bank Limited. However, the report of the enquiry commission that was appointed under the Karnataka Co-operative Societies Act, 1959 to look into alleged irregularities in the affairs of the bank has held PHR Developers responsible for overcharging construction costs to the extent of ₹ 83.71 million. The findings of the enquiry report have been challenged by PHR Developers by way of petition dated January 18, 2010. Pursuant to applications filed by the complainant, the Joint Registrar of Co-operative Societies passed an order dated March 4, 2010 attaching certain properties of Irfan Razack, which includes the registered office of the Company. Irfan Razack has filed an appeal bearing No. 211/2010 dated April 21, 2010 before the Karnataka Appellate Tribunal, Bengaluru against the order of attachment dated March 4, 2010 passed by the Joint Registrar of Co-Operative Societies. Amanath Bank Co-operative Bank Limited is the second respondent to the appeal. Irfan Razack has alleged that the order has been passed by the Joint Registrar without a hearing. Irfan Razack has alleged that the properties attached do not belong to Irfan Razack nor PHR Developers and that one of the properties attached belong to Irfan Razack's sister. Irfan Razack has alleged that the order was passed only because Irfan Razack did not furnish security nor deposit ₹ 388.87 million. Irfan Razack has prayed before the Karnataka Appellate Tribunal to call for the records in dispute No. JRD/ACB/111/2007-08 pending before the Joint Registrar and set aside the order dated March 4, 2010. Amanath Bank Co-operative Bank Limited has filed objections dated March 25, 2011 praying before the Karnataka Appellate Tribunal to dismiss the appeal filed by Irfan Razack. Irfan Razack had entered into a memorandum dated November 4, 2010 with the complainant bank pursuant to which the matter was settled for 83.71 million. Amanath Co-operative Bank Limited has filed a memo before the Karnataka Appellate Tribunal to withdraw the memorandum dated November 10, 2011 entered into between the complainant bank and Irfan Razzack on the ground that the same was unauthorised. Irfan Razack has filed

objections before the Karnataka Appellate Tribunal, Bengaluru against the application to withdraw the memorandum dated November 4, 2010 filed by the complainant bank. The matter is pending.

Noaman Razack

Nil

Cases filed by the Promoters

Nil

Cases involving our Subsidiaries and Other Development Entities

West Palm Developments Private Limited

Civil litigation

Cases filed against West Palm Developments Private Limited ("West Palm")

1. A civil suit bearing O.S. No. 5265/2008 has been filed by Kamalamma against Thimmakka and others before the City Civil Court at Bengaluru. West Palm Developments Private Limited is the sixth defendant in the suit. The plaintiff has filed this suit for partition of property and for setting aside the sale deed executed in favour of West Palm Developments Private Limited and for permanent injunction to restrain the defendants from encumbering the plaintiffs share in the property under dispute. The contention of the plaintiff is that defendants one to four have colluded with each other and fraudulently sold portions of ancestral property measuring 3 acres 16 guntas situated at Sy. No. 32/1, 142 and 143/2 situated at Kadubeesanahalli and Ammani Bellandur khane Villages, Varthur Hobli, Bengaluru East, without the knowledge of the plaintiff. West Palm Developments Private Limited has purchased one acre of the suit property from defendant No. 5 under sale deed dated August 26, 2003. An interim application has been filed by West Palm Developments Private Limited for dismissal of the suit on the grounds that the plaintiff was fully aware of the execution of the sale deed. Further, West Palm Developments Private Limited has filed an interim application before the court seeking directions from the court to direct the plaintiff to pay the deficit court fee. The matter is pending. This suit has been filed in respect of our project "Prestige Tech Park".

2. A civil suit bearing O.S. No. 6825/2004 has been filed by Bharath Kumar, represented by his mother Rajeswari against Rajanna and others before the City Civil Court, Bengaluru for partition and separate possession in respect of property measuring 3.008 acres situated at Sy. No. 30/1, Kadubeesanahalli Village, Varthur Hobli, Bengaluru South. West Palm Developments Private Limited is the fifteenth defendant in the suit. The contention of the plaintiff is that the defendants have executed two sale deeds on May 4, 2000 by which the entire property was alienated, without the knowledge of the plaintiff. The plaintiff further alleges that on the basis of another sale deed executed by the fourteenth defendant for sale of 1.57 acres of the suit property in favour of West Palm Developments Private Limited, West Palm Developments Private Limited has been attempting to change the nature of the property. West Palm Developments Private Limited has filed its written statement on June 30, 2007. West Palm Developments Private Limited has filed an interim application praying before the court to direct the plaintiff to pay the appropriate deficit court fees. The matter is pending. This suit has been filed in respect of our project "Prestige Tech Park".

Cases filed by West Palm Developments Private Limited

Nil

Cessna Garden Developers Private Limited

Civil litigation

Cases filed against Cessna Garden Developers Private Limited

1. A civil suit bearing O.S. No. 8674/2006 has been filed by Krishnappa against Narayanappa and others before the Additional Civil Judge at Bengaluru. Cessna Garden Developers Private Limited is the fourth defendant in the suit. The contention of the plaintiff is that the Plaintiff had filed a suit dated September 28, 2006 against defendants one to three for partition of suit properties measuring 5.32 acres situated at survey number 17/2 and 17/4, Kadubeesanahalli Village, Varthur Hobli, Bengaluru East and to set aside sale deeds executed in favour of Cessna Garden Developers Private Limited to the extent of their share in the property. The plaintiff has also sought a permanent injunction against Cessna Garden Developers Private Limited restraining it from interfering with the peaceful possession and enjoyment of the plaintiff's share in the property. The plaintiff has also filed two interim applications on September 28, 2006 seeking temporary injunction against defendants one to three, to restrain them from alienating the property or encumbering or in anyway creating charge over the property or changing the nature and character of the property. Cessna Garden Developers Private Limited has filed an interim application requiring the plaintiff to pay the deficit court fees of ₹ 1.10 million before proceeding with the suit. Cessna Garden Developers Private Limited has also filed a written statement and an objection to the interim application filed by the plaintiffs and has sought for dismissal of the suit. The matter is pending and has been posted for hearing the interim applications filed by the plaintiff. This suit has been filed in respect of our project "Cessna Business Park".

Cases filed by Cessna Garden Developers Private Limited

Nil

Cases filed against Silver Oak Project ("Silver Oak")

Civil litigation

1. Gowramma and another (the "**Plaintiffs**") have filed a suit bearing O.S. No. 1218/2012 before the Court of the Senior Civil Judge, Rural District, Bengaluru (the "**Court**") against Silver Oak, Suresh Vallabji and Wildflower Estate Resort Private Limited. The Plaintiffs have alleged that Silver Oak does not have any right, title or interest over the property measuring 20 guntas out of 2 acres of land situated at Pattandur Village, K.R. Puram Hobli, Bengaluru (the "**Property**"). The Plaintiffs have alleged that Nagappa who is the father of the Plaintiffs has executed the sale deed in respect of Suresh Vallabji under the influence of alcohol thereby depriving the rights of brothers and of the Plaintiffs over the Property. The Plaintiffs have alleged that the sale deed executed in respect of the Property by Suresh Vallabji and Wildflower Estate Resort Private Limited in favour of Silver Oak is without legal basis. The Plaintiffs have prayed before the Court to pass a decree in respect of the following:

    a. To declare the Plaintiffs as the absolute owners of the Property i.e., 20 guntas out of 2 acres of land situated at Pattandur Village, K.R. Puram Hobli, Bengaluru;
    b. To declare the alleged sale deed dated February 3, 2010 and registered with the sub-registrar *vide* document No. MDP-1-05266/2009/10 executed between Suresh Vallabji and Wildflower Estate Resort Private Limited in favour of Silver Oak as invalid. Further, the Plaintiffs have prayed before the Court to declare any other documents executed in the name of Silver Oak pursuant to the sale deed as invalid against the Plaintiffs ; and
    c. To restrain Silver Oak permanently from interfering with the peaceful possession of the Property.

    The Plaintiffs have also filed an application for temporary injunction to restrain Silver Oak from putting up any construction in the Property pending disposal of the suit. The matter is pending. This suit has been filed in respect of the project "Silver Oak".

2. M. Krishnappa (the "**Plaintiff**") has filed a suit bearing O.S. No. 867/2012 dated July 9, 2012 before the Court of the Principal Senior Civil Judge, Bengaluru Rural District, Bengaluru (the "**Court**") against Silver Oak and twenty two others (the "**Defendants**"). The Plaintiff has alleged that the Plaintiff has acquired absolute right, title and interest over 1 acre of land out of the 3 acres 14 guntas situated at Sy. No. 122, Pattandur Agrahara Village, K.R. Puram Hobli, Bengaluru (the "**Property**") by virtue of a compromise petition dated March 2, 2002 in O.S. No. 120/1993 before the Court. The Plaintiff has alleged that he is the legal heir of Munishamappa

who died intestate and also that he was the former owner of the Property prior to his death. The Plaintiff has alleged that Ramaiah, M Batyappa and M Munikrishna (Defendants 1 to 3) have filed for partition and declaration in respect of the Property including the Plaintiff's share. The Plaintiff has prayed before the Court to pass a decree directing the Defendants to:

a. Declare the Plaintiff as the absolute owner of the Property i.e., 1 acre of land out of the 3 acres 14 guntas situated at Sy. No. 122, Pattandur Agrahara Village, K.R. Puram Hobli, Bengaluru;
b. Grant a permanent injunction restraining the Defendants from interfering with the possession of the Property;
c. Declare the decree passed in favour of Ramaiah, M Batyappa and M Munikrishna as not binding on the Plaintiff in respect of the Property (i.e., the suit filed for partition and declaration); and
d. Declare the release deed and confirmation deed dated April 9, 2012 executed by Ramaiah, M Batyappa and M Munikrishna in favour of Nagarathnamma (Defendant 9) as not binding on the Plaintiff in respect of the Property.

The First Additional Senior Civil Judge by its order dated July 12, 2012 has rejected the application of the Plaintiff for granting ex parte temporary injunction against the Defendants by stating that the Plaintiffs had not made a prima facie case for granting such temporary injunction against the Defendants. The matter is pending. This suit has been filed in respect of the project "Silver Oak".

3. Muniyamma and another (the "**Plaintiffs**") have filed a suit bearing O.S. No. 1048/2012 against Silver Oak and twenty three others (the "**Defendants**"). The Plaintiffs have alleged that the joint family property bearing Sy. No. 122, measuring 3 acres 14 guntas situated at Pattandur Agrahara Village, K.R. Puram Hobli, Bengaluru and Sy No. 130, measuring 2 acres situated at Pattandur Agrahara Village, K.R. Puram Hobli, Bengaluru (the "**Properties**") have been sold by the father of Gowramma and Sumithra (Defendants 8 and 9) in favour of Silver Oak without any right to sell and that the same has been done without the consent and knowledge of the Plaintiffs. The Plaintiffs have prayed before the Court to pass a decree against the Defendants:

   a. For partition of the Properties by allotting $1/8^{th}$ share to each of the Plaintiffs;
   b. To declare the registered sale deeds and the release and confirmation deed executed in respect of the Properties and registered before various sub-registrars as not binding on the Plaintiff; and
   c. Grant mesne profits.

   The Plaintiffs have also filed applications for ex parte interim orders of temporary injunction to restrain Silver Oak from alienating any part of the Properties and from changing the nature of the Properties by construction or otherwise. The matter is pending. This suit has been filed in respect of the project "Silver Oak".

Cases filed by Silver Oak Project

Civil litigation

1. Silver Oak has filed a writ petition bearing No. 10278 of 2011 dated March 10, 2011 before the High Court of Karnataka, Bengaluru (the "**Court**") against State of Karnataka and others (the "**Respondents**"). Silver Oak has stated that it is the owner of the property bearing old Sy No. 31, 35 and 38, new Sy. No. 129 and 130, Pattandur Agrahara Village, K.R. Puram Hobli, Bengaluru East Taluk. Silver Oak has alleged that certain Respondents have contested the title to the property owned by Silver Oak. Silver Oak has prayed before the Court to issue a writ of prohibition restraining the Special Deputy Commissioner, Bengaluru (Respondent No. 2) from acting without jurisdiction and entertaining, trying and continuing to proceed with revisional proceedings in R.P. No. 158/2010-11. Silver Oak has prayed before the Court to issue a writ to quash the proceedings in R.P. 158/2010-11 pending before the Special Deputy Commissioner. Silver Oak has prayed before the Court to pass an interim order staying the operation of the order dated August 23, 2010 passed by the Revenue Revisional Court in R.P. No. 158/2010-11 restraining construction on the property and to stay the order dated January 31, 2011 extending the ex-parte interim order. Silver Oak has prayed before the Court to pass an order staying the proceedings in R.P. No. 158/2010-11 before the Special Deputy Commissioner. The Court has passed an order dated March 14, 2011 directing the Respondents not to interfere with the construction by Silver Oak on the property and restraining the Respondents from enforcing the interim orders dated August 23, 2010 and March

31, 2011 passed in R.P. 158/2010-11. The matter is pending. This suit has been filed in respect of the project "Silver Oak".

Cases involving our Associate Companies

Prestige Garden Constructions Private Limited

Civil litigation

Cases filed against Prestige Garden Constructions Private Limited

1. A civil suit bearing O.S. No. 1930/2005 has been filed by Gowramma and others against H.P. Narayana Reddy and others before the court of the Second Additional Civil Judge (Senior Division) at Bengaluru Rural District. Prestige Garden Constructions Private Limited is the eighth defendant in the suit. The contention of the plaintiff is that defendants one to seven sold property belonging to the plaintiff's hindu undivided family measuring 13.77 acres situated in Sy. Nos. 150/1, 150/2, 150/3, 150/4 and 390/1, Amani Bellandur Khane, Varthur Hobli, Bengaluru East taluk to Prestige Garden Constructions Private Limited, without knowledge or consent of the plaintiff. The suit has been filed for setting aside the sale deed executed in favour of Prestige Garden Constructions Private Limited. Prestige Garden Constructions Private Limited has filed its written statement on October 20, 2007. Notices are being served on other defendants. The matter is pending. This suit has been filed in respect of our project "Prestige Ozone".

2. V. Chinna Pullai (the "**Plaintiff**") has filed a suit bearing No. 1775/2008 before the Court of the Principal Civil Judge (Senior Division), Bengaluru (the "**Court**") against Prestige Garden Constructions Private Limited and three others (the "**Defendants**"). The Plaintiff has alleged that the sale deed executed in favour of Prestige Garden Constructions Private Limited by the other defendants in respect of the property bearing Sy. No. 144/6, measuring 20 guntas at Hagadur Village, K.R. Puram Hobli, Bengaluru (the "**Property**") is not binding on the Plaintiff. The Plaintiff has alleged that the sale transaction has taken place between the Defendants without the knowledge of the Plaintiff and during the pendency of proceedings before the revenue authorities and also before the High Court of Karnataka. The Plaintiff has alleged that the Property belongs to the Plaintiff and that Prestige Garden Constructions Private Limited has started putting up constructions on the Property thereby interfering with the Plaintiff's possession of the Property. The Plaintiff has prayed before the Court to pass a judgement and decree granting a relief of declaration declaring that the alleged panchayath palupatti dated November 8, 1985 is not acted upon and defendant No. 1 does not derive any right, title, interest or possession of the Property based on the alleged panchayath partition dated November 8, 1985. The Plaintiff has prayed before the Court to declare the sale deeds executed in respect of the Property as not binding on the Plaintiff and to declare that Prestige Garden Constructions Private Limited does not derive any right, title, interest or possession of any kind over the Property. The Plaintiff has further prayed before the Court to grant permanent injunction restraining Prestige Garden Constructions Private Limited from putting up any construction over the Property. The matter is pending. This suit has been filed in respect of our project "Prestige Ozone".

Cases filed by Prestige Garden Constructions Private Limited

Nil

Prestige Projects Private Limited

Cases filed against Prestige Projects Private Limited

1. K. Santhosh (the "**Plaintiff**") has filed a suit bearing No. 483/2012 dated July 2, 2012 before the Civil Judge Senior Division and J.M.F.C., Anekal (the "**Court**") against Prestige Projects Private Limited and four others. The Plaintiff has alleged that Prestige Projects Private Limited has not acquired any right, title or interest in the property bearing survey No. 89 measuring 3 acres 20 guntas, Ittangur Village, Sarjapura Hobli, Anekal Taluk, Bengaluru (the "**Property**"). The Plaintiff has alleged that the Property is an ancestral property of the Plaintiff and that Prestige Projects Private Limited along with defendant No. 4 have colluded together and registered the

sale deed in respect of the Property without knowledge and consent of the Plaintiff. The Plaintiff has prayed before the Court to effect partition and allot 1/4th legitimate share to the Plaintiff in the Property. Further, the Plaintiff has prayed before the Court to declare the sale deeds executed in respect of the Property as not binding on the Plaintiff. The matter is pending. This suit has been filed in respect of the land situated at Sarjapur.

Silverline Estates

Civil litigation

Cases filed against Silverline Estates

1. A civil suit bearing O.S. No. 1002/2008 has been filed by HMT Township Nivasigala Kshemabhivrudhi Sangha against Silverline Estates and others before the court of the XVI Additional City Civil and Sessions Judge, Bengaluru. The contention of the plaintiff is that the first defendant has constructed more than 800 flats on property measuring 7.59 acres, situated at plot number ML 11/20 A, Peenya Plantation, Bengaluru North, earmarked for the development of heavy industries without obtaining the required permissions, including conversion orders for conversion of agricultural land into residential land. The plaintiff has further alleged that the residential construction is on a public road connecting the plaintiff's township to the ancillary units of our Company. The plaintiff has sought a decree of permanent injunction restraining the first defendant from continuing construction work on the suit property. The plaintiff has also filed an interim application for *ex-parte* injunction to restrain the first defendant from continuing with construction on the suit property. The first defendant has filed objections to the said interim application and a subsequent interim application on March 10, 2008 seeking dismissal of the suit for non-joinder of necessary parties. The matter is pending and has been posted for the plaintiff to file objection to interim application filed by the defendant. This suit has been filed in respect of the project "Prestige Kensington Gardens".

Cases filed by Silverline Estates

Nil

Prestige Notting Hill Investments

Cases filed against Prestige Notting Hill Investments

Civil litigation

1. A civil suit bearing O.S. No. 4/2009 has been filed by Ramalingaiah and others against Sashikala. R. Nayak and others before the Civil Judge (Senior Division), Bengaluru, Rural District. Prestige Notting Hill Investments is the sixth defendant in the suit. The case of the plaintiffs relate to unfair alienation of joint family property measuring 2.46 acres situated in Sy. No. 9, Kalena Agrahara Village, Begur Hobli, Bannerghatta, Bengaluru by the defendants in favour of Prestige Notting Hill Investments. The plaintiffs have claimed ownership over their respective share in the suit property and allege that the property was sold by the defendants while the plaintiffs were minors. The plaintiffs have sought for among others, an order to direct Prestige Notting Hill Investments to deliver vacant possession of the property to the plaintiffs, an order of permanent injunction restraining the defendants from not putting up any construction of building/apartment/flats on the property. Prestige Notting Hill Investments is yet to file its written statement in the suit. The matter is pending. This suit has been filed in respect of our project "Notting Hill".

Cases filed by Prestige Notting Hill Investments

Nil

Tax Litigation

Cases involving our Company

1. Appeals bearing ITA No. 105/2009, 106/2009 and 107/2009 were filed by our Company against the Assistant Commissioner of Income Tax before the High Court of Karnataka, Bengaluru. The appeals were preferred over the order passed by the Income Tax Appellate Tribunal, Bengaluru Bench B dated October 23, 2008 disallowing compounding fees with respect to assessment years 2001-2002 to 2003-2004. The contention of the appellant was that fees paid for regularising deviations in the sanctioned plan up to certain permitted limits under municipal laws of the state of Karnataka could not be treated as penalty. Our Company has discharged the demanded amount of approximately ₹ 13.75 million. The appeals were dismissed by the High Court of Karnataka, Bengaluru. Our company has preferred a special leave petition No. 7721/2010 dated February 15, 2012 in the Supreme Court of India against orders passed in the above appeals. The matter is pending.

2. An appeal has been filed by our Company before the Commissioner of Income Tax (Appeals) – VI, Bengaluru against the orders passed the Deputy Commissioner of Income Tax on December 31, 2008, disallowing compounding fees with respect to assessment year 2006-2007. The appeal has been filed against disallowance of compounding fees. The appellant further contends among others, that i) income derived from 'The Forum' mall and 'Eva' mall is to be treated under the head 'profits and gains from business or profession' and not under the head 'income from house property'; ii) income derived from providing fit outs on hire is to be treated under the head 'income from other sources' and not under the head 'income from house property'; and iii) 'completed method' is to be adopted for computing income of joint development projects as against 'percentage completion method'. An approximate amount of ₹ 25.98 million demanded from our Company has been adjusted against refund from the income tax department for assessment year 2007-2008. The appeal was partially allowed on December 17, 2009 by the Commissioner of Income Tax (Appeals) – VI. Separate appeals bearing Nos. ITA No. 97/B/10 and ITA Appeal No. 184/B/2010 have been preferred on January 27, 2010 by our Company and by the Deputy Commissioner of Income Tax on February 17, 2010 before the Income Tax Appellate Tribunal over the above order passed by the Commissioner of Income Tax (Appeals) – VI. The Income Tax Appellate Tribunal, Bengaluru has passed an order dated September 30, 2010 confirming the order passed by the Commissioner of Income Tax whereby the compounding fees paid by our Company was disallowed. The Commissioner of Income Tax and another have filed an appeal bearing I.T.A.62/11 dated June 29, 2011 before the High Court of Karnataka against the order passed by the Income Tax Appellate Tribunal, Bengaluru. The matter is pending.

3. Our Company has filed an appeal bearing appeal in Form 430 dated July 14, 2011 before the Joint Commissioner of Commercial Taxes ("**Joint Commissioner**") (Appeals), Bengaluru against the order passed by the Deputy Commissioner of Commercial Taxes, Bengaluru. Our Company filed the appeal before the Joint Commissioner stating that the assessment order dated June 10, 2011 passed by the Deputy Commissioner in respect of the reassessment period from September 2007 to June 2010 is bad in law and liable to be quashed. The Deputy Commissioner had demanded a total tax including interest and penalty aggregating to ₹ 118.47 million from our Company as tax due towards labour disallowance and other refund adjustments. The matter pending.

4. The Intelligence Officer, Squad IV, Ernakulam has issued a demand notices dated August 31, 2010 under Kerala Value Added Tax Act, 2003 to our Company demanding a tax of ₹ 154.66 million as tax due towards total contract receipts received from sale of apartments at Prestige Neptune Courtyard, Kochi for the tax period 2006-07, 2007-08 and 2009-10. Our Company has filed a writ petition bearing 975/2011 dated January 5, 2011 before the High Court of Kerala (the "**Court**") against the demand notice issued by the Intelligence Officer. Our Company has prayed before the Court to quash the orders passed by the Intelligence Officer by the issue of a writ of certiorari or order or direction alleging that the order passed by the Intelligence Officer is bad in law. The matter is pending.

5. The Commercial Tax Officer (Works Contract), the Deputy Commissioner, Commercial Tax Officer, Ernakulam has issued a demand notice dated October 16, 2009 to our Company demanding a total tax amount of ₹ 11.31 million as tax due towards total contract receipts received from sale of apartments at Prestige Neptune Courtyard, Kochi for the tax period April 2008 to September 30, 2008. Our Company had filed a writ petition bearing 549/2010 dated January 22, 2010 before the High Court of Kerala, Ernakulam

(the "**Court**") to set aside the order of the Commercial Tax Officer. The High Court has passed an order dated January 22, 2010 setting aside the order passed by the Commercial Tax Officer and directing the Commercial Tax Officer to consider the matter afresh since our Company was not given effective opportunity of hearing before the proceedings were finalised. The Commercial Tax Officer after hearing the matter afresh has issued a demand notice dated December 30, 2010 demanding a total tax amount of ₹ 41.52 million. Our Company has filed a writ petition bearing 2619/2011 dated January 14, 2011 before the Court alleging the Commercial Tax Officer is not justified in passing the order and issuing the demand notice dated December 30, 2010. Our Company has prayed before the Court to quash the order passed by the Commercial Tax Officer by issuing a writ of certiorari or such other relief. The High Court of Kerala has by its orders dated May 24, 2011 and July 4, 2011 granted interim relief and stayed all recovery steps against our Company until final disposal of the writ petition. The matter is pending.

6. The Assistant Commissioner (Works Contract), Ernakulam has issued a demand notice dated July 31, 2012 demanding penalty of ₹ 11.45 million under Section 67 of Kerala Value Added Tax Act, 2003 from our Company for not including the import of lifts by our Company in the quarterly and annual return for the period 2009-10 even though the transaction were reflected in the books of accounts. Our Company has filed an appeal in Form 30 and 29 dated September 14, 2012 before the Deputy Commissioner (Appeals), Ernakulam for quashing the order passed by the Assistant Commissioner. The Deputy Commissioner passed an order calling upon our Company to remit 40% of ₹ 11.45 million. Further, our Company has filed a writ petition bearing No. 2105 of 2012 dated December 3, 2012 before the High Court of Kerala, Ernakulam (the "**Court**") against the order passed by the Deputy Commissioner (Appeals), Ernakulam. The Court has partly allowed the appeal filed by our Company and has directed our Company to remit 15% of ₹ 11.45 million and furnish adequate security for the balance amount. The matter is pending.

7. Our Company has filed an appeal in Form 36 before the Income Tax Appellate Tribunal, Bengaluru (the "**ITAT"**) against the order dated April 4, 2012 passed by the Deputy Commissioner of Income Tax, Bengaluru. Our Company has alleged that the Deputy Commissioner had erred in disallowing compounding fees of ₹ 25.02 million paid by our Company to the Bengaluru Mahanagara Palike and that the Commissioner of Income Tax, Appeals, Bengaluru had erred in confirming the action of the Deputy Commissioner. Our Company have prayed before the ITAT to quash the order passed by lower tax authorities or in the alternative allow compounding fees of ₹ 25.02 million as a deduction. This appeal has been filed in respect of the assessment year 2008-09. The matter is pending.

8. Commissioner of Income Tax (Appeals), Bengaluru has passed an order dated November 16, 2012 in respect of the assessment year 2009-10 allowing our Company's appeal excepting the compounding fees disallowance. Our Company has filed the appeal before the Commissioner of Income Tax against the order passed by the Joint Commissioner of Income Tax, Bengaluru directing our Company to pay a sum of ₹ 63.17 million treating rental receipts received from the malls "Forum", "Eva Mall" and "UB City" as income assessed under the head "Income from House Property" and rental receipts from letting out of fit outs assessed as "Income from House Property". The Joint Commissioner had also disallowed the compounding fees paid to Bengaluru Mahanagara Palike. Our Company is in the process of filing an appeal before the Income Tax Appellate Tribunal, Bengaluru. The matter is pending.

Cases involving Associates

1. Silverline Estates

   (i) An appeal has been filed by Silverline Estates before the Joint Commissioner of Commercial Taxes (Appeals), Bengaluru. The appeal has been preferred against the order passed by the Commercial Tax Officer, Audit 12, Bengaluru, for the periods August 2006 to July 2009 challenging the position taken by the Commercial Taxes Department which classified agreements to sell executed by the appellant with its customers as works contract. The appellant contends that the sub-contractor to whom the project has been sub-contracted has discharged the applicable tax liability. Further, the appellant contends that it was only because advances were received prior to and/or during construction of flats that the Assessing Officer has held the agreements to be in the

nature of a woks contract. The amount of tax demanded is ₹ 41.97 million. The appellant has discharged the tax liability imposed, under protest. The matter is pending.

2. Prestige Notting Hill Investments

(i) An appeal has been filed by Prestige Notting Hill Investments before the Joint Commissioner of Commercial Taxes (Appeals), Bengaluru. The appeal has been preferred against the order passed by the Assistant Commissioner of Commercial Taxes (Investigation 3) for the period May 2007 to March 2010 challenging the position taken by the Commercial Taxes Department which classified agreements to sell executed by the appellant with its customers as works contract. The amount of tax demanded is ₹ 29.26 million. The matter is pending.

INDEPENDENT ACCOUNTANTS

Deloitte Haskins & Sells, Chartered Accountants, Auditor of the Company have audited (i) audited consolidated summary financial statements of the Company as of and for the fiscal years ended March 31, 2012, 2011 and 2010; (ii) audited standalone Summary Financial Statements of the Company as of and for the fiscal years ended March 31, 2012, 2011 and 2010; (iii) the audited standalone condensed financial statements of the Company for the six months period ended September 30, 2012.

The audited standalone financial statements of each of the Significant Subsidiaries for the six months period ended September 30, 2012 included in this Red Herring Prospectus are audited by respective Chartered Accountants as detailed below:

Sl No.	Name of the Significant Subsidiary	Name of the auditor
1.	Prestige Amusements Private Limited	Deloitte Haskins & Sells
2.	Prestige Leisure Resorts Private Limited	Deloitte Haskins & Sells
3.	ICBI (India) Private Limited	Deloitte Haskins & Sells
4.	Prestige Valley View Estates Private Limited	Deloitte Haskins & Sells
5.	Prestige Bidadi Holdings Private Limited	Deloitte Haskins & Sells
6.	Cessna Garden Developers Private Limited	Deloitte Haskins & Sells
7.	West Palm Developments Private Limited	Deloitte Haskins & Sells
8.	Prestige Shantiniketan Leisures Private Limited	GSA Kumar & Associates
9.	K2K Infrastructure (India) Private Limited	MSSV & Co.
10.	Valdel Xtent Outsourcing Solutions Private Limited	Suresh & Co.
11.	Downhills Holiday Resorts Private Limited	MSB Rao & Co.
12.	Pennar Hotels & Resorts Private Limited	MSB Rao & Co.
13.	Village-De-Nandi Private Limited	MSB Rao & Co.
14.	Foothills Resorts Private Limited	MSB Rao & Co.
15.	Northland Holding Company Private Limited	MSB Rao & Co.
16.	Villaland Developers Private Limited	MSB Rao & Co.
17.	Prestige Property Management and Services*	K. Kotresh & Co.

**Please note that Prestige Property Management and Services is a partnership firm in which the Company holds majority control*

Deloitte Haskins & Sells, GSA Kumar & Associates, MSSV & Co., Suresh & Co. and MSB Rao & Co., are independent auditors with respect to the Company as required by the Companies Act and in accordance with the guidelines issued by the ICAI.

Each of MSB Rao & Co. and GSA Kumar & Associates do not hold valid peer review certificates (issued by the ICAI) as of the date hereof.

GENERAL INFORMATION

1. The Company commenced operations as a partnership firm constituted under the Indian Partnership Act, 1932 on April 1, 1986 under the name and style of Prestige Estates and Properties with its registered office at No. 6, Commercial Street, Bengaluru 560 001. The partners of the firm were the Late S. Razack, Irfan Razack, Rezwan Razack and Sameera Noaman. The name of the firm was changed to Prestige Estates Projects by a supplementary deed of partnership dated May 12, 1997. The firm was registered as a private limited company under Part IX of the Companies Act on June 4, 1997 with the name Prestige Estates Projects Private Limited and was allotted company identification number 08/22322/1997. All the business and property of the erstwhile partnership firm therefore became vested in our Company. Our Company was converted into a public limited company on November 10, 2009 with the name Prestige Estates Projects Limited and received a fresh certificate of incorporation consequent upon change in status on November 10, 2009 from the RoC. The registered office of the Company is situated at The Falcon House, No. 1, Main Guard Cross Road, Bengaluru 560 001, Karnataka, India.

2. The Issue is being made to Eligible QIBs in reliance upon Chapter VIII-A of the SEBI Regulations.

3. The Issue has been authorised and approved by the Board of Directors through resolution dated October 30, 2012, and by the Company's shareholders through a special resolution dated December 4, 2012.

4. The Company has obtained the approval of SEBI through letter dated December 18, 2012, for the issue and Allotment of Equity Shares aggregating to 46,926,230, pursuant to this Issue. Please note that the Company, in consultation with the Book Running Lead Managers, may, issue and Allot only up to 19,932,937 Equity Shares, with an additional up to 1,993,293 Equity Shares, pursuant to exercise of the Over Allotment Option, in accordance with Chapter VIII-A of the SEBI Regulations, in which case the Company will not be required to and will not comply with the terms of the SEBI Approval.

5. The Company has received in-principle approvals under Clause 24(a) of the Equity Listing Agreement to list the Equity Shares being offered in the Issue on the BSE and the NSE on January 15, 2013.

6. The Company has obtained and will obtain necessary consents, approvals and authorisations required in connection with the Issue.

7. Except as disclosed in this Red Herring Prospectus, there has been no material change in the Company's financial condition since September 30, 2012, the date of its latest audited financial statements, prepared in accordance with Indian GAAP, included herein.

8. Except as disclosed in this Red Herring Prospectus, there are no legal or arbitration proceedings against or affecting the Company or its assets or revenues, nor is the Company aware of any pending or threatened legal or arbitration proceedings, which are, or might be, material in the context of the Issue.

9. The Company's Auditor, Deloitte Haskins & Sells, Chartered Accountants have audited (i) the consolidated financial statements of the Company as of and for the fiscal years ended March 31, 2012, 2011 and 2010; (ii) the standalone financial statements of the Company as of and for the fiscal years ended March 31, 2012, 2011 and 2010; (iii) the standalone financial statements of the Company for the six months period ended September 30, 2012. The Standalone Financial Statements of each of the Significant Subsidiaries for the six months ended September 30, 2012 have been audited by their respective auditors indicated in Section "*Independent Accountants*". The Auditor of the Company and the auditors indicated in Section "*Independent Accountants*" have consented to include in the Red Herring Prospectus, their audit reports in relation to the respective financial statements referred above.

10. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. The Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

11. **Consents**

Consents in writing of: (a) the Directors and the legal advisors; (b) PR Design Group, Architects;and (c) the Legal Counsels in relation to land title and (d) the BRLMs, the Public Issue Account Bank and the Registrar to the Issue to act in their respective capacities, have been obtained and filed along with a copy of the Red Herring Prospectus with the RoC and such consents will not be withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

Deloitte Haskins & Sells, Chartered Accountants, the Company's Auditor, have given their written consent to the inclusion of their Note dated January 7, 2013 relating to the possible Direct tax benefits accruing to the Company and its shareholders in the form and context in which it appears in this Red Herring Prospectus.

GSA Kumar & Associates, Chartered Accountants, have given their written consent to the inclusion of their report dated January 15, 2013 in the form and context in which it appears in this Red Herring Prospectus.

MSSV & Co., Chartered Accountants, have given their written consent to the inclusion of their report dated January 15, 2013 in the form and context in which it appears in this Red Herring Prospectus.

Suresh & Co., Chartered Accountants, have given their written consent to the inclusion of their report dated January 15, 2013 in the form and context in which it appears in this Red Herring Prospectus.

MSB Rao & Co., Chartered Accountants, have given their written consent to the inclusion of their report dated January 15, 2013 in the form and context in which it appears in this Red Herring Prospectus.

K. Kotresh & Co., Chartered Accountants, have given their written consent to the inclusion of their report dated January 15, 2013 in the form and context in which it appears in this Red Herring Prospectus.

12. **Experts**

The Auditor of the Company, Deloitte Haskins & Sells, Chartered Accountants, have furnished a Note dated January 7, 2013 relating to the possible Direct tax benefits accruing to the Company and its shareholders in the form and context in which it appears in this Red Herring Prospectus. Deloitte Haskins & Sells, Chartered Accountants have been named as an expert pursuant to Section 58 of the Companies Act.

Except for the opinions provided by:

1. Kusuma R. Muniraju, Advocate; Bengaluru
2. Poovayya & Co., Advocates & Solicitors; Bengaluru
3. Jayanth M. Pattanshetti, Advocate, Bengaluru
4. Dua Associates, Advocates, Bengaluru;
5. Dua Associates, Advocates, Hyderabad
6. Mathews K. Uthuppachan, Advocate, Ernakulan;
7. R. Subramanian, Advocate, Chennai;
8. Sunil Kumar Singh B., Advocate, Bengaluru;
9. Shanker P. Chodankar, Advocate, Goa;
10. M. Lakshmana & R.K Amarnath, Advocates, Bengaluru; and
11. Jayashree Sridhar, Advocate, Bengaluru.

the Legal Counsel in relation to land title, the Architect's certificate dated January 10, 2013 provided by PR Design Group and the Note on possible Direct tax benefits dated January 7, 2013 provided by Deloitte Haskins & Sells, Chartered Accountants, the Company has not obtained any expert opinion.

13. **Company Secretary and Compliance Officer**

The Company Secretary and Compliance Officer of the Company is Lalitha Kini. Her contact details are as follows:

The Falcon House, No. 1
Main Guard Cross Road
Bengaluru 560 001, Karnataka, India
Tel: (91 80) 2559 1080
Fax: (91 80) 2559 1945
Email: investors@prestigeconstructions.com

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre or post-Issue related problems related to Allotment, credit of Allotted Equity Shares in the respective beneficiary account or unblocking of funds in the ASBA Accounts.

14. Price Information of Past Issues handled by BRLMs

CLSA

CLSA has not handled any public issues in the last three years.

JPM

(a) Price information of past issues handled by JPM

Sr. No.	Issue Name	Issue size (₹ Cr.)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
1	JSW Energy Limited	2,700.00	100.00	4-Jan-10	102.00	100.75	0.75%	17,558.73	117.6	17,509.80	111.5	16,859.68	105.35	16,163.44
2	Persistent Systems Limited	168.01	310.00	6-Apr-10	400.00	408.00	31.61%	17,941.37	398.05	17,639.26	397.3	17,694.20	396.4	17,087.96
3	Oberoi Realty Limited	1,028.61	260.00	20-Oct-10	280.00	282.95	8.83%	19,872.15	277.15	20,032.34	290.25	20,852.38	264.8	19,930.64
4	Prestige Estates Projects Limited	1,200.00	183.00	27-Oct-10	190.00	192.55	5.22%	20,005.37	205.95	21,004.96	197.35	20,309.69	162.2	19,318.16
5	MOIL Limited	1,237.51	375.005	15-Dec-10	551.00	466.50	24.40%	19,647.77	448.75	20,073.66	453.65	20,561.05	442.5	19,182.82

Source: www.nseindia.com

(b) Summary statement of price information of past issues handled by JPM

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ Cr.)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2009-2010	1	2700.00	0	0	0	0	0	1	0	0	0	0	0	1
2010-2011	4	3634.13	0	0	0	0	1	3	0	0	1	0	1	2
2011-2012	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0

Source: www.nseindia.com

Note*:* In the event any day falls on a holiday, the price/ index of the immediately preceding working day has been considered.

15. Track record of past issues handled by BRLMs

In terms of the circular dated January 10, 2012 issued by SEBI, the track record for issues handled by JPM in the past three years has been made available on the website of JPM at http://www.jpmipl.com/indiaipo/dtr.html. .

FINANCIAL STATEMENTS

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Sl No.	Particulars
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2.	Audited Unconsolidated Summary Financial Statements
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4.	Audited Condensed Financial Statements of Cessna Garden Developers Private Limited
5.	Audited Condensed Financial Statements of ICBI (India) Private Limited
6.	Audited Condensed Financial Statements of Prestige Amusements Private Limited
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8.	Audited Condensed Financial Statements of Westpalm Developments Private Limited
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19.	Audited Condensed Financial Statements of Prestige Leisure Resorts Private Limited

FINANCIAL STATEMENTS

REPORT OF THE INDEPENDENT AUDITOR ON THE CONSOLIDATED SUMMARY FINANCIAL STATEMENTS

To the Board of Directors of Prestige Estates Projects Limited

1. The accompanying consolidated summary financial statements of **Prestige Estates Projects Limited** (the "Company") which comprise the Consolidated Summary Balance Sheet as at March 31, 2012, March 31, 2011 and March 31, 2010 and the Consolidated Summary Statement of Profits and Losses and the Consolidated Summary Statement of Cash Flows for the years ended on those dates; together with the related Schedules and explanatory notes referred to herein as the "Consolidated Summary Financial Statements" are derived from the audited consolidated financial statements (the "Audited Consolidated Financial Statements") of the Company for the respective years audited by us as detailed in paragraph 2(a) to 2(c) below.

2. (a) We expressed our opinions on the consolidated financial statements of the Company for the years ended March 31, 2012, March 31, 2011 and March 31, 2010 vide our reports dated May 28, 2012, May 17, 2011 and May 31, 2010 respectively.

   (b) Our report on the consolidated financial statements of the Company for the year ended March 31, 2012 included a qualification with regard to the financial information of a certain jointly controlled entity and an associate for the year then ended to the extent included in Annexure 1, which were considered in those consolidated financial statements based on information compiled by the Management and were not subject to audit by independent auditors.

   (c) Our reports on the consolidated financial statements of the Company:

      i. for the year ended March 31, 2011 states that the financial information of certain associates for the year then ended to the extent included in Annexure 2, were considered in those consolidated financial statements based on information compiled by the Management and were not subject to audit by independent auditors.

      ii. for the years ended March 31, 2012, March 31, 2011 and March 31, 2010 state that we did not audit the financial statements of certain subsidiaries, partnership firms, jointly controlled entities and associates of the Company, whose financial statements reflect the financial information as considered in the consolidated financial statements for the respective years then ended to the extent set out in Annexure 3. These financial statements and other financial information were audited by other auditors whose reports were furnished to us, and our audit opinions on the consolidated financial statements of the Company for the years ended March 31, 2012, March 31, 2011 and March 31, 2010 to the extent they relate to the figures for the respective years included in Annexure 3, is solely based on the reports of the other auditors.

3. The figures included in the Consolidated Summary Financial Statements, do not reflect the effect of events that occurred subsequent to the date of our reports on the respective periods referred to in paragraph 2(a) above.

4. **Management's Responsibility for the Consolidated Summary Financial Statements**

   Management is responsible for the preparation of the Consolidated Summary Financial Statements from the Audited Consolidated Financial Statements of the respective years ended March 31, 2012, March 31, 2011 and March 31, 2010 on the basis described in Note 2 to the Consolidated Summary Financial Statements.

5. **Auditor's Responsibility**

   Our responsibility is to express an opinion on the Consolidated Summary Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

6. **Opinion**

In our opinion, the Consolidated Summary Financial Statements derived from the Audited Consolidated Financial Statements of the Company for the respective years are a fair summary of those Audited Consolidated Financial Statements on the basis described in Note 2 to the Consolidated Summary Financial Statements.

For Deloitte Haskins & Sells
Chartered Accountants
Firm registration number: 008072S

V. Balaji
Partner

Membership No. 203685

Place: Bangalore
Date: January 9, 2013

Annexure 1 to the report on the Consolidated Summary Financial Statements (referred to in paragraph 2(b) of the report)

Financial information of a Jointly controlled entity and an Associate, as considered in the consolidated financial statements of the Company for the year ended March 31, 2012 which were not subjected to an independent audit:

Particulars	**As at and for the year ended March 31,2012 (Rs. Million)**
Relating to a Jointly controlled entity	
Assets	672.0
Revenue	1.1
Cash flows – (outflows) / inflows	99.6
Relating to an Associate	
Share of Profits	2.2

Annexure 2 to the report on the Consolidated Summary Financial Statements (referred to in paragraph 2(c)(i) of the report)

Financial information of certain associates as considered in the consolidated financial statements of the Company for the year ended March 31, 2011 which were not subjected to an independent audit:

Particulars	**As at and for the year ended March 31, 2011 (Rs. Million)**
Share of Profits	2.04

Annexure 3 to the report on the Consolidated Summary Financial Statements (referred to in paragraph 2(c)(ii) of the report)

Financial information of certain subsidiaries, joint ventures and associates audited by other auditors, as considered in the consolidated financial statements of the Company:

Particulars	**As at and for the year ended**		
	March 31,2012 (Rs. Million)	**March 31,2011 (Rs. Million)**	**March 31,2010 (Rs. Million)**
Relating to Subsidiaries, Partnership firms and Jointly controlled entities			
Assets	5897.6	5324.3	4170.3
Revenue	1455.3	1037.4	719.3
Cash flows – (outflows) / inflows	(573.1)	(1499.3)	(421.9)
Relating to Associates			
Share of profits / (losses)	(28.0)	(36.0)	171.7

PRESTIGE ESTATES PROJECTS LIMITED
CONSOLIDATED SUMMARY FINANCIAL STATEMENTS

Consolidated Summary Balance Sheet

(Amount in Rs. Million)

	Note		As at March 31,		
			2012	**2011**	**2010**
I. EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share capital	4		3,280.70	3,280.70	2,625.00
(b) Reserves and surplus	5		17,530.30	17,154.20	3,957.40
(c) Capital reserve arising on consolidation			698.90	707.40	1,055.00
		A	**21,509.90**	**21,142.30**	**7,637.40**
(2) Minority interest		**B**	2,668.30	2,239.90	2,721.40
(3) Non-current liabilities					
(a) Long-term borrowings	6		6,930.10	5,597.10	5,571.00
(b) Deferred tax liabilities (Net)	7		125.30	81.60	6.80
(c) Other Long-term liabilities	8		1,058.40	1,025.60	543.00
(d) Long-term provisions	9		35.50	28.40	21.60
		C	**8,149.30**	**6,732.70**	**6,142.40**
(4) Current liabilities					
(a) Short-term borrowings	10		10,653.60	7,248.90	9,060.80
(b) Trade payables	11		2,267.10	1,959.00	1,951.70
(c) Other current liabilities	12		11,846.10	8,743.70	9,362.80
(d) Short-term provisions	13		2,294.80	3,642.30	325.50
		D	**27,061.60**	**21,593.90**	**20,700.80**
Total (A + B + C+ D)			**59,389.10**	**51,708.80**	**37,202.00**
II. ASSETS					
(1) Non-current assets					
(a) Fixed assets					
(i)Tangible assets	14		13,845.50	10,192.10	9,241.50
(ii) Intangible assets	14		16.50	0.20	0.70
(iii) Capital work-in-progress	14		5,216.30	2,935.30	1,989.90
			19,078.30	**13,127.60**	**11,232.10**
(b) Goodwill (arising on consolidation)			1,599.70	1,078.30	1,098.40
(c) Non-current investments	15		866.00	2,010.40	636.90
(d) Deferred tax assets (net)	7		6.30	3.20	4.40
(e) Long-term loans and advances	16		5,836.70	3,672.80	1,844.90

	Note		As at March 31,		
			2012	2011	2010
(f) Other non-current assets	17		373.40	367.70	150.10
		E	**27,760.40**	**20,260.00**	**14,966.80**
(2) Current assets					
(a) Current investments	18		874.30	260.80	9.40
(b) Inventories	19		15,661.70	14,271.90	12,501.90
(c) Trade receivables	20		8,490.30	9,345.50	3,623.50
(d) Cash and Bank balances	21		2,012.80	3,311.60	1,578.90
(e) Short-term loans and advances	22		4,433.40	4,147.10	4,506.80
(f) Other current assets	23		156.20	111.90	14.70
		F	**31,628.70**	**31,448.80**	**22,235.20**
Total (E + F)			**59,389.10**	**51,708.80**	**37,202.00**

See accompanying notes forming part of these financial statements 1 to 41

PRESTIGE ESTATES PROJECTS LIMITED
CONSOLIDATED SUMMARY FINANCIAL STATEMENTS

Consolidated Summary Statement of Profits and Losses

(Amount in Rs. Million)

	Note	For the year ended March 31,		
		2012	**2011**	**2010**
Revenue from Operations	24	10,522.50	15,431.10	10,250.50
Other Income	25	342.10	682.30	609.60
Total revenue (I)		**10,864.60**	**16,113.40**	**10,860.10**
Expenses				
Cost of sales on projects	26	4,199.10	8,838.80	6,239.00
Cost of contractual projects	26	32.80	131.20	5.20
Property and facilities operating expenses	27	1,733.00	1,508.60	817.10
Employee benefits expense	28	844.40	548.10	491.70
Finance costs	29	1,192.70	1,234.20	782.50
Depreciation and amortization expense		605.40	606.10	490.60
Other expenses	30	746.90	665.90	457.00
Total expenses (II)		**9,354.30**	**13,532.90**	**9,283.10**
Profit before tax (III = I - II)		**1,510.30**	**2,580.50**	**1,577.00**
Tax expense				
Current tax		591.30	822.80	330.00
Income tax pertaining to earlier years		(8.20)	15.20	(21.10)
Deferred tax		43.20	75.90	(26.40)
Total (IV)		**626.30**	**913.90**	**282.50**
Profit for the year (V = III - IV)		**884.00**	**1,666.60**	**1,294.50**
Share of profits from associates (Net) (VI)		(65.00)	51.00	171.70
Profit after tax (before adjustment for Minority interest) (VII = V + VI)		**819.00**	**1,717.60**	**1,466.20**
Share in (profit) / loss to Minority interest (VIII)		7.00	(8.10)	35.70
Profit after tax and Minority interest (VII + VIII)		**826.00**	**1,709.50**	**1,501.90**
Earning per equity share (equity shares, par value of Rs. 10 each)				
Basic & Diluted EPS (Rs.)	35	2.52	5.86	5.72

See accompanying notes forming part of these financial statements 1 to 41

PRESTIGE ESTATES PROJECTS LIMITED

CONSOLIDATED SUMMARY FINANCIAL STATEMENTS

Consolidated Summary Statement of Cash Flows

(Amount in Rs. Million)

	For the year ended March 31,		
	2012	**2011**	**2010**
I. CASH FLOW FROM OPERATIONS			
Profits before taxation	**1,510.30**	**2,580.50**	**1,577.00**
Add: Adjustments for			
Depreciation	605.40	606.10	490.60
Preliminary expenses	-	-	1.80
Provision for doubtful debts	0.30	4.50	7.00
	605.70	**610.60**	**499.40**
Less: Incomes / credits considered separately			
Interest income	229.80	254.80	84.90
Dividend income	2.30	14.80	5.30
Provisions written back	-	8.50	0.20
Profit on sale of fixed assets	52.80	46.20	272.00
Profit on sale of investment	-	0.30	1.50
Share of profit from partnership firms (Net)	33.70	335.10	232.80
	318.60	**659.70**	**597.70**
Add: Expenses / debits considered separately			
Loss on sale of investments	-	-	5.50
Loss on sale of Fixed Assets	19.70	26.70	23.30
Financial expenses	1,192.70	1,234.20	782.50
	1,212.40	**1,260.90**	**811.30**
Operating profit before changes in working capital	**3,009.80**	**3,792.30**	**2,290.00**
Adjustments for:			
(Increase) / decrease in Trade Receivables	776.70	(5,791.90)	(1,105.50)
(Increase) / decrease in Inventories	(2,986.40)	(752.90)	(1,932.10)
(Increase) / decrease in Long-term & Short-term loans and advances	(1,022.20)	(833.10)	(7.40)
Increase / (decrease) in Current & Non-current liabilities	4,557.40	(1,116.60)	(1,880.80)
Increase / (decrease) in Current & Non-current provisions	(936.70)	1,718.40	180.40
Increase / (decrease) in preliminary expenses	-	-	(1.60)
	388.80	**(6,776.10)**	**(4,747.00)**
Cash generated from / (used in) operations	**3,398.60**	**(2,983.80)**	**(2,457.00)**

		For the year ended March 31,		
		2012	**2011**	**2010**
Direct taxes (paid)/refund		(1,040.90)	(12.50)	(304.20)
Net cash generated from / (used in) operations	A	**2,357.70**	**(2,996.30)**	**(2,761.20)**
II. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets		(3,968.90)	(3,234.60)	(1,544.20)
Sale proceeds of fixed assets		164.20	132.10	685.10
Inter corporate deposits (Net)		111.50	(938.00)	412.90
Changes in Partnership current account-(increase)/ decrease		338.20	1,572.00	(415.20)
Current & Non-Current Investments made		(1,571.00)	(3,632.90)	(499.60)
Proceeds from Current & Non-Current Investments		741.60	1,954.40	42.10
Change in Other Non-current assets -(increase)/ decrease		(5.70)	(367.70)	(58.80)
Interest received		9.00	172.70	6.20
Dividend received		2.30	14.80	5.30
Changes in Other bank balances-(increase)/ decrease		(420.60)	464.70	(204.80)
Advance paid - purchase of property / Investment		(1,651.00)	-	(4.20)
Share of profit from firms		-	-	(12.90)
Net cash from / (used in) investing activities	B	**(6,250.40)**	**(3,862.50)**	**(1,588.10)**
III. CASH FLOW FROM FINANCING ACTIVITIES				
Secured loans availed		14,832.30	5,899.30	20,508.80
Secured loans repaid		(11,877.50)	(7,849.90)	(15,737.90)
Unsecured loans taken		83.10	27.10	458.20
Repayment of unsecured loans		(410.50)	(359.30)	(119.70)
Inter corporate deposits taken/repaid (net)		478.40	(35.10)	141.40
Dividend payout including tax		(455.80)	(23.40)	-
Financial expenses		(1,089.80)	(1,246.90)	(783.80)
Net proceeds from issue of shares		49.60	11,479.70	0.60
Proceeds from issue of debentures		116.40	339.70	439.70
Share application money received		34.30	0.30	(96.80)
Share application money refunded		(99.30)	-	-
Capital contribution in Partnership firm		0.90	-	(1.00)
Current account contribution in Partnership firm		415.80	26.30	103.80
Advance for debenture application money		-	66.20	-
Repayment of Debenture application money		-	-	(550.00)
Net cash from / (used in) financing activities	C	**2,077.90**	**8,324.00**	**4,363.30**
Total increase / (decrease) in cash and cash equivalents during the year (A + B + C)		**(1,814.80)**	**1,465.20**	**14.00**

		For the year ended March 31,		
		2012	**2011**	**2010**
Cash and cash equivalents opening balance		3,173.50	1,356.20	1,301.90
Cash acquired on new acquisitions		97.10	360.70	40.70
Cash released on disinvestment		(1.70)	(8.60)	(0.40)
Cash and cash equivalents closing balance		**1,454.10**	**3,173.50**	**1,356.20**
Reconciliation of Cash and cash equivalents with balance sheet				
Cash and bank balances as per Balance Sheet		2,012.80	3,311.60	1,578.90
Less : Fixed Deposits & Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments		558.70	138.10	222.70
Cash and cash equivalents at the end of the year as per cash flow statement above		1,454.10	3,173.50	1,356.20
See accompanying notes forming part of these financial statements 1 to 41				

PRESTIGE ESTATES PROJECTS LIMITED
CONSOLIDATED SUMMARY FINANCIAL STATEMENTS

NOTES FORMING PART OF THE CONSOLIDATED SUMMARY FINANCIAL STATEMENTS

1 Corporate Information

Prestige Estates Projects Limited (the "Company"), it subsidiaries, joint ventures and associates (together the "Prestige Group") are engaged in the business of Real Estate, Hospitality and allied services. The registered office of the Company is in Bangalore, India

2 Basis of preparation of the Consolidated Summary Financial Statements

These consolidated summary financial statements of the Company comprise the Consolidated Summary Balance Sheet as at March 31, 2012, March 31, 2011 and March 31, 2010; the Consolidated Summary Statement of Profits and Losses and the Consolidated Summary Statement of Cash Flows for the years then ended, the related Schedules and explanatory notes; together referred to herein as the "Consolidated Summary Financial Statements".

These Consolidated Summary Financial Statements have been derived from the audited consolidated financial statements of the Company for the respective years which were approved by the Board of Directors of the Company. The figures included in the Consolidated Summary Financial Statements for the years ended March 31, 2012, 2011 and 2010 do not consider facts or circumstances which arose subsequent to date of approval of the consolidated financial statements of the Company as detailed below and have been rounded off to present them in Rupees Millions.

Consolidated Financial Statements for the:	**Date adopted by the Board of Directors of the Company**
Year ended March 31, 2012	May 28, 2012
Year ended March 31, 2011	May 17, 2011
Year ended March 31, 2010	May 31, 2010

The figures included in the Consolidated Summary Financial Statements for the years ended March 31, 2012, 2011 and 2010 have been presented in accordance with the classification criteria followed in the Unconsolidated Summary Financial Statements laid out in Pages 63 to 122.

The significant accounting policies used in the preparation of the audited consolidated financial statements of the Company are given in note 3 below.

3 SIGNIFICANT ACCOUNTING POLICIES

A Basis for preparation of audited consolidated financial statements

The financial statements have been prepared under the historical cost convention in accordance with Indian Generally Accepted Accounting Principles (GAAP) on the accrual basis. GAAP comprises mandatory Accounting Standards under the relevant provisions of the Companies Act, 1956. These Accounting Policies have been consistently applied. All amounts are stated in Indian Rupees, except as otherwise specified.

B Principles of Consolidation

The audited consolidated financial statements relates to Prestige Estates Projects Limited ("the Company") and its subsidiaries, associates and joint ventures. The financial statements of the subsidiaries and associates used in the consolidation are drawn upto the same reporting date as of the Company. The consolidated financial statements have been prepared on the following basis:

(a) The financial statements of the Company and its subsidiary companies are combined line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements" under the relevant provisions of the Companies Act, 1956.

(b) In case of associates, where the Company directly or indirectly through subsidiaries holds more than 20% of equity, investments in associates are accounted for using equity method in accordance with AS – 23 "Accounting for Investments in Associates in Consolidated Financial Statements" under the relevant provisions of the Companies Act, 1956.

(c) Investment in partnership firms, where there are jointly controlled economic activities, have been considered as joint ventures in accordance with Accounting Standard (AS) 27 –"Financial Reporting of Interests in Joint Ventures".

(d) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

(e) Investments other than in subsidiaries, associates and joint ventures have been accounted as per AS – 13 "Accounting for Investments" under the relevant provisions of the Companies Act, 1956.

(f) The excess of cost to the Company of its investments in the subsidiaries over its share of the equity of the subsidiary companies, at the dates on which the investment in the subsidiary companies were made, is recognized as 'Goodwill', being an asset in the Consolidated financial statements. Where the share of the equity in the subsidiaries as on the date of investment is in excess of cost of investment of the Company, it is recognized as 'Capital reserve arising on consolidation'.

C The companies / entities considered in the consolidated financial statements are:

(a) Companies

	Name of the company / entity	Country of incorporation	Proportion of ownership interest as at 31 March 2012	Proportion of ownership interest as at 31 March 2011	Proportion of ownership interest as at 31 March 2010
I	**Subsidiaries**				
a	Prestige Leisure Resorts Pvt Ltd	India	57.45%	57.45%	57.45%
b	ICBI (India) Pvt Ltd	India	82.57%	82.57%	82.57%
c	Prestige Valley View Estates Pvt Ltd	India	51.05%	51.05%	51.05%

d	Prestige Bidadi Holdings Pvt Ltd	India	99.94%	99.94%	59.94%
e	Downhill Holiday Resorts Pvt Ltd	India	100.00%	100.00%	100.00%
f	Pennar Hotels & Resorts Pvt Ltd	India	100.00%	100.00%	100.00%
g	Village De Nandi Pvt Ltd	India	100.00%	100.00%	100.00%
h	Prestige Construction Ventures Pvt Ltd	India	60.00%	60.00%	60.00%
i	Prestige Mangalore Retail Ventures Pvt Ltd	India	50.38%	50.38%	50.38%
j	Prestige Mysore Retail Ventures Pvt Ltd	India	50.99%	50.99%	50.99%
k	Prestige Whitefield Investment and Developers Pvt Ltd	India	50.99%	50.99%	50.99%
l	Cessna Garden Developers Pvt Ltd (w.e.f 11/04/2010)	India	60.00%	60.00%	-
m	Foothill Resorts Pvt Ltd	India	100.00%	100.00%	100.00%
n	K2K Infrastructure India Pvt Ltd (Formerly Team United Engnieers (India) Pvt Ltd)	India	75.00%	75.00%	75.00%
o	Valdel Xtent Outsourcing Pvt Ltd	India	100.00%	91.65%	60.00%
p	Prestige Shantiniketan Leisures Pvt Ltd	India	98.40%	98.40%	98.40%
q	Northland Holdings Pvt Ltd.	India	99.99%	99.99%	99.99%
r	West Palm Developments Pvt Ltd	India	61.00%	53.50%	53.50%
s	Villaland Developers Pvt Ltd (w.e.f. 31/08/2010)	India	51.00%	51.00%	-
t	Prestige Amusements Pvt Ltd (w.e.f. 31/03/2012)	India	51.02%	-	-
u	Exora Business Parks Pvt. Ltd. (upto 30/12/2010)	India	-	-	55.00%

Sl. No.	Name of the company / entity	Country of incorporation	Proportion of ownership interest as at 31 March 2012	Proportion of ownership interest as at 31 March 2011	Proportion of ownership interest as at 31 March 2010
II	**Associates**				
a	Prestige Amusements Pvt Ltd (upto 31/03/2012)	India	-	45.45%	45.45%
b	Prestige Garden Constructions Pvt Ltd	India	35.00%	35.00%	35.00%
c	Babji Realtors Pvt Ltd	India	24.50%	24.50%	24.50%
d	Prestige Projects Pvt Ltd	India	32.68%	32.68%	32.68%
e	City Properties Maintenance Company Bangalore Ltd	India	45.00%	45.00%	45.00%
f	Vijaya Productions Pvt Ltd. (w.e.f 22/10/2010 and upto 12/12/2011)	India	-	47.70%	-

Sl. No.	Name of the company / entity	Country of incorporation	Proportion of ownership interest as at 31 March 2012	Proportion of ownership interest as at 31 March 2011	Proportion of ownership interest as at 31 March 2010
g	Exora Business Parks Pvt Ltd (w.e.f 31/12/2010)	India	32.46%	32.46%	-
h	Cessna Garden Developers Pvt Ltd (w.e.f 11/04/2010)	India	-	-	35.00%

Sl No.	Name of the company / entity	Country of incorporation	Proportion of ownership interest as at 31 March 2012	Proportion of ownership interest as at 31 March 2011	Proportion of ownership interest as at 31 March 2010
III	**Joint Ventures**				
a)	Prestige Garden Resorts Pvt Ltd	India	50.00%	50.00%	50.00%
b)	CapitaLand Retail Prestige Mall Management Pvt Ltd (w.e.f. 01/01/2010)	India	50.00%	50.00%	50.00%
c)	Vijaya Productions Pvt Ltd (w.e.f 12/12/2011)	India	49.97%	-	-

(b) Partnership Firms

	Partnership Firms	Profit sharing Ratio as at 31 March 2012	Profit sharing Ratio as at 31 March 2011	Profit sharing Ratio as at 31 March 2010
I	**Partnership Firms with majority control**			
a	Albert Properties	88.00%	88.00%	88.00%
b	Brunton Developers (Upto 31/08/2011)	-	92.50%	92.50%
c	Prestige Property Management & Services	97.00%	97.00%	97.00%
d	Prestige Interiors	97.00%	97.00%	97.00%
e	Silveroak Projects (w.e.f 18/01/2010)	1.00%	1.00%	95.00%
f	Prestige Hi-tech Projects (formerly known as Hitech Properties) (w.e.f 01/07/2010)	92.35%	92.35%	-
g	Prestige Southcity Holdings	51.00%	-	-
h	Bhannerghatta Properties (Upto 26/03/2010)	0.00%	-	-

	Partnership Firms	Profit sharing Ratio as at 31 March 2012	Profit sharing Ratio as at 31 March 2011	Profit sharing Ratio as at 31 March 2010
II	**Partnership Firms where joint control exists, consolidated on Proportionate basis**			
a	RRR Investments (upto 31/03/2012)	-	50.00%	50.00%
III	**Partnership Firms where there is no jointly controlled operations and no jointly controlled economic activity, consolidated as associates**			
a	Silverline Estates	30.33%	30.33%	30.33%
b	Prestige Notting Hill Investments	47.00%	47.00%	47.00%
c	Prestige KRPL Techpark	31.00%	31.00%	31.00%
d	Prestige Ozone Properties	47.00%	47.00%	47.00%
e	Prestige Whitefield Developers	47.00%	47.00%	47.00%
f	Eden Investments	40.00%	40.00%	40.00%
g	Prestige Realty Ventures	21.00%	21.00%	21.00%
h	Hitech Properties (upto 30/06/2010)	-	-	42.50%

Investment in partnership firms, where there is no jointly controlled operations and no jointly controlled economic activities, these have been considered as associates. The partnership firm's profit are distributed at each year end and the Company has recorded its share of profit from partnership firms in the statement of profit and loss, the balance in capital and current accounts have been carried in the financial statements and no further adjustments are made.

D Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

E Revenue Recognition

(i) Recognition of Revenue from Contractual Projects:

Revenue from contractual projects undertaken is recognized on the basis of independent certification obtained in terms of the contract.

(ii) Recognition of Revenue from Real Estate Developmental Projects:

Revenue from areas sold in real estate developmental projects which are under development is recognized based on 'Percentage Completion Method'.

The Percentage Completion Method is applied when the stage of completion of the project reaches a reasonable level of development. For projects that commence on or after April 1, 2012 or where revenue on a project is being recognized for the first time on or after that date, the threshold for 'reasonable level of development' is considered to have been met when the criteria specified in the Guidance Note on Accounting for Real Estate Transactions (Revised 2012) issued by the Institute of Chartered Accountants of India are satisfied, i.e., when:

a) All critical approvals necessary for commencement of the project have been obtained.

b) If the expenditure incurred on construction and development costs is not less than 25 % of the construction and development costs.

c) Atleast 25% of the saleable project area is secured by contracts or agreements with buyers.

d) Atleast 10 % of the total revenue as per the agreements of sale or any other legally enforceable documents are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

For projects that commenced prior to March 31, 2012 and where sales have occurred prior to that date 'resaonable level of development' is considered to have occurred when the project costs (excluding land cost) incurred is in the range of 20% to 30% of the total estimated costs of the project (excluding land cost).

For computation of revenue, the stage of completion is arrived at with reference to the entire project costs incurred including land costs, borrowing costs and construction and development costs to the estimated total costs of the project. The percentage completion method is applied on a cumulative basis in each reporting period and the estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognized in the period such changes are determined. The changes to estimates also include changes arising out of cancellation of contracts and cases where the property or part thereof is subsequently earmarked for own use or for rental purposes. In such cases any revenues attributable to such contracts previously recognised are reversed and the costs in relation thereto are carried forward and accounted in accordance with the accounting policy for Inventory or Fixed Assets, as applicable.

When it is probable that total project costs will exceed total eligible project revenues, the expected loss is recognised as an expense immediately when such probability is determined

(iii) Sale of plots and completed units is recognized at the sale consideration when all significant risks and rewards of ownership in the property is transferred to the buyer and are net of adjustments on account of cancellation.

(iv) Facility charges, management charges, rental and maintenance income are recognized on accrual basis.

(v) Interest income is accounted on accrual basis except the interest on delayed payments by the customers, which are accounted on receipt basis.

(vi) Dividend income is recognized when the right to receive is established.

(vii) Revenues from the room rentals, sale of food and beverages and allied services during a guest's stay at the hotel is recognized based on occupation and revenue from sale of food and beverages and other allied services, as the services are rendered.

(viii) Membership fee is recognized on a straight line basis over the period of membership.

F Inventories

(a) Stock of units in completed projects and work-in-progress are valued at lower of cost or net realizable value. Cost is aggregate of land cost, materials, contract works, direct expenses, provisions and apportioned borrowing costs and net of material scrap receipts.

(b) Inventory also comprises stock of food and beverages and operating supplies and is carried at the lower of cost and net realizable value. Cost includes all expenses incurred in bringing the goods to their present location and condition and is determined on a Weighted Average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

G Fixed Assets and impairment

(a) Fixed assets are stated at cost, including expenses incurred to bring the asset to present condition. Cost includes all costs relating to the acquisition and installation of fixed assets including interest on borrowing for the project / fixed asset up to the date the asset is put to use. Any cost incurred relating to settlement of claims regarding titles to the properties is accounted for and capitalized as incurred, wherever the asset is held. Assets identified as impaired are carried at net realizable value.

(b) At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to 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 recognised in the statement of profit and loss.

(c) Reversal of impairment losses recognised in prior years, if any, is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

H Depreciation and Amortization

(i) (a) Depreciation on Tangible Fixed Assets is provided on the written down value method in accordance with the rates specified in Schedule XIV to the Companies Act, 1956 except in respect of assets referred in Para b, c & d below.

(b) Cost of leasehold land is amortized over the period of lease.

(c) In respect of leasehold building, Leasehold improvement plant and Leasehold improvement furniture & fixtures, depreciation has been provided over the unexpired portion of the primary lease period.

(d) Assets individually costing less than Rs. 5,000 are depreciated 100% in the year of purchase.

(ii) Depreciation on Intangible Fixed assets is provided on the written down value method at the rates estimated by the management to be the estimated lives of the assets.

I Investments

(a) Long term investments are carried at cost, and provision is made to recognize any decline, other than temporary, in the value of such investment.

(b) Current investments are stated at lower of cost or net realizable value.

J Borrowing Cost

Borrowing cost (net off incomes earned on temporary deployment of funds) attributable to the acquisition or construction of a qualifying asset is capitalized / inventorized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

K Foreign Currency Transactions

All transactions in foreign currency are recorded on the basis of the exchange rate prevailing as on the date of transaction. The difference, if any, on actual payment / realization is recorded to the statement of profit & loss. Monetary assets and liabilities denominated in foreign currency are restated at rates prevailing at the year-end. The net loss or gain arising out of such conversion is dealt with in the statement of profit and loss.

L Employee Benefits

(a) Short term employee benefits including salaries, social security contributions, short term compensated absences(such as paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related employee service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non monetary benefits(such as medical care) for current employees are estimated and measured on an undiscounted basis.

(b) Defined Contribution Plan:

Companies contributions paid /payable during the year to Provident Fund are recognized in the statement of profit and loss.

(c) Defined Benefit Plan:

Liabilities for gratuity funded in terms of a scheme administered by Life Insurance Corporation of India are determined by actuarial valuation made at the end of each financial year. Provision for liabilities pending remittance to the fund is carried in the balance sheet.

Actuarial gain and losses are recognized immediately in the statement of profit and loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

(d) The liability for long-term leave encashment is accrued based on estimated cost of compensated absences determined by actuarial valuation as on the date of balance sheet.

M Taxes on income

Income tax comprises the current tax provision under the tax payable method, the net change in the deferred tax asset or liability in the year.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of the assets and liabilities and their respective tax basis. Deferred Tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change.

N Operating leases

Leases, where the lesser effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease receipts/ payments are recognized as an income / expense in the statement of profit and loss on a straight-line basis over the lease term.

O Provisions and contingent Liabilities

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

P Cash flow statement

Cash flow statement is prepared under the 'Indirect Method' Prescribed under Accounting Standard 3 'Cash Flow Statements' prescribed under the Companies (Accounting Standard) Rules, 2006.

Q Earnings per share

The basic and diluted earnings per share is computed by dividing the net profit / loss attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive equity shares outstanding during the year.

In case any bonus issue of shares is made, the calculations of earnings per share are adjusted for all the periods presented. If these changes occur after the balance sheet date but before the date on which the financial statements are approved by the board of directors, the per share calculations for those financial statements and any prior period financial statements presented are based on the new number of shares.

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Note 4 - Share Capital

(Amount in Rs. Million)

	As at March 31,					
	2012		2011		2010	
	Number	Value	Number	Value	Number	Value
Authorised capital						
Equity shares of Rs. 10 each	400,000,000	4,000.00	400,000,000	4,000.00	400,000,000	4,000.00
Issued, subscribed and fully paid up capital						
Equity shares of Rs. 10 each, fully paid up	328,073,770	3,280.70	328,073,770	3,280.70	262,500,000	2,625.00

Note 5 - Reserves and Surplus

(Amount in Rs. Million)

		As at March 31,		
		2012	2011	2010
Reserves	5a	14,256.70	14,224.40	2,240.20
Surplus in Statement of Profit & Loss	5b	3,273.60	2,929.80	1,717.20
TOTAL		**17,530.30**	**17,154.20**	**3,957.40**

Note 5a - The reserves and surplus other than surplus in Statement of Profit & Loss is classified as under:

(Amount in Rs. Million)

		As at March 31,		
		2012	2011	2010
Capital Reserve	A			
Opening balance		3,279.00	2,174.60	2,174.60
Additions/(Deletions) during the period		-	1,104.40	-
Closing balance		**3,279.00**	**3,279.00**	**2,174.60**
Securities Premium Reserve	B			
Opening balance		10,821.00	-	-
Additions during the period		-	11,344.30	-
Less : Utilized for Issue expenses		-	(523.30)	-
Closing balance		**10,821.00**	**10,821.00**	**-**

General Reserve	C			
Opening balance		124.40	65.60	119.20
Additions during the period		32.30	58.80	-
Release from revaluation reserve in partnership firm on realization				65.60
Less : Utilized for issue of Bonus shares		-	-	(119.20)
Closing balance		**156.70**	**124.40**	**65.60**
Revaluation Reserve	D			
Opening balance		-	-	65.60
Additions during the year		-	-	
Less : Release to General Reserve in Partnership firms on realization		-	-	(65.60)
Closing balance		-	-	-
Total (A + B + C+D)		**14,256.70**	**14,224.40**	**2,240.20**

Note 5b - The details of Surplus in Statement of Profit & Loss is as under:

(Amount in Rs. Million)

		As at March 31,		
		2012	**2011**	**2010**
Opening balance		2,929.80	1,717.20	2,624.60
Add: Net profit for the period		826.00	1,709.50	1,501.90
Total (A)		**3,755.80**	**3,426.70**	**4,126.50**
Less: Allocations / Appropriations				
Proposed Dividend		393.70	393.70	-
Additional Tax on Dividend		64.10	65.40	-
Adjusted on disinvestment in subsidiaries		-	(39.20)	-
Adjusted against issue of bonus shares		-	-	2,380.80
Adjustment arising on consolidation		(7.90)	18.20	28.50
Transfer to General Reserve		32.30	58.80	-
Total (B)		**482.20**	**496.90**	**2,409.30**
Total (A - B)		**3,273.60**	**2,929.80**	**1,717.20**

PRESTIGE ESTATES PROJECTS LIMITED
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Note 6 - Long term Borrowings

(Amount in Rs. Million)

	Note	As at March 31,		
		2012	**2011**	**2010**
Term loans (Secured)	6a			
From banks		2,865.50	765.30	913.80
From financial institutions		3,778.00	4,663.20	3,476.90
Long term maturities of finance lease obligations		1.60	-	1.40
Others (Unsecured)				
Compulsorily convertible debentures		285.00	168.60	1,178.90
TOTAL		**6,930.10**	**5,597.10**	**5,571.00**

Note 6a) Details of securities

Mortgage of certain immovable properties of the company

Charge over the book debts, operating cash flows, revenues and receivables of the projects

Hypothecation of vehicles and Machineries

Assignment of rent receivables from various properties

Other details-

Personal guarantee of certain directors of the company and their relatives

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Note 7 - Deferred tax liabilities (Net)

(Amount in Rs. Million)

		As at March 31,		
		2012	**2011**	**2010**
a. On account of fixed assets				
Opening Deferred tax (asset) / liability		86.40	9.80	40.70
Adjustments on account of new subsidiaries		(6.40)	-	-
Current year charge / (credit)		50.10	76.60	(30.90)
Closing Deferred tax (asset) / liability	A	**130.10**	**86.40**	**9.80**
b. On account of disallowances under the Income Tax Act, 1961				
Opening Deferred tax (asset) / liability		(8.00)	(7.40)	(11.90)
Adjustments on account of new subsidiaries		3.80	0.10	-
Current year charge / (credit)		(6.90)	(0.70)	4.50
Closing Deferred tax (asset) / liability	B	**(11.10)**	**(8.00)**	**(7.40)**
TOTAL	**(A) + (B)**	**119.00**	**78.40**	**2.40**

Note 8 - Other Long-term liabilities

(Amount in Rs. Million)

		As at March 31,		
		2012	**2011**	**2010**
Lease deposits		827.90	632.40	235.30
Consideration under Joint development agreement towards purchase of land		230.50	275.30	307.70
Others		-	117.90	-
TOTAL		**1,058.40**	**1,025.60**	**543.00**

Note 9 - Long-term provisions

(Amount in Rs. Million)

		As at March 31,		
		2012	**2011**	**2010**
Provision for employee benefits		35.50	27.40	21.60
Provision for Income tax		-	1.00	-
TOTAL		**35.50**	**28.40**	**21.60**

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Note 10 - Short-term borrowings

(Amount in Rs. Million)

	Note	As at March 31,		
		2012	**2011**	**2010**
Term loans (Secured)	10a			
From banks		7,274.80	5,710.40	7,187.30
From financial institutions		2,936.80	1,237.70	958.30
Term loans (Unsecured)				
From banks		-	-	200.00
From Others (Unsecured, repayable on demand)				
From Share holders		46.60	57.80	21.70
From Directors		2.40	-	230.80
Loans and advances from related parties		393.00	243.00	462.70
TOTAL		**10,653.60**	**7,248.90**	**9,060.80**

Note 10a - Details of securities

1. Mortgage of certain immovable properties of the company including inventory and undivided share of land belonging to the company.

2. Charge over receivables of various projects.

3. Pledge of mutual funds held by the Company

Other details:

1. Mortgage of certain immovable properties belonging to M/s. Cessna Garden Developers Pvt Ltd., M/s. Prestige Realty Ventures, M/s. Village De Nandi Pvt Ltd., M/s. Prestige Garden Resorts Pvt Ltd., and M/s. Northland Holding Company Pvt Ltd.

2. Corporate Gurarantee from M/s. Northland Holding Company Pvt. Ltd., M/s. Down Hill Holiday Resorts Pvt. Ltd., M/s. Pennar Hotels and Resorts Pvt. Ltd., M/s. Village De Nandi Pvt Ltd., M/s. Foot Hill Resorts Pvt. Ltd and M/s. Cessna Garden Developers Pvt Ltd.
3. Personal Guarantee of certain Directors
4. Pledge of mutual funds held by certain Directors of the Company

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Note 11 - Trade payables

(Amount in Rs. Million)

		As at March 31,		
		2012	**2011**	**2010**
Trade payables - (Other than acceptances)		2,267.10	1,959.00	1,951.70
TOTAL		**2,267.10**	**1,959.00**	**1,951.70**

Note 12 - Other current liabilities

(Amount in Rs. Million)

		As at March 31,		
		2012	**2011**	**2010**
Current Maturities of long-term debt (Secured)		1,051.50	2,201.00	1,282.50
Current Maturities of finance lease obligations (Secured)		1.50	-	0.80
Interest accrued but not due on borrowings		48.70	39.00	224.80
Interest accrued and due on borrowings		143.80	117.10	94.20
Advance from customers		8,569.10	4,627.50	6,405.60
Advance rent / maintenance		2.00	4.90	36.90
Advances received on behalf of land owners		47.30	147.90	1.40
Withholding taxes and duties		324.00	180.50	51.90
Deposits towards lease, interiors and maintenance		1,073.30	1,103.10	775.50
Overdrawn bank balances		60.70	10.10	16.60
Share application money received for allotment of securities and due for refund and interest accrued thereon		20.00	-	-
Creditors for capital expenditure		72.10	93.50	113.00
Consideration under Joint development agreement towards purchase of land		109.60	-	92.50
Advances from partnership firms		-	-	137.30
Other Liabilities		322.50	219.10	129.80
TOTAL		**11,846.10**	**8,743.70**	**9,362.80**

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Note 13 - Short-term provisions

(Amount in Rs. Million)

	Note	As at March 31,		
		2012	**2011**	**2010**
Provision for employee benefits		26.30	4.70	4.60
Other Provisions for :				
Project Expenses	13 a	1,766.40	2,715.10	310.20
Known losses on projects	13 b	5.80	-	-
Proposed dividend including tax		457.60	455.80	-
Income tax (Net of advance tax)		37.90	466.30	1.40
Wealth tax (Net of advance tax)		0.80	0.40	9.30
TOTAL		**2,294.80**	**3,642.30**	**325.50**

Note 13 a - Project costs, where work is completed, accrued for pending receipt of invoices/bills

(Amount in Rs. Million)

		For the year ended March 31,		
		2012	**2011**	**2010**
Provision outstanding at the beginning of the year		2,715.10	310.20	266.90
Adjustment due to new subsidiary		-	91.90	-
Provision made during the year		1,209.90	2,963.70	470.50
Provision utilized /reversed during the year		2,148.60	650.70	427.20
Provision outstanding at the end of the year *		**1,776.40**	**2,715.10**	**310.20**

* The probable outflow is estimated within 12 months

Annexure 13 b - Provision for known losses on projects

(Amount in Rs. Million)

		For the year ended March 31,		
		2012	**2011**	**2010**
Provision outstanding at the beginning of the year		-	-	-
Provision made during the year		5.80	-	-
Provision utilized /reversed during the year		-	-	-
Provision outstanding at the end of the year *		**5.80**	**-**	**-**

*The probable outflow is estimated within 12 months

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Note 14 - Fixed Assets

Note 14 (A) - Tangible Assets

(Amount in Rs. Million)

		As at March 31,		
		2012	**2011**	**2010**
Gross Block				
Tangible Assets				
Land - freehold		4,532.20	2,561.50	3,863.50
Land - leasehold #*		22.90	22.90	22.90
Buildings *		9,319.30	7,192.40	4,128.90
Leasehold building $*		44.80	44.80	44.80
Leasehold improvement		262.60	260.90	286.80
Plant and machinery		910.00	861.00	862.10
Leasehold improvement plant and machinery *		415.90	353.50	350.50
Furniture and fixtures		984.20	922.00	900.80
Leasehold improvement furniture and fixtures *		682.40	746.00	654.80
Vehicles		147.40	121.70	121.50
Computers and accessories		84.80	73.40	67.80
Total	A	**17,406.50**	**13,160.10**	**11,304.40**
Accumulated Depreciation /Amortisation				
Land - freehold		-	-	-
Land - leasehold #*		4.30	4.00	3.70
Buildings *		1,471.40	1,133.80	502.30
Leasehold building $*		17.20	15.80	14.30
Leasehold improvement		65.70	48.60	32.70
Plant and machinery		545.50	491.20	421.80
Leasehold improvement plant and machinery *		172.30	135.00	100.10
Furniture and fixtures		720.80	652.10	584.20
Leasehold improvement furniture and fixtures *		404.50	345.90	277.80
Vehicles		91.30	81.00	71.80
Computers and accessories		68.00	60.60	54.20
Total	**B**	**3,561.00**	**2,968.00**	**2,062.90**
Net Block				
Land - freehold		4,532.20	2,561.50	3,863.50
Land - leasehold #*		18.60	18.90	19.20
Buildings *		7,847.90	6,058.60	3,626.60
Leasehold building $*		27.60	29.00	30.50
Leasehold improvement		196.90	212.30	254.10

		As at March 31,		
		2012	2011	2010
Plant and machinery		364.50	369.80	440.30
Leasehold improvement plant and machinery *		243.60	218.50	250.40
Furniture and fixtures		263.40	269.90	316.60
Leasehold improvement furniture and fixtures *		277.90	400.10	377.00
Vehicles		56.10	40.70	49.70
Computers and accessories		16.80	12.80	13.60
Total	**C = A - B**	**13,845.50**	**10,192.10**	**9,241.50**

Lease-hold land is amortised over the period of lease of 66 years.

(Amount in Rs. Million)

		As at March 31,		
		2012	2011	2010
$ Represents building constructed on lease hold land		16.80	16.80	16.80

* Includes assets given on lease

Note 14 (B) - Intangible Assets

(Amount in Rs. Million)

		As at March 31,		
		2012	2011	2010
Gross Block				
Computer Software		5.90	3.30	3.10
Transferable development rights		14.20	-	
Total	**A**	**20.10**	**3.30**	**3.10**
Accumulated Depreciation /Amortisation				
Computer Software		3.60	3.10	2.40
Transferable development rights		-	-	-
Total	**B**	**3.60**	**3.10**	**2.40**
Net Block				
Computer Software		2.30	0.20	0.70
Transferable development rights		14.20	-	-
Total	**C = A - B**	**16.50**	**0.20**	**0.70**

Note14 (C) - Capital Work-in-progress

(Amount in Rs. Million)

		As at March 31,		
		2012	**2011**	**2010**
Capital work-in-progress		5,216.30	2,935.30	1,989.90
TOTAL		**5,216.30**	**2,935.30**	**1,989.90**

Note 15 - Non-current investments

(Amount in Rs. Million)

		As at March 31,		
	Note	**2012**	**2011**	**2010**
I. Trade Investments (Unquoted, at cost other than temparory diminution)				
Equity Instruments	15a	632.90	1,777.30	404.20
Preference Shares	15b	0.20	0.20	-
Debentures/Bonds	15c	68.90	68.90	68.60
Partnership Firms	15d	13.20	13.20	13.50
Others	15e	125.00	125.00	125.00
II. Other Investments (At cost unless otherwise stated)	15f	25.80	25.80	25.60
TOTAL		**866.00**	**2,010.40**	**636.90**

Note 15a - Equity Instruments

		As at March 31,					
		2012		**2011**		**2010**	
		Number	**Value**	**Number**	**Value**	**Number**	**Value**
Associates	A						
Exora Business Parks Private Limited (Subsidiary upto 30th December 2010) - equity shares of Rs.10/- each		9,350	307.40	9,350	352.00	-	-
Prestige Garden Constructions Private Limited - equity shares of Rs. 10/- each		2,946,170	70.10	2,946,170	97.80	2,946,170	133.60
City Properties Maintenance Company Bangalore Limited - equity shares of Rs.10/- each		40,909	15.50	40,909	13.30	40,909	11.20
Prestige Projects Private Limited - equity shares of Rs.10/- each		1,100,000	9.80	1,100,000	9.80	1,100,000	9.90
Vijaya Productions Private Limited (Joint Control exists from 12th December 2011) - equity shares of Rs.10/- each		-	-	5,472,326	1,050.70	-	-

		As at March 31,					
		2012		2011		2010	
		Number	Value	Number	Value	Number	Value
Babji Realtors Private Limited - equity shares of Rs.10/- each		1,039,500	230.00	1,039,500	230.30	1,039,500	230.30
Prestige Amusements Private Limited (upto 31st March 2012) - equity shares of Rs.10/- each		-	-	100,000	23.30	125,000	19.10
Others	B						
Prestige Garden Estates Private Limited - equity shares of Rs. 10/- each		8,007	0.10	8,007	0.10	8,007	0.10
Thomsun Realtors Private Limited - equity shares of Rs. 10/- each		100	-	100	-	-	-
TOTAL	A + B		**632.90**		**1,777.30**		**404.20**

Note 15b - Preference Shares

		As at March 31,					
		2012		2011		2010	
		Number	Value	Number	Value	Number	Value
Associates Exora Business Parks Private Limited (Subsidiary upto 30th December 2010) - Optionally, convertible, redeemable preference shares of Rs.10/- each		21,860	0.20	21,860	0.20	-	-
TOTAL			**0.20**		**0.20**		**-**

Note 15c - Debentures//Bonds

		As at March 31,					
		2012		2011		2010	
		Number	Value	Number	Value	Number	Value
Associates							
Exora Business Parks Private Limited (Subsidiary upto 30th December 2010) - compulsorily convertible debentures of Rs.10/- each		26,152	0.30	26,152	0.30	-	-
Babji Realtors Private Limited - Compulsorily Convertible Debentures of Rs.10/- each		4,735,603	68.60	4,735,603	68.60	4,735,603	68.60
TOTAL			**68.90**		**68.90**		**68.60**

Note 15d - Partnership Firms

		As at March 31,					
		2012		2011		2010	
		Number	Value	Number	Value	Number	Value
Eden Investments		-	0.80	-	0.80	-	0.80
Silverline Estates		-	0.30	-	0.30	-	0.30
HiTech Properties		-	-	-	-	-	0.40
Prestige Nottinghill Investments		-	0.70	-	0.70	-	0.70
Prestige Ozone Properties		-	-	-	-	-	-
Prestige Whitefield Developers		-	-	-	-	-	-
Prestige KRPL Techpark		-	9.30	-	9.30	-	9.30
RRR Investments (Joint control exists)		-	-	-	-	-	-
Prestige Interiors		-	-	-	-	-	-
Prestige Realty Ventures		-	2.00	-	2.00	-	2.00
Prestige Property Management & Services		-	-	-	-	-	-
Prestige South city holdings		-	-	-	-	-	-
Silver Oak Projects		-	0.10	-	0.10	-	-
TOTAL			**13.20**		**13.20**		**13.50**

Note 15e - Others

		As at March 31,					
		2012		2011		2010	
		Number	Value	Number	Value	Number	Value
Share Warrants							
Thomsun Realtors Private Limited		-	125.00	-	125.00	-	125.00
TOTAL		**-**	**125.00**	**-**	**125.00**	**-**	**125.00**

Note 15f - Other Investments

		As at March 31,					
		2012		2011		2010	
		Number	Value	Number	Value	Number	Value
Propmart Technologies Limited - equity shares of Rs. 10/- each		335,000	5.00	335,000	5.00	335,000	5.00
Less : Diminution in the value of investments		-	-5.00	-	-5.00	-	-5.00
			-		-		-
Amanath Co-operative Bank Limited			0.30		0.30		0.30
Less : Diminution in the value of investments			-0.30		-0.30		-0.30
			-		-		-
Thomsun Realtors Private Limited - equity shares of Rs.10/- each			-		-	100	0.00
Investment in trusts							
Educate India Foundation			0.40		0.40		0.40
Educate India Trust			0.40		0.40		0.20
Investment in Venture Capital Fund							
Units in Urban Infrastructure Opportunities Fund		250	25.00	250	25.00	250	25.00
Shares in KSFC			-		-		
Investment in NSC			-		-		-
TOTAL		**250.00**	**25.80**	**250.00**	**25.80**	**250.00**	**25.60**

Note 15g - Aggregate amount of quoted Investments

		As at March 31,					
		2012		2011		2010	
		Cost	Market Value	Cost	Market Value	Cost	Market Value
Aggregate amount of quoted Investments		-	-	-	-	-	-

Note 15h - Aggregate amount of unquoted Investments

		As at March 31,		
		2012	2011	2010
Aggregate amount of unquoted Investments		866.00	2,010.40	636.90

Note 15i - Aggregate amount of provision for dimunition in the value of investments

		As at March 31,		
		2012	2011	2010
Aggregate amount of provision for dimunition in the value of investments		5.30	5.30	5.30

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Note 16 - Long-term loans and advances

(Amount in Rs. Million)

		As at March 31,		
		2012	**2011**	**2010**
Unsecured, considered good				
Capital Advances		365.20	1,043.70	68.00
Security Deposits		57.70	10.50	31.00
Lease deposits		47.60	64.00	64.10
Refundable deposits		2,997.50	2,015.70	481.40
Advance paid for purchase of shares		1,730.00	50.00	50.00
Advance Income tax (Net of Provisions)		81.70	49.50	187.70
Other Loans & Advances		98.40	32.00	0.60
Share application money		458.60	407.40	962.10
TOTAL		**5,836.70**	**3,672.80**	**1,844.90**

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Note 17 - Other non-current assets

(Amount in Rs. Million)

		As at March 31,		
		2012	**2011**	**2010**
Cash & bank balances				
Fixed Deposits		61.90	195.50	1.30
Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments		311.50	172.20	148.80
TOTAL		**373.40**	**367.70**	**150.10**

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Note 18 - Current Investments

(Amount in Rs. Million)

		As at March 31,		
		2012	**2011**	**2010**
Equity Instruments (Non Trade, Quoted At cost or market value whichever is lower, fully paid up)		0.40	0.40	0.40
Mutual Funds Non Trade Investments (Un-quoted, At cost or net asset value whichever is lower, fully paid up)		873.90	260.40	9.00
TOTAL		**874.30**	**260.80**	**9.40**

Note 18a - Aggregate amount of quoted Investments and market value thereof

		As at March 31,					
		2012		**2011**		**2010**	
		Cost	**Market Value**	**Cost**	**Market Value**	**Cost**	**Market Value**
Aggregate amount of quoted Investments and market value thereof		874.30	924.00	260.80	267.40	9.40	9.60

Note 18b - Aggregate amount of unquoted Investments

		As at March 31,		
		2012	**2011**	**2010**
Aggregate amount of unquoted Investments		-	-	-

Note 18c - Aggregate amount of provision for dimunition in the value of investments

		As at March 31,		
		2012	**2011**	**2010**
Aggregate amount of provision for dimunition in the value of investments		-	-	-

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Note 19 - Inventories (Lower of cost and net realizable value)

(Amount in Rs. Million)

		As at March 31,		
		2012	**2011**	**2010**
Work in progress - projects		13,445.20	12,213.90	12,219.90
Stock of units in completed projects		2,198.60	2,048.90	273.60
Stores and operating supplies		13.60	6.50	6.30
Food and beverages		4.30	2.60	2.10
TOTAL		**15,661.70**	**14,271.90**	**12,501.90**

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Note 20 - Trade receivables
(Unsecured)

(Amount in Rs. Million)

		As at March 31,		
		2012	**2011**	**2010**
Outstanding for more than 6 months				
Considered good		4,161.70	642.30	548.60
Considered doubtful		6.70	11.70	7.20
Less : Provision for doubtful debts		(6.70)	(11.70)	(7.20)
Others				
Considered good		2,998.20	7,767.20	3,049.70
Considered doubtful		0.40	-	-
Less : Provision for doubtful debts		(0.40)	-	-
	A	**7,159.90**	**8,409.50**	**3,598.30**
Unbilled revenue	B	1,330.40	936.00	25.20
TOTAL –A+B		**8,490.30**	**9,345.50**	**3,623.50**

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Note 21 - Cash and Bank balances

(Amount in Rs. Million)

		As at March 31,		
		2012	**2011**	**2010**
Cash and cash equivalents				
Balances with banks				
- in current accounts		1,287.90	1,002.70	1,340.60
- in fixed deposits		26.90	2,154.80	10.00
Cheques, drafts on hand		138.20	15.20	5.10
Cash on hand		1.10	0.80	0.50
Other bank balances				
Fixed Deposits		471.50	83.30	74.10
Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments		87.20	54.80	148.60
TOTAL		**2,012.80**	**3,311.60**	**1,578.90**

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Note 22 - Short-term loans and advances

(Amount in Rs. Million)

	Note	As at March 31,		
		2012	2011	2010
Unsecured, considered good				
Loans and advances to related parties	22a	2,444.90	2,496.70	2,517.20
Others	22b	1,988.50	1,650.40	1,989.60
TOTAL		**4,433.40**	**4,147.10**	**4,506.80**

Note 22a - Loans and advances to related parties

(Amount in Rs. Million)

		As at March 31,		
		2012	2011	2010
Current account in partnership firms		871.80	962.20	887.50
Inter corporate deposits		181.80	292.20	201.70
Advances for purchase of land		98.00	1.50	1.50
Rent deposits paid		10.10	11.50	17.00
Other advances to related parties		1,283.20	1,229.30	1,409.50
TOTAL		**2,444.90**	**2,496.70**	**2,517.20**

Note 22b - Others

(Amount in Rs. Million)

		As at March 31,		
		2012	**2011**	**2010**
Advance paid towards land		554.70	708.10	363.20
Advance VAT & Service tax		469.60	154.10	1,083.70
Advance Income tax / FBT		85.00	72.40	38.70
Refundable deposits		73.60	-	81.20
Prepaid expenses		36.90	22.70	22.40
Advances paid to staff		4.00	3.60	4.30
Other advances		549.00	492.40	205.70
Lease Deposits		215.70	197.10	190.40
TOTAL		**1,988.50**	**1,650.40**	**1,989.60**

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Note 23 - Other current assets

(Amount in Rs. Million)

		For the year ended March 31,		
		2012	**2011**	**2010**
Interest accrued but not due on deposits		156.20	111.90	14.70
TOTAL		**156.20**	**111.90**	**14.70**

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Note 24 - Revenue from Operations

(Amount in Rs. Million)

	Note	For the year ended March 31,		
		2012	**2011**	**2010**
Sale of Real estate developments				
Residential and commercial projects		6,056.70	11,683.70	7,888.10
Contractual Projects		26.20	149.50	-
Sale of Services				
Facilities, rental and maintenance income	24 a	2,274.50	1,853.30	1,221.40
Property income	24 b	1,911.30	1,614.20	966.80
Other operating revenues		253.80	130.40	174.20
TOTAL		**10,522.50**	**15,431.10**	**10,250.50**

Note 24 a - Facilities, rental and maintenance income

(Amount in Rs. Million)

		For the year ended March 31,		
		2012	**2011**	**2010**
Facility and hire charges		1,640.80	1,264.10	782.60
Parking charges		32.00	29.00	30.30
Signages, exhibition and other receipts		36.90	27.20	26.40
Room revenues		415.60	389.80	268.50
Food and beverages		85.40	86.80	52.20
Spa services		24.00	32.80	29.80
Income from club operations		16.70	11.60	9.70
Other services		23.10	12.00	21.90
TOTAL		**2,274.50**	**1,853.30**	**1,221.40**

Note 24 b - Property Income

(Amount in Rs. Million)

		For the year ended March 31,		
		2012	**2011**	**2010**
Rental income		825.90	680.10	136.50
Hire charges income		391.40	380.80	378.20
Sub lease rental income		611.80	512.40	425.10
Property maintenance income		0.30	1.90	1.70
Commission income		81.90	39.00	25.30
TOTAL		**1,911.30**	**1,614.20**	**966.80**

Note 25 - Other income

(Amount in Rs. Million)

		For the year ended March 31,		
		2012	**2011**	**2010**
Interest income		229.80	254.80	85.00
Dividend Income - from others		2.30	14.80	5.30
Profit on sale of fixed assets		52.80	46.20	272.00
Share of profit / (loss) from partnership firms (Net)		33.70	335.10	232.80
Profit on sale of Investments		-	0.30	1.50
Miscellaneous income		23.50	31.10	13.00
TOTAL		**342.10**	**682.30**	**609.60**

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Note 26 – Cost of sales on projects & contractual projects

(Amount in Rs. Million)

	For the year ended March 31,		
	2012	**2011**	**2010**
Opening units in completed projects / work in progress projects	14,262.80	12,493.60	9,771.50
Opening stock of materials	9.10	8.30	14.40
Decapitalization of fixed assets to inventory	-	1,852.30	-
Add: Cost of residential and commercial projects / materials consumed	5,730.20	9,016.10	9,241.60
Less : Stock capitalized	108.50	128.40	281.40
Less : Closing units in completed projects / work in progress projects	15,643.80	14,262.80	12,493.60
Less : Closing stock of materials	17.90	9.10	8.30
	4,231.90	**8,970.00**	**6,244.20**
Less : Cost of contractual projects	32.80	131.20	5.20
TOTAL	**4,199.10**	**8,838.80**	**6,239.00**

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Note 27 - Property and facilities operating expenses

(Amount in Rs. Million)

		For the year ended March 31,		
		2012	**2011**	**2010**
Property expenses				
Sub lease rent		557.40	462.60	366.00
Property tax and other expenses		69.40	71.40	7.80
Facilities operating expenses				
Facilities management expenses		943.90	813.60	321.80
Security charges for parking		1.90	1.70	1.40
Electricity and other expenses for parking		1.60	2.20	2.70
Sub lease rental - Malls		16.10	13.20	14.40
Property tax - Malls		26.80	28.00	22.00
Signages, insurance and other expenses		3.40	7.80	5.30
Food and beverages consumed		34.20	33.20	23.20
Operating fees		44.20	40.90	25.10
Contractors and franchise cost		9.40	9.30	9.00
Crockery, cutlery and silverware		1.80	1.20	1.10
Linen		1.90	0.80	2.40
Spares and supplies		13.10	13.20	9.90
Freight and cartage		0.20	2.00	0.20
Banquet and security expenses		7.70	7.50	4.80
TOTAL		**1,733.00**	**1,508.60**	**817.10**

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Note 28 - Employee benefits expense

(Amount in Rs. Million)

	For the year ended March 31,		
	2012	**2011**	**2010**
Salaries & wages	734.50	471.60	436.30
Contribution to provident & other funds	69.20	57.60	34.20
Staff welfare expenses	40.70	18.90	21.20
TOTAL	**844.40**	**548.10**	**491.70**

Note 28 a - The details of employee benefits as required under Accounting Standard 15 Employee Benefits (revised) is given below:

(i) Defined Contribution Plan : During the year, the Company has recognized the following amounts in the Statement of Profit and Loss -

(Amount in Rs. Million)

	For the year ended March 31,		
	2012	**2011**	**2010**
Employers' Contribution to Provident Fund	46.20	35.90	26.10
Employers' Contribution to Employee State Insurance	6.90	5.50	3.50
TOTAL	**53.10**	**41.40**	**29.60**

(ii) Defined Benefit Plan : In accordance with Accounting Standard 15 (Revised 2005) actuarial valuation based on projected unit credit method as on March 31, 2012 has been carried out in respect of the aforesaid defined benefit plan of Gratuity the details thereon is given below :

(Amount in Rs. Million)

	For the year ended March 31,		
	2012	**2011**	**2010**
Components of employer expense			
Current Service cost	10.20	7.70	3.40
Interest cost	3.60	3.00	1.50

	For the year ended March 31,		
	2012	**2011**	**2010**
Expected return on plan assets	(2.40)	(1.90)	(1.80)
Past Service Cost - Vested/Non Vested Benefit	0.10	8.10	-
Actuarial Losses/(Gains)	4.20	(0.60)	(2.60)
Total expense/(income) recognized in the Statement of Profit & Loss	**15.70**	**16.30**	**0.50**
Change in Fair Value of Assets during the year ended			
Opening Fair Value of Plan Assets	31.00	22.20	9.20
Expected return on plan assets	2.40	1.90	1.80
Actuarial gains/(losses)	0.50	0.40	(0.20)
Assets Acquired on Acquisition/ (Distributed on Divestiture)	2.10	-	11.70
Contributions by Employer	8.50	9.90	0.10
Benefits paid	(7.30)	(3.40)	(0.40)
Closing Fair Value of Plan Assets	**37.20**	**31.00**	**22.20**
Change in Defined Benefit Obligation (DBO) during the year ended			
Present Value of DBO at the beginning of the year	47.60	32.70	18.40
Current service cost	10.20	7.40	3.40
Interest cost	3.60	3.00	1.50
Actuarial (gains)/losses	4.60	(0.30)	(2.80)
Past Service Cost - Vested/Non Vested Benefit	0.10	8.10	-
Liabilities assumed on acquisition /(Settled on Divestiture)	2.40	-	12.30
Benefits paid	(7.30)	(3.40)	(0.40)
Present value of DBO at the end of the year	**61.20**	**47.50**	**32.40**
Net asset/(liability) recognized in balance sheet			
Fair value of plan assets	37.20	31.00	22.20
Present Value of Defined Benefit Obligation	(61.30)	(47.60)	(32.40)
Net asset/(liability) recognized in balance sheet	**(24.10)**	**(16.60)**	**(10.20)**
Actuarial Assumptions			
Discount Rate	8.65%	8.25%	7.84%
Expected Return on plan assets	7.50%	7.50%	7.50%
Rate of increase in compensation	7.00%	7.00%	7.00%
Attrition rate	6.00%	6.00%	20.00%
Retirement age	58 years	58 years	58 years

(iii) Experience adjustment disclosure

Particulars	**Saturday, March 31, 2012**	**Thursday, March 31, 2011**	**Wednesday, March 31, 2010**	**Tuesday, March 31, 2009**	**Monday , March 31, 2008**
Present Value of Defined Benefit Obligation	61.30	47.60	32.70	18.40	16.40
Fair Value of Plan Assets	37.20	31.00	22.20	9.20	8.50
Surplus/(Deficit) Recognized	**(24.10)**	**(16.60)**	**(10.50)**	**(9.20)**	**(7.90)**

The experience adjustments arising on					
Experience adjustment on Plan Liabilities	(7.10)	1.60	(0.80)	1.50	2.00
Experience adjustment on Plan Assets	0.50	0.40	(0.20)	-	-

Note:

(i) Details of Investment composition of plan assets has not been provided by the fund managers and hence not given.

(ii) The estimates of future salary increases considered in actuarial valuation take account of inflation, Seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

(iv) Other Employee Benefits – Leave Encashment

Leave encashment benefit expensed in the Profit & Loss Statement for the year is:

Attrition rate	For the year ended March 31,		
	2012	2011	2010
Leave encashment benefit expensed in the Profit & Loss Statement	6.70	1.90	3.20
TOTAL	**6.70**	**1.90**	**3.20**

Leave encashment liability is not funded.

Note 29 - Finance costs

(Amount in Rs. Million)

	For the year ended March 31,		
	2012	2011	2010
Interest expense	1,860.90	2,087.30	1,451.50
Other borrowing costs	100.70	63.40	280.30
Interest others	15.50	54.60	1.10
Others	0.40	12.30	0.60
Total	**1,977.50**	**2,217.60**	**1,733.50**
Less: Borrowing cost capitalised to assets including CWIP	130.70	138.80	33.50
Less: Borrowing cost apportioned to projects	654.10	844.60	917.50
Finance costs charged to Statement of Profit & Loss	**1,192.70**	**1,234.20**	**782.50**

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Note 30 - Other expenses

(Amount in Rs. Million)

		For the year ended March 31,		
		2012	**2011**	**2010**
Selling Expenses				
Advertisement and sponsorship fee		290.70	230.90	50.00
Travelling expenses		24.50	12.10	9.90
Retainer fee - advertisement		2.30	1.80	2.00
Commission		34.10	49.60	40.40
Business promotion		37.20	26.80	18.30
Repairs and maintenance				
Building		27.40	23.30	27.70
Fitout expenses		4.30	1.50	0.70
Plant & Machinery and Computers		9.10	9.80	4.20
Vehicles		26.20	20.10	15.50
Others		2.80	9.40	7.10
Power and fuel		65.00	69.60	53.10
Rent		48.30	46.20	40.60
Insurance		6.20	3.90	4.80
Rates and taxes		8.50	8.10	5.60
Legal and professional charges		33.10	17.00	30.40
Auditor's remuneration		7.70	7.70	5.00
Director's remuneration		50.00	52.50	69.90
Director's Sitting Fees		0.30	0.20	0.10
Donations		6.30	6.50	4.80
Loss on sale of fixed assets		19.70	26.70	23.30
Membership and subscriptions		1.00	1.20	0.20
Postage & courier		3.00	1.10	1.60
Telephone charges		15.10	16.30	10.80
Printing and stationery		10.80	6.20	4.40
Books and periodicals		0.10	0.30	-
Provision for doubtful debt		0.30	4.50	7.00
Loss on sale of Investments		-	-	5.50
Miscellaneous expenses		12.90	12.60	14.10
TOTAL		**746.90**	**665.90**	**457.00**

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Note 31 - Goodwill/(Capital Reserve) relating to associates:

(Amount in Rs. Million)

	As at March 31,		
	2012	**2011**	**2010**
Prestige Amusements Pvt Ltd	-	1.64	1.64
Prestige Garden Constructions Pvt Ltd	(65.56)	(65.56)	(65.56)
Babji Realtors Pvt Ltd	(152.25)	(152.25)	(152.25)
Prestige Projects Pvt Ltd	-	-	-
City Properties Maintenance Company Bangalore Ltd	(8.72)	(8.72)	(8.72)
Cessna Garden Developers Private Limited	-	-	19.89
Vijaya Productions Pvt Ltd	-	948.86	-
Exora Business Parks Pvt Ltd	(102.47)	(102.47)	-
Total – Goodwill	**-**	**950.50**	**21.53**
Total – (Capital Reserve)	**(329.00)**	**(329.00)**	**(226.53)**

Note 32 - The effect of acquisition/disposal of subsidiaries is as under :

(Amount in Rs. Million)

	Acquisition/ disposal	**Revenue**	**Net Profit/(Loss)**	**Net Assets**
March 31, 2012				
Prestige Amusements Pvt Ltd	Acquisition	-	-	64.09
Prestige Southcity Holdings	Acquisition	0.12	0.10	322.10
Brunton Developers	Disposal	-	(0.00)	0.15
March 31, 2011				
Exora Business Parks Pvt Ltd	Disposal	10.60	(66.77)	1,085.06
VillaLand Developers Pvt Ltd	Acquisition	-	(0.04)	0.05
Cessna Garden Developers Pvt Ltd	Acquisition	483.57	(26.12)	(119.10)
Silver Oak Projects	Disposal	-	(0.17)	1,772.86
Prestige Hi-tech Projects (formerly known as Hitech properties)	Acquisition	-	(0.01)	142.70
March 31, 2010				
Prestige Golf Resorts Pvt Ltd	Disposal	-	(0.38)	0.71
Westpalm Developments Pvt Ltd	Acquisition	71.45	13.17	251.90
Bannerghatta Properties	Disposal	-	-	0.01
Prestige Property Management & Services	Acquisition	460.79	34.32	117.41
Prestige Interiors	Acquisition	-	(0.00)	0.10
Silveroak Projects	Acquisition	-	(0.63)	656.53
	-			

PRESTIGE ESTATES PROJECTS LIMITED
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(Amount in Rs. Million)

	As at March 31,		
	2012	2011	2010
1. Claims against Company not acknowledged as debts			
a. Disputed Value Added Tax	12.40	12.40	12.40
b. Disputed Service Tax	7.50	7.50	7.50
2. Bank guarantees			
(a) Performance guarantees*	829.90	574.10	356.40
(b) Financial guarantees	-	-	18.50
3. Corporate guarantees given on behalf of Joint Ventures & Associates	5,919.90	2,949.60	3,905.10
4. Capital commitments (Net of advances)	2,670.30	1,820.70	693.60

* **(Amount in Rs. Million)**

	As at March 31,		
	2012	**2011**	**2010**
Includes guarantees towards obligation for earnings in foreign currency outstanding# to be met by 2021 - 22	43.20	51.00	63.16
# Obligation for earnings in foreign currency outstanding to be met by 2021 - 22	345.60	408.00	480.10

Note 34 - Operating Lease

a) The Company has various operating leases taken and given which include leases that are renewable on a yearly basis, cancellable at the Company's option and other long term leases.

b) **Rs in Millions**

	For the year ended March 31,		
	2012	**2011**	**2010**
The rental and hire charges income from operating leases included in the statement of profit & loss is:	2,241.10	1,954.30	1,260.30

c) **Rs in Millions**

	For the year ended March 31,		
	2012	**2011**	**2010**
Rental expense for operating leases included in the statement of profit & loss is:	624.30	524.40	420.80

d) Future minimum lease rentals payable and receivable towards non-cancellable operating leases are:

Rs in Millions

Particulars	As at	Within 1 Year	1 - 5 years	More than 5 years
As Lessors				
Rental receipts	31.03.2012	1,186.10	1,639.80	60.20
	31.03.2011	826.00	732.60	-
	31.03.2010	591.60	445.80	4.10

As Lessee				
	31.03.2012	429.60	438.00	52.70
Rental payments	31.03.2011	315.00	466.50	106.70
	31.03.2010	339.20	424.10	129.20

Note 35 - Earnings per share (EPS)

(Amount in Rs. Million)

	For the year ended March 31,		
	2012	**2011**	**2010**
Net profit for the year (Rs. In Millions)	826.00	1,709.50	1,501.90
Weighted average number of equity shares			
Basic (in Numbers)	328,073,770	291,603,975	262,500,000
Diluted (in Numbers)	328,073,770	291,603,975	262,500,000
Nominal value of shares (in Rupees)	10.00	10.00	10.00
Earnings per share (in Rupees)			
Basic	2.52	5.86	5.72
Diluted	2.52	5.86	5.72

Note 36 - Segmental Information

The business of the Group includes mainly development and letting out of properties and is restricted to one geographical area. As the room revenues, sale of food and beverages and income from services at spa and other services derived during the year does not exceed 10% of the total revenue of the enterprise, and the activities are restricted to one geographical segment, the disclosure of Segment information as per Accounting Standard 17 under the relevant provisions of the Companies Act, 1956 is not applicable.

Note 37 - Disclosure on foreign currency exposures

Foreign currency exposures as at 31 March 2012 that have not been hedged by a derivative instruments or otherwise:

(Amount in Rs. Million)

	As at March 31,					
	2012		**2011**		**2010**	
	Amount (Rs.)	**Amount (US $)**	**Amount (Rs.)**	**Amount (US $)**	**Amount (Rs.)**	**Amount (US $)**
Due to:						
Creditors	7.00	0.10	5.70	0.10	-	-

PRESTIGE ESTATES PROJECTS LIMITED
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Note 38 - List of related parties

(a) Associate Companies where there is significant influence

Prestige Amusements Private Limited (Upto 31st Mar 2012)

Prestige Garden Constructions Private Limited

Babji Realtors Private Limited

Prestige Projects Private Limited

City Properties Maintenance Company (Bangalore) Limited

Vijaya Productions Pvt Ltd. . (w.e.f 22nd Oct 2010 and Upto 12th Dec 2011)
Exora Business Parks Pvt Ltd. (w.e.f 31st Dec 2010)
CapitaLand Retail Prestige Mall Management Private Limited (joint venture w.e.f. 1st Jan 2010)

(b) Joint Ventures (JVs)

RRR Investments (Upto 31/03/2012)

CapitaLand Retail Prestige Mall Management Private Limited (joint venture w.e.f. 1st Jan 2010)

Prestige Garden Resorts Private Limited
Vijaya Productions Private Limited (w.e.f 12th Dec 2011)
Sai Chakra Hotels Private Limited (w.e.f. 3rd September 2012)

(c) Entities in which key management personnel have significant influence

Prestige Fashions Private Limited

Prestige Garden Estates Private Limited

Dollar Constructions & Engineers Private Limited

Prestige Home Finance Limited (Dissolved on 25th Feb 2011)

Thomsun Realtors Private Limited

Prestige Golf Resorts Private Limited

Kandid Marketing Services Private Limited (Dissolved on 16th Mar 2011)

(d) Associate and Partnership Firms, Trusts in which some of the Directors and their Relatives are interested:

Brunton Developers (Upto August 31, 2011)

Castlewood Investments

Colonial Estates

Educate India Foundation

Educate India Trust

Prestige Hi-Tech Projects

Prestige Constructions

Prestige Property Management and Services

Silverline Estates

Prestige Whitefield Developers

Prestige Notting Hill Investments

Morph

Eden Investments & Estates

Prestige Ozone Properties

Sublime
Prestige KRPL Teckpark
Prestige Realty Ventures
Windows Care
Morph Design Company
Albert Properties
Prestige Interiors
Silver Oak Projects
Nebulla Investments
The Good Food Company
Prestige Constructions
Spring Green
Prestige Southcity Holdings
Prestige Cuisine
23 Carat

(e) Key Management Personnel
Irfan Razack, Managing Director
Rezwan Razack, Joint Managing Director
Noaman Razack, Director
Dr.Pangal Ranganath Nayak, Independent Director
Jagdeesh K. Reddy, Independent Director
Biji George Koshy, Independent Director
Noor Ahmed Jaffer, Independent Director

(f) Relative of key management personnel
Badrunissa Irfan
Almas Rezwan
Sameera Noaman
Faiz Rezwan
Uzma Irfan
Mohammed Zaid Sadiq
Matheen Irfan
Sana Rezwan
Danya Noaman
Zaid Noaman
Anjum Jung
Rabia Razack
Omer Bin Jung

Note : The related party relationships are as identified by management which has been relied upon by the auditors.

Note 39 Share of Profit from Associates (Net) includes the following being gain on dilution of holdings on investments considered as partial disposal.

Rs in Millions

	For the year ended March 31,		
	2012	**2011**	**2010**
Share of Profit from Associates (Net) being gain on dilution of holdings on investments considered as partial disposal.	Nil	102.50	220.10

Note 40 Previous year figures have been regrouped / reclassified wherever necessary to facilitate comparison with those for the current year.

PRESTIGE ESTATES PROJECTS LIMITED
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Note 41 - Related party transactions and balances

(Amount in Rs. Million)

		For the year ended March 31,		
		2012	**2011**	**2010**
Share Capital (Bonus Equity Shares Issued)				
Key Management Personnel & their relatives		-	-	250.60
TOTAL		**-**	**-**	**250.60**
Share of Revaluation reserves from firms				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		-	1,054.50	-
TOTAL		**-**	**1,054.50**	**-**
Share/Debentures Application Returned				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		-		97.30
TOTAL		**-**	**-**	**97.30**
Intercorporate Deposits taken				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		270.50	8.00	55.00
TOTAL		**270.50**	**8.00**	**55.00**
Repayment of Intercoporate Deposits taken				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		9.00	46.70	48.20
TOTAL		**9.00**	**46.70**	**48.20**
Unsecured Loans Taken				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		-	-	4.50
Key Management Personnel & their relative		14.00	16.80	262.50
TOTAL		**14.00**	**16.80**	**267.00**
Unsecured Loans taken repaid				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		-	-	10.80
Key Management Personnel & their relative		142.20	125.50	107.90
TOTAL		**142.20**	**125.50**	**118.70**
Advances Received				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		4.10	-	107.50
Key Management Personnel & their relative		80.00	583.90	483.40
TOTAL		**84.10**	**583.90**	**590.90**

		For the year ended March 31,		
		2012	**2011**	**2010**
Advances Repaid				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		1.80	137.30	116.50
Key Management Personnel & their relative		583.90	-	2.30
TOTAL		**585.70**	**137.30**	**118.80**
Lease Deposits taken				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		0.30	-	1.40
TOTAL		**0.30**	**-**	**1.40**
Lease Deposits taken repaid				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		-	1.80	-
TOTAL		**-**	**1.80**	**-**
Intercorporate Deposits given				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		18.80	2.00	252.60
TOTAL		**18.80**	**2.00**	**252.60**
Intercorporate Deposits given recovered				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		124.50	-	784.50
TOTAL		**124.50**	**-**	**784.50**
Loans & Advances given				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		195.30	1,761.80	663.30
Key Management Personnel & their relative		67.70		91.50
TOTAL		**263.00**	**1,761.80**	**754.80**
Loans & Advances given recovered				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		329.30	1,528.00	181.20
TOTAL		**329.30**	**1,528.00**	**181.20**
Share/Debentures Application money given				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		331.20	0.70	38.50
TOTAL		**331.20**	**0.70**	**38.50**
Share/Debentures Application money received back				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		296.60	-	0.01
TOTAL		**296.60**	**-**	**0.01**

		For the year ended March 31,		
		2012	**2011**	**2010**
Investments made				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		49.70	198.20	2.00
TOTAL		**49.70**	**198.20**	**2.00**
Shares alloted against application made earlier				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		-	852.80	35.40
TOTAL		**-**	**852.80**	**35.40**
Allotment of Debentures				
Key Management Personnel & their relative		-	2.40	-
TOTAL		**-**	**2.40**	**-**
Debentures alloted against application made earlier				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		-	-	68.60
TOTAL		**-**	**-**	**68.60**
Purchase of Investments				
Key Management personnel & their relatives		-	-	19.40
TOTAL		**-**	**-**	**19.40**
Sale/Redemption of Investments				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		15.00	-	-
Key Management personnel & their relatives		-	-	1.10
TOTAL		**15.00**	**-**	**1.10**
Sale of land/Units/Fitouts				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		27.50	18.90	116.50
Key Management Personnel & their relative		663.90	31.30	796.70
TOTAL		**691.40**	**50.20**	**913.20**
Management Contract				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		84.10	93.60	131.70
TOTAL		**84.10**	**93.60**	**131.70**
Rental Income				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		21.20	17.00	22.30
TOTAL		**21.20**	**17.00**	**22.30**

		For the year ended March 31,		
		2012	**2011**	**2010**
Interest Income				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		3.40	2.20	46.90
Key Management Personnel & their relative		-	23.80	12.00
TOTAL		**3.40**	**26.00**	**58.90**
Rendering of services				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		21.50	35.30	26.90
Key Management Personnel & their relative		6.60	4.20	5.20
TOTAL		**28.10**	**39.50**	**32.10**
Share of Profit from Firms & Dividends from Companies				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		34.10	335.50	287.80
TOTAL		**34.10**	**335.50**	**287.80**
Purchase of Goods				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		215.40	92.70	60.50
TOTAL		**215.40**	**92.70**	**60.50**
Purchase of Land/Units/Property				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		-	12.00	-
Key Management Personnel & their relative		-	-	118.60
TOTAL		**-**	**12.00**	**118.60**
Receiving of Services				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		171.20	105.30	51.50
TOTAL		**171.20**	**105.30**	**51.50**
Interest Expenses				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		12.10	9.30	14.20
TOTAL		**12.10**	**9.30**	**14.20**
Rental Expense				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		37.00	29.20	14.60
Key Management Personnel & their relative		122.30	86.40	11.40
TOTAL		**159.30**	**115.60**	**26.00**

Remuneration Paid				
Key Management Personnel & their relative		51.30	53.70	70.70
TOTAL		**51.30**	**53.70**	**70.70**
Directors Sitting Fees				
Key Management Personnel & their relative		0.30	0.30	-
TOTAL		**0.30**	**0.30**	**-**
Share of Loss				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		3.50	0.40	1.00
TOTAL		**3.50**	**0.40**	**1.00**
Amounts outstanding as at Balance Sheet Date				
Amounts Due to				
Inter Corporate Deposit payable				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		265.50	31.10	80.60
TOTAL		**265.50**	**31.10**	**80.60**
Interest accured but not due on Inter corporate deposits				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		7.40	-	252.70
TOTAL		**7.40**	**-**	**252.70**
Unsecured Loans Other than ICD payable				
Key Management Personnel & their relative		15.90	343.80	
TOTAL		**15.90**	**343.80**	**-**
Trade Payables				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		41.80	41.50	255.80
Key Management Personnel & their relative		7.70	54.70	46.10
TOTAL		**49.50**	**96.20**	**301.90**
Lease Deposits Received				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		5.50	15.00	6.60
TOTAL		**5.50**	**15.00**	**6.60**
Advances Held				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		4.10	-	137.50
Key Management Personnel & their relative		395.00	898.90	355.10
TOTAL		**399.10**	**898.90**	**492.60**

Amounts Due From				
Inter Corporate Deposit receivable				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		4.70	21.70	113.50
TOTAL		**4.70**	**21.70**	**113.50**
Interest accrued but not due Inter Corporate Deposit given				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		7.50	8.80	-
TOTAL		**7.50**	**8.80**	**-**
Lease Deposits given				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		1.80	1.80	6.90
Key Management Personnel & their relative		5.90	5.50	5.70
TOTAL		**7.70**	**7.30**	**12.60**
Trade Receivables				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		75.30	111.30	310.40
Key Management Personnel & their relative		256.10	11.30	36.30
TOTAL		**331.40**	**122.60**	**346.70**
Loans & Advances recoverable				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		2,107.50	2,332.30	2,118.70
Key Management Personnel & their relative		67.70	-	199.80
TOTAL		**2,175.20**	**2,332.30**	**2,318.50**
Debentures/Debenture application money invested				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		127.70	-	
TOTAL		**127.70**	**-**	**-**
Share Application Money				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		383.80	407.50	109.30
TOTAL		**383.80**	**407.50**	**109.30**
Debenture Application Money				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		58.80	-	-
TOTAL		**58.80**	**-**	**-**
Guarantees & Collaterals Provided				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		4,293.30	1,932.10	1,828.40
TOTAL		**4,293.30**	**1,932.10**	**1,828.40**

Release of Guarantees & Collaterals Provided				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		1,717.90	785.50	431.40
TOTAL		**1,717.90**	**785.50**	**431.40**
Guarantees & Collaterals Received				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		1,000.00	750.00	4,635.80
Key Management Personnel & their relative		10,039.60	7,752.40	25,268.10
TOTAL		**11,039.60**	**8,502.40**	**29,903.90**
Release in Guarantees & Collaterals Received				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		3,262.10	202.50	3,164.60
Key Management Personnel & their relative		25,987.10	14,231.90	2,827.70
TOTAL		**29,249.20**	**14,434.40**	**5,992.30**
Closing Balance as on March 31, 2012				
Guarantees & Collaterals Provided				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		5,204.50	2,956.60	3,905.10
TOTAL		**5,204.50**	**2,956.60**	**3,905.10**
Guarantees & Collaterals Received				
Associates, JVs and Companies, firms & trusts in which the directors are interested.		1,234.40	3,871.50	6,610.30
Key Management Personnel & their relative		17,106.60	34,184.30	38,960.80
TOTAL		**18,341.00**	**38,055.80**	**45,571.10**

(A) Related party relationships are as identified by the Company on the basis of information available with them and accepted by the auditors

(B) The above amounts exclude reimbursement of expenses.

(C) No amount is / has been written off or written back during the year in respect of debts due from or to related parties.

REPORT OF THE INDEPENDENT AUDITOR ON THE UNCONSOLIDATED SUMMARY FINANCIAL STATEMENTS

To the Board of Directors of Prestige Estates Projects Limited

1. The accompanying unconsolidated summary financial statements of **Prestige Estates Projects Limited** (the "Company") which comprise the Unconsolidated Summary Balance Sheet as at September 30, 2012, March 31, 2012, March 31, 2011 and March 31, 2010; the Unconsolidated Summary Statement of Profits and Losses and the Unconsolidated Summary Statement of Cash Flows for the six month period ended September 30, 2012 and for the years ended March 31, 2012, March 31, 2011 and March 31, 2010; together with the related Schedules and explanatory notes referred to herein as the "Unconsolidated Summary Financial Statements" are derived from the audited unconsolidated financial statements (the "Audited Unconsolidated Financial Statements") of the Company for the respective periods audited by us as detailed in paragraph 2 below.

2. We expressed unmodified audit opinions on the Audited Unconsolidated Financial Statements of the Company for:

   (a) the six months ended September 30, 2012 vide our report dated January 9, 2013; and

   (b) the years ended March 31, 2012, March 31, 2011 and March 31, 2010 vide our reports dated May 28, 2012, May 17, 2011 and May 31,2010 respectively;

3. The figures included in the Unconsolidated Summary Financial Statements do not reflect the events that occurred subsequent to the date of our reports on the respective periods referred to in paragraph 2 above.

4. **Management's Responsibility for the Unconsolidated Summary Financial Statements**

   Management is responsible for the preparation of the Unconsolidated Summary Financial Statements from the Audited Unconsolidated Financial Statements of the respective periods referred above on the basis described in Note 2 to the Unconsolidated Summary Financial Statements.

5. **Auditor's Responsibility**

   Our responsibility is to express an opinion on the Unconsolidated Summary Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

6. **Opinion**

   In our opinion, the Unconsolidated Summary Financial Statements which have been derived from the Audited Unconsolidated Financial Statements of the Company for the respective periods / years are a fair summary of those Audited Unconsolidated Financial Statements on the basis described in Note 2 to the Unconsolidated Summary Financial Statements.

For Deloitte Haskins & Sells
Chartered Accountants
Firm registration number: 008072S

V. Balaji
Partner

Membership No. 203685

Place: Bangalore
Date: 09/01/2013

PRESTIGE ESTATES PROJECTS LIMITED
UNCONSOLIDATED SUMMARY FINANCIAL STATEMENTS

Unconsolidated Summary Balance Sheet

(Amount in Rs. Million)

	Note		At at September 30,	As at March 31,		
			2012	2012	2011	2010
I. EQUITY AND LIABILITIES						
(1) Shareholders' funds						
(a) Share capital	4		3,280.70	3,280.70	3,280.70	2,625.00
(b) Reserves and surplus	5		18,939.20	17,989.50	17,156.60	3,651.20
		A	**22,219.90**	**21,270.20**	**20,437.30**	**6,276.20**
(2) Non-current liabilities						
(a) Long-term borrowings	6		1,805.30	1,518.30	2,554.20	2,900.60
(b) Deferred tax liabilities (Net)	7		128.80	125.30	81.50	4.30
(c) Other Long-term liabilities	8		268.70	237.60	161.20	208.30
(d) Long-term provisions	9		36.30	30.40	23.70	18.00
		B	**2,239.10**	**1,911.60**	**2,820.60**	**3,131.20**
(3) Current liabilities						
(a) Short-term borrowings	10		11,032.40	9,650.10	6,837.10	8,515.50
(b) Trade payables	11		2,397.90	2,151.50	1,944.20	1,838.80
(c) Other current liabilities	12		14,257.20	10,195.80	6,005.70	8,411.10
(d) Short-term provisions	13		731.50	1,841.20	3,471.80	311.30
		C	**28,419.00**	**23,838.60**	**18,258.80**	**19,076.70**
Total (A + B + C)			**52,878.00**	**47,020.40**	**41,516.70**	**28,484.10**
II. ASSETS						
(1) Non-current assets						
(a) Fixed assets						
(i)Tangible assets	14		4,217.70	4,287.70	4,229.20	4,458.00
(ii) Intangible assets	14		4.10	1.10	-	-
(iii) Capital work-in-progress	14		1,529.20	1,263.50	1,011.70	570.20
			5,751.00	**5,552.30**	**5,240.90**	**5,028.20**
(b) Non-current investments	15		6,579.50	6,417.20	5,923.70	3,845.10
(c) Long-term loans and advances	16		7,846.10	5,575.20	3,247.80	2,014.50
(d) Other non-current assets	17		130.30	256.10	238.50	104.70
		D	**20,306.90**	**17,800.80**	**14,650.90**	**10,992.50**

(2) Current assets						
(a) Current investments	18		1,105.40	870.40	256.90	0.40
(b) Inventories	19		14,890.90	12,004.10	8,644.30	7,891.40
(c) Trade receivables	20		7,631.90	8,313.20	10,113.40	3,947.50
(d) Cash and Bank balances	21		1,834.30	1,173.60	2,873.60	1,256.40
(e) Short-term loans and advances	22		6,618.90	6,533.90	4,819.60	4,318.30
(f) Other current assets	23		489.70	324.40	158.00	77.60
		E	**32,571.10**	**29,219.60**	**26,865.80**	**17,491.60**
Total (D + E)			**52,878.00**	**47,020.40**	**41,516.70**	**28,484.10**
See accompanying notes forming part of these financial statements 1 to 38						

PRESTIGE ESTATES PROJECTS LIMITED
UNCONSOLIDATED SUMMARY FINANCIAL STATEMENTS

Unconsolidated Summary Statement of Profits and Losses

(Amount in Rs. Million)

	Note		For the period ended September 30,	For the year ended March 31,		
			2012	2012	2011	2010
Revenue from Operations	24	A	4,605.90	7,454.70	13,850.00	9,496.70
Other Income	25	B	466.70	537.60	764.80	434.80
Total Revenue (A + B)		C	**5,072.60**	**7,992.30**	**14,614.80**	**9,931.50**
Expenses						
Purchases of Stock of units	26		57.40	53.50	34.80	-
Cost of sale on projects	26		2,145.20	3,365.40	9,181.80	6,307.40
Property and facilities operating expenses	27		419.40	635.70	547.20	443.80
Employee benefits expense	28		311.10	456.40	390.60	303.40
Finance costs	29		430.50	765.10	787.20	660.80
Depreciation and amortization expense			159.60	324.50	332.30	349.30
Other expenses	30		244.20	575.00	457.40	259.70
Total Expenses		D	**3,767.40**	**6,175.60**	**11,731.30**	**8,324.40**
Profit before Tax (C - D)		E	**1,305.20**	**1,816.70**	**2,883.50**	**1,607.10**
Tax expense						
Current tax			355.00	487.50	758.00	240.00
Income tax pertaining to earlier years			(3.00)	(5.10)	12.60	(21.10)
Deferred tax	7		3.50	43.80	77.10	(28.70)
Total		F	**355.50**	**526.20**	**847.70**	**190.20**
Profit after Tax (E - F)		G	**949.70**	**1,290.50**	**2,035.80**	**1,416.90**
Earning per equity share (equity shares, par value of Rs. 10 each)	33					
Basic & Diluted EPS (Rs.)*			2.89	3.93	6.98	5.40

See accompanying notes forming part of these financial statements 1 to 38
*Basic and diluted EPS for the period ended September 30, 2012 is not annualised

PRESTIGE ESTATES PROJECTS LIMITED
UNCONSOLIDATED SUMMARY FINANCIAL STATEMENTS

Unconsolidated Summary Statement of Cash Flows

(Amount in Rs. Million)

	For the period ended September 30,	For the year ended March 31,		
	2012	**2012**	**2011**	**2010**
I. CASHFLOW FROM OPERATIONS				
Profits before taxation	**1,305.20**	**1,816.70**	**2,883.50**	**1,607.10**
Add: Adjustments for				
Depreciation	159.60	324.50	332.30	349.30
	159.60	**324.50**	**332.30**	**349.30**
Less: Incomes / credits considered separately				
Interest income	287.50	369.90	298.00	70.20
Dividend income	72.80	2.10	34.50	4.70
Impairment in Investment written back	-	-	-	0.20
Profit on sale of fixed assets	-	0.10	22.10	1.30
Share of profit from firms	84.60	147.90	401.60	349.60
Unrealised exchange gain	9.80	-	-	-
	454.70	**520.00**	**756.20**	**426.00**
Add: Expenses / debits considered separately				
Loss on sale of investments	-	-	-	4.70
Finance costs	430.50	765.10	787.20	660.80
Provision for doubtful debts	-	-	4.50	-
Loss on sale of fixed assets	0.10	7.00	-	-
	430.60	**772.10**	**791.70**	**665.50**
Operating profit before changes in working capital	**1,440.70**	**2,393.30**	**3,251.30**	**2,195.90**
Adjustments for:				
(Increase) / decrease in Trade Recievables	681.40	1,800.20	(6,170.30)	(1,409.70)
(Increase) / decrease in inventories	(2,886.80)	(3,468.30)	(757.80)	(754.30)
(Increase) / decrease in Long-term & Short-term loans and advances	(1,922.40)	(1,087.90)	(953.40)	(13.10)
Increase / (decrease) in Current & Non-current liabilities	4,680.70	4,436.70	(1,665.80)	(1,764.80)
Increase / (decrease) in Current & Non-current provisions	(910.30)	(1,180.10)	1,744.40	22.10
	(357.40)	**500.60**	**(7,802.90)**	**(3,919.80)**

		For the period ended September 30,	For the year ended March 31,		
		2012	2012	2011	2010
Cash generated from / (used in) operations		**1,083.30**	**2,893.90**	**(4,551.60)**	**(1,723.90)**
Direct taxes (paid)/refund		(211.90)	(946.60)	38.00	(209.00)
Net cash generated from / (used in) operations	A	**871.40**	**1,947.30**	**(4,513.60)**	**(1,932.90)**
II. CASHFLOW FROM INVESTING ACTIVITIES					
Capital expenditure on fixed assets		(347.50)	(665.10)	(609.20)	(798.90)
Sale proceeds of fixed assets		0.20	109.90	55.30	7.10
Inter corporate deposits given (net)		602.80	(1,753.40)	(938.00)	407.70
Changes in Partnership current account		(110.50)	522.70	1,297.50	(87.20)
Current & Non-current Investments made		(1,747.20)	(1,529.30)	(1,926.00)	(852.00)
Advance paid for purchase of shares		(1,118.30)	(1,650.00)	-	-
Proceeds from sale of / refunds from Current & Non-current Investments		1,403.80	740.50	0.30	231.30
Changes in Other Non-current Assets (increase)/decrease		125.80	(17.60)	(133.80)	(58.80)
Interest received		122.20	203.50	217.50	15.30
Dividend received		72.80	2.10	34.50	4.70
Changes in other bank balances (increase)/decrease		(181.50)	(297.30)	127.80	(166.40)
Net cash from / (used in) investing activities	B	**(1,177.40)**	**(4,334.00)**	**(1,874.10)**	**(1,297.20)**
III. CASHFLOW FROM FINANCING ACTIVITIES					
Secured loans availed		3,047.00	9,452.50	3,930.10	19,791.40
Secured loans repaid		(1,342.30)	(7,781.20)	(6,086.30)	(15,667.70)
Unsecured loans taken		105.70	84.30	20.30	462.50
Repayment of Unsecured loans		(149.20)	(199.30)	(374.90)	(107.90)
Repayment of Debenture application money		-	-	-	(550.00)
Inter corporate deposits taken/repaid (net)		9.50	61.50	(31.90)	(20.30)
Dividend payout including tax		(457.60)	(455.80)	-	-
Financial expenses		(427.90)	(772.60)	(801.40)	(662.70)
Net Proceeds from IPO		-	-	11,476.80	-
Net cash from / (used in) financing activities	C	**785.20**	**389.40**	**8,132.70**	**3,245.30**
Total increase / (decrease) in cash and cash equivalents during the year (A + B + C)		**479.20**	**(1,997.30)**	**1,745.00**	**15.20**
Cash and cash equivalents opening balance		825.50	2,822.80	1,077.80	1,062.60
Cash and cash equivalents closing balance		**1,304.70**	**825.50**	**2,822.80**	**1,077.80**

		For the period ended September 30,	For the year ended March 31,		
		2012	2012	2011	2010
Reconciliation of Cash and cash equivalents with balance sheet					
Cash and bank balances as per Balance Sheet		1,834.30	1,173.60	2,873.60	1,256.40
Less : Fixed Deposits & Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments		529.60	348.10	50.80	178.60
Cash and cash equivalents at the end of the year as per cash flow statement above		**1,304.70**	**825.50**	**2,822.80**	**1,077.80**
See accompanying notes forming part of these financial statements 1 to 38					

PRESTIGE ESTATES PROJECTS LIMITED
UNCONSOLIDATED SUMMARY FINANCIAL STATEMENTS

NOTES FORMING PART OF THE SUMMARY FINANCIAL STATEMENTS

1 Corporate Information

M/s. Prestige Estates Projects Limited. ("the **Company**") was incorporated on June 4, 1997 as a company under the Companies Act, 1956 (the "**Act**"). The registered office of the Company is in The Falcon House, No.1, Main Guard Cross Road, Bangalore - 560 001, India. The Company is engaged in the business of real estate development.

2 Basis of preparation of Unconsolidated Summary Financial Statements

These unconsolidated summary financial statements of the Company comprise the Unconsolidated Summary Balance Sheet as at September 30, 2012, March 31, 2012, 2011 and 2010; the Unconsolidated Summary Statement of Profits and Losses and the Unconsolidated Summary Statement of Cash Flows for the six month period ended September 30, 2012 and for the years ended March 31, 2012, 2011 and 2010, the related Schedules and explanatory notes; together referred to herein as the "Unconsolidated Summary Financial Statements".

These Unconsolidated Summary Financial Statements have been derived from the audited unconsolidated financial statements of the Company for the respective periods which were approved by the Board of Directors of the Company. The figures included in the Unconsolidated Summary Financial Statements do not consider facts or circumstances which arose subsequent to date of approval of the unconsolidated financial statements of the Company as detailed below and have been rounded off to present them in Rupees Millions.

Financial Statements for the:	**Date adopted by the Board of Directors of the Company**
Six month ended September 30, 2012	January 9, 2013
Year ended March 31, 2012	May 28, 2012
Year ended March 31, 2011	May 17, 2011
Year ended March 31, 2010	May 31, 2010

The figures for the years ended March 31, 2012, March 31, 2011 and March 31, 2010 included in the Unconsolidated Summary Financial Statements have been reclassified to correspond with the classification criteria followed for the six months ended September 30, 2012.

The significant accounting policies used in the preparation of the audited unconsolidated financial statements of the Company are given in note 3 below.

3 Significant accounting policies

A. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

B. Revenue recognition

(i) Recognition of revenue from contractual projects:

Revenue from contractual projects undertaken is recognized on the basis of independent certification obtained in terms of the contract.

(ii) Revenue from area sold in real estate developmental projects which are under development is recognized based on 'Percentage Completion Method'.

The Percentage Completion Method is applied when the stage of completion of the project reaches a reasonable level of development. For projects that commence on or after April 1, 2012 or where revenue on a project is being recognized for the first time on or after that date, the threshold for 'reasonable level of development' is considered to have been met when the criteria specified in the Guidance Note on Accounting for Real Estate Transactions (Revised 2012) issued by the Institute of Chartered Accountants of India are satisfied, i.e., when:

a) All critical approvals necessary for commencement of the project have been obtained.

b) If the expenditure incurred on construction and development costs is not less than 25 % of the construction and development costs.

c) Atleast 25% of the saleable project area is secured by contracts or agreements with buyers.

d) Atleast 10 % of the total revenue as per the agreements of sale or any other legally enforceable documents are realized at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

For projects that commenced prior to March 31, 2012 and where sales have occurred prior to that date 'resaonable level of development' is considered to have occurred when the project costs (excluding land cost) incurred is in the range of 20% to 30% of the total estimated costs of the project (excluding land cost).

For computation of revenue, the stage of completion is arrived at with reference to the entire project costs incurred including land costs, borrowing costs and construction and development costs to the estimated total costs of the project. The percentage completion method is applied on a cumulative basis in each reporting period and the estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognized in the period such changes are determined. The changes to estimates also include changes arising out of cancellation of contracts and cases where the property or part thereof is subsequently earmarked for own use or for rental purposes. In such cases any revenues attributable to such contracts previously recognised are reversed and the costs in relation thereto are carried forward and accounted in accordance with the accounting policy for Inventory or Fixed Assets, as applicable.

When it is probable that total project costs will exceed total eligible project revenues, the expected loss is recognised as an expense immediately when such probability is determined

(iii) Sale of plots and completed units is recognized at the sale consideration when all significant risks and rewards of ownership in the property is transferred to the buyer and are net of adjustments on account of cancellation.

(iv) Facility charges, management charges, rental and maintenance income are recognized on accrual basis.

(v) Interest income is accounted on accrual basis except the interest on delayed payments by the customers, which are accounted on receipt basis.

(vi) Dividend income is recognized on basis of right to receive is established.

(vii) Share of profit / loss from partnership firm is recognized based on the financial information provided and confirmed by the respective firms.

C. Inventories

Stock of units in completed projects and work-in-progress are valued at lower of cost or net realizable value. Cost is aggregate of land cost, materials, contract works, direct expenses, provisions and apportioned borrowing costs and net of material scrap receipts.

D. Cash flow statement

Cash flow statement is prepared under the 'Indirect Method' Prescribed under Accounting Standard 3 'Cash Flow Statements' prescribed under the Companies (Accounting Standard) Rules, 2006.

E. Fixed Assets and Impairment

Fixed assets are stated at cost, including expenses incurred to bring the asset to present condition. Cost includes all costs relating to the acquisition and installation of fixed assets including interest on borrowing for the project / fixed asset up to the date the asset is put to use. Any cost incurred relating to settlement of claims regarding titles to the properties is accounted for and capitalized as incurred, wherever the asset is held.

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to 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 recognised in the statement of profit and loss.

Reversal of impairment losses recognised in prior years, if any, is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

F. Depreciation and amortization

a. Depreciation on Tangible Fixed Assets is provided on the written down value method in accordance with the rates specified in Schedule XIV to the Companies Act, 1956 except in respect of the following :

Cost of leasehold land is amortized over the period of lease.

In respect of leasehold building, Leasehold improvement plant & machinery and Leasehold improvement furniture & fixtures, depreciation has been provided over the unexpired portion of the primary lease period.

Assets individually costing less than Rs. 5,000 are depreciated 100% in the year of purchase..

b. Depreciation on Intangible Fixed assets is provided on the written down value method at the rates estimated by the management to be the estimated lifes of the assets.

G. Investments

Long term investments are carried at cost, and provision is made to recognize any decline, other than temporary, in the value of such investment.

Current investments are stated at lower of cost or net realizable value.

H. Foreign Currency transactions

All transactions in foreign currency are recorded on the basis of the exchange rate prevailing as on the date of transaction. The difference, if any, on actual payment / realization is recorded to the statement of profit & loss. Monetary assets and liabilities denominated in foreign currency are restated at rates prevailing at the year-end. The net loss or gain arising out of such conversion is dealt with in the statement of profit and loss.

I. Employee Benefits

(i) Short term employee benefits including salaries, social security contributions, short term compensated absences (such as paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related employee service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non monetary benefits (such as medical care) for current employees are estimated and measured on an undiscounted basis.

(ii) Defined Contribution Plan:

Company's contributions paid /payable during the year to Provident Fund are recognized in the Statement of Profit and Loss.

(iii) Defined Benefit Plan:

Liabilities for gratuity funded in terms of a scheme administered by Life Insurance Corporation of India are determined by actuarial valuation made by an independent actuary using projected unit credit method, as at each balance sheet date. The benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost. Provision for liabilities pending remittance to the fund is carried in the balance sheet. In case the fund balance is in excess of benefit obligation, the asset recognised is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

Actuarial gains and losses are recognized immediately in the statement of profit and loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discount rate that is determined by reference to market yields at the Balance sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

Past service cost is recognised immediately in the statement of profit and loss.

(iv) The liability for long-term leave salary is accrued based on estimated cost of compensated absences determined by actuarial valuation as on the date of balance sheet.

J. Borrowing cost

Borrowing cost (net off incomes earned on temporary deployment of funds) attributable to the acquisition or construction of a qualifying asset is capitalized / inventoried as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

K. Operating leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease receipts / payments are recognized as an income / expense in the statement of profit and loss on a straight-line basis over the lease term.

L. Earning Per Share

The basic and diluted earnings per share is computed by dividing the net profit / loss attributable to equity share holders for the year by the weighted average number of equity shares outstanding during the year. The Company does not have any potentially dilutive equity shares outstanding during the year.

In case any bonus issue of shares is made, the calculations of earnings per share are adjusted for all the periods presented. If these changes occur after the balance sheet date but before the date on which the financial statements are approved by the board of directors, the per share calculations for those financial statements and any prior period financial statements presented are based on the new number of shares.

M. Taxes on income

Income tax comprises the current tax provision under the tax payasble method, the net change in the deferred tax asset or liability in the year and Fringe Benefit Tax.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of the assets and liabilities and their respective tax basis. Deferred tax assets are recognized subject to management's judgment that realization is virtually certain. Deferred Tax assets and liabilities are measured using enacted tax rates to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change.

N. Provisions and contingent liabilities

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

PRESTIGE ESTATES PROJECTS LIMITED
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Note 4 - Share Capital

(Amount in Rs. Million)

	As at September 30,		As at March 31,					
	2012		2012		2011		2010	
	Number	Value	Number	Value	Number	Value	Number	Value
Authorised capital								
Equity shares of Rs. 10 each	400,000,000	4,000.00	400,000,000	4,000.00	400,000,000	4,000.00	400,000,000	4,000.00
Issued, subscribed and fully paid up capital								
Equity shares of Rs. 10 each, fully paid up	328,073,770	3,280.70	328,073,770	3,280.70	328,073,770	3,280.70	262,500,000	2,625.00
a. Reconciliation of the number of Equity shares outstanding at the beginning and at the end of the reporting period								
Number of shares at the beginning of the period	328,073,770	3,280.70	328,073,770	3,280.70	262,500,000	2,625.00	12,500,000	125.00
Number of shares issued during the period	-	-	-	-	65,573,770	655.70	250,000,000	2,500.00
Number of shares outstanding at the end of the period	**328,073,770**	**3,280.70**	**328,073,770**	**3,280.70**	**328,073,770**	**3,280.70**	**262,500,000**	**2,625.00**

b. Rights, Preferences And Restrictions attached to Shares

The Company has only one class of equity shares with voting rights having par value of Rs. 10 each. The rights, preferences and restrictions attached to such equity shares is in accordance with the terms of issue of equity shares under the Companies Act, 1956, the Articles of Association of the Company and relevant provisions of the listing agreement.

c. Initial Public Offer (IPO)

During the year ended March 31, 2011, the Company completed a public issue of 65,573,770 Equity shares of Rs.10/- each for cash at a price of Rs. 183/- each aggregating to Rs. 12,000 Millions. The premium of Rs. 173/- per equity share amounting to Rs. 11,344.30 Millions from the allotment of 65,573,770 Equity shares credited to Securities Premium Account. The Securities Premium Account stands net of share issue expenses of Rs. 523.30 Millions. Pursuant to the Public Issue, equity shares of the Company have been listed on Bombay Stock exchange and National Stock exchange effective October 27, 2010.

d. Utilisation of proceeds relating to the IPO

The actual utilisation of proceeds of the IPO of Rs. 11,476.80 Millions (net of share issue expenses) as approved by share holders in the AGM held on July 28, 2011 is as under :

Particulars	As approved by share holders in the AGM held on 28 July, 2011	Actual utilization upto 30 September, 2012	Actual utilization upto 31 March, 2012	Actual utilization upto 31 March, 2011
Finance ongoing projects and projects under development	3,876.70	3,876.70	3,422.30	1,821.80
Investment in existing subsidiaries for the construction and development of projects	849.10	849.10	739.90	442.20

Financing for the acquisition of Land	772.80	772.80	772.80	768.80
Repayment of loans	3,734.80	3,734.80	3,734.80	3,438.40
General Corporate Purposes	2,243.40	2,243.40	2,243.30	2,243.30
TOTAL	**11,476.80**	**11,476.80**	**10,913.10**	**8,714.50**

e. The unutilised funds were temporarily invested in fixed deposits with scheduled banks, investments in mutual funds and in current account balance with scheduled banks as under:

The amounts unutilized are invested / held in :	**As at 30 September, 2012**	**As at 31 March 2012**	**As at 31 March 2011**
a. Fixed depostis & Mutual funds	-	500.00	2,300.00
b. Balance with banks in current accounts	-	63.70	462.30
TOTAL	**-**	**563.70**	**2,762.30**

f. List of persons holding more than 5 percent equity shares in the Company

Name of the shareholder	**As at September 30,**		**As at March 31,**					
	2012		**2012**		**2011**		**2010**	
Irfan Razack	65,625,000	20	65,625,000	20	65,625,000	20	65,625,000	25
Rezwan Razack	65,625,000	20	65,625,000	20	65,625,000	20	65,625,000	25
Noaman Razack	65,625,000	20	65,625,000	20	65,625,000	20	65,625,000	25
Sameera Noaman	16,406,250	5	16,406,250	5	16,406,250	5	16,406,250	6
Badrunissa Irfan	16,406,250	5	16,406,250	5	16,406,250	5	16,406,250	6
Almas Rezwan	16,406,250	5	16,406,250	5	16,406,250	5	16,406,250	6

g. On September 23, 2009 the company issued 20 bonus shares for each equity share outstanding, aggregating to 250 Millions equity shares of Rs. 10/- each fully paid, by capitalization of balance in General Reserve and Surplus in Statement of Profit & Loss.

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Note 5 - Reserves & Surplus

(Amount in Rs. Million)

		As at September 30,	As at March 31,		
		2012	2012	2011	2010
Capital Reserve	A				
Opening balance		3,279.00	3,279.00	2,174.60	2,174.60
Additions (Deletions) during the period (Refer Note 4a)		-	-	1,104.40	-
Closing balance		**3,279.00**	**3,279.00**	**3,279.00**	**2,174.60**
Securities Premium Reserve	B				
Opening balance		10,821.00	10,821.00	-	-
Additions during the period		-	-	11,344.30	-
Less : Utilized for Issue expenses		-	-	(523.30)	-
Closing balance		**10,821.00**	**10,821.00**	**10,821.00**	**-**
General Reserve	C				
Opening balance		83.20	50.90	-	119.20
Additions during the period		-	32.30	50.90	-
Less : Utilized for issue of Bonus shares		-	-	-	(119.20)
Closing balance		**83.20**	**83.20**	**50.90**	**-**
Surplus in Profit and Loss Statement	D				
Opening balance		3,806.30	3,005.70	1,476.60	2,440.50
Add: Net profit for the period		949.70	1,290.50	2,035.80	1,416.90
Total (a)		**4,756.00**	**4,296.20**	**3,512.40**	**3,857.40**
Less: Allocations / Appropriations					
Adjusted against issue of bonus shares		-	-	-	2,380.80
Transfer to General Reserve		-	32.30	50.90	-
Proposed Dividend		-	393.70	393.70	-
Additional tax on Dividend		-	63.90	62.10	-
Total (b)		**-**	**489.90**	**506.70**	**2,380.80**
Total (a - b)		**4,756.00**	**3,806.30**	**3,005.70**	**1,476.60**
Total (A + B + C + D)		**18,939.20**	**17,989.50**	**17,156.60**	**3,651.20**

Note 5a - Addition to Capital Reserves represents the Company's share of revaluation of assets in partnership firms.

(Amount in Rs. Million)

		As at September 30,	As at March 31,		
		2012	2012	2011	2010
Silveroak Projects		-	-	1,054.50	
Prestige Hi-Tech Projects		-	-	49.90	
TOTAL		**-**	**-**	**1,104.40**	**-**

Note 6 – Long-term Borrowings

(Amount in Rs. Million)

	Note	As at September 30,	As at March 31,		
		2012	2012	2011	2010
Term loans (Secured)	6 a				
From banks		441.40	-	455.60	2.30
From financial institutions		1,363.90	1,518.30	2,098.60	2,898.30
TOTAL		**1,805.30**	**1,518.30**	**2,554.20**	**2,900.60**

Note 6.a) Details of securities and repayment terms :

Mortgage of certain immovable properties of the company.

Charge over the book debts, operating cash flows, revenues and receivables of the projects.

Hypothecation of vehicles.

Assignment of rent receivables from various properties.

Repayment terms:

Repayable within 90-108 monthly/quarterly installments commencing from April 2008

b) Other details-

Personal guarantee of certain directors of the company and their relatives.

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Note 7 - Deferred tax liabilities (Net)

(Amount in Rs. Million)

		As at September 30,	As at March 31,		
		2012	2012	2011	2010
a. On account of fixed assets					
Opening Deferred tax (asset) / liability		139.90	90.00	11.00	42.00
Current year charge / (credit)		4.10	49.90	79.00	(31.10)
Closing Deferred tax (asset) / liability	A	**144.00**	**139.90**	**90.00**	**10.90**
b. On account of disallowances under the Income Tax Act, 1961					
Opening Deferred tax (asset) / liability		(14.60)	(8.50)	(6.60)	(8.90)
Current year charge / (credit)		(0.60)	(6.10)	(1.90)	2.30
Closing Deferred tax (asset) / liability	B	**(15.20)**	**(14.60)**	**(8.50)**	**(6.60)**
TOTAL	**(A)+(B)**	**128.80**	**125.30**	**81.50**	**4.30**

Note 8 - Other Long-term liabilities

(Amount in Rs. Million)

		As at September 30,	As at March 31,		
		2012	2012	2011	2010
Lease deposits		268.70	237.60	161.20	208.30
TOTAL		**268.70**	**237.60**	**161.20**	**208.30**

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Note 9 - Long-term provisions

(Amount in Rs. Million)

		As at September 30,	As at March 31,		
		2012	2012	2011	2010
Provision for employee benefits		36.30	30.40	23.70	18.00
TOTAL		**36.30**	**30.40**	**23.70**	**18.00**

Note 10 - Short-term borrowings

(Amount in Rs. Million)

	Note	As at September 30,	As at March 31,		
		2012	2012	2011	2010
Term loans (Secured)	10 a				
- From banks		8,324.70	6,552.20	5,384.80	6,956.00
- From financial institutions		2,580.10	2,936.80	1,237.70	958.30
Term loans (Unsecured)					
- From banks		-	-	-	200.00
Loans and advances from related parties (unsecured, repayable on demand)	38				
-From directors		-	2.40	109.60	219.90
-From shareholders		-	-	9.00	-
-From others		127.60	158.70	96.00	181.30
TOTAL		**11,032.40**	**9,650.10**	**6,837.10**	**8,515.50**

Note 10 a) Details of securities and other information :

Mortgage of certain immovable properties of the company including inventories and undivided share of land belonging to the company.

Mortgage of certain immovable properties belonging to M/s. Cessna Garden Developers Pvt Ltd, M/s. Prestige Realty Ventures, M/s. Village De Nandi Pvt Ltd, M/s. Prestige Garden Resorts Pvt Ltd & M/s. Northland Holding Company Pvt Ltd.

Charge over receivables of various projects.

Pledge of Mutual Funds held by the Company and certain Directors of the Company.

Other details-

Corporate Guarantee from M/s. Northland Holding Company Pvt Ltd, M/s. Down Hills Holiday Resorts Pvt Ltd, M/s. Pennar Hotels and Resorts Pvt Ltd & M/s. Foot Hill Resorts Pvt Ltd.

Personal guarantee of certain directors of the company.

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Note 11 - Trade payables

(Amount in Rs. Million)

		As at September 30,	As at March 31,		
		2012	2012	2011	2010
Trade payables - (Other than acceptances)		2,397.90	2,151.50	1,944.20	1,838.80
TOTAL		**2,397.90**	**2,151.50**	**1,944.20**	**1,838.80**

Note 12 - Other current liabilities

(Amount in Rs. Million)

	Note	As at September 30,	As at March 31,		
		2012	2012	2011	2010
Current Maturities of long-term debt (Secured)	6 a	403.80	425.00	602.00	1,167.30
Interest accrued but not due on borrowings		21.90	19.30	26.90	41.30
Interest accrued and due on borrowings		144.50	131.30	113.60	66.30
Other payables					
Advance from customers		12,287.70	8,111.90	4,036.20	6,093.00
Advance rent / maintenance		1.10	2.00	4.90	9.00
Advance received on behalf of land owners		124.90	47.30	147.90	1.40
Withholding taxes and duties		194.30	245.20	124.70	-
Deposits towards Lease & Maintenance		1,024.00	907.40	924.50	689.60
Advance from partnership firms		11.30	221.30	25.00	222.30
Other liabilities		43.70	85.10	-	120.90
TOTAL		**14,257.20**	**10,195.80**	**6,005.70**	**8,411.10**

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Note 13 - Short-term provisions

(Amount in Rs. Million)

	Note	As at September 30,	As at March 31,		
		2012	2012	2011	2010
Provision for employee benefits		4.50	3.50	2.60	1.50
Other Provisions for :					
Project Expenses	13 a	555.90	1,347.00	2,548.80	308.90
Provision for known losses on projects	13 a	6.20	5.80	-	-
Proposed dividend including tax		-	457.60	455.80	-
Income tax (Net of advance tax)		164.10	26.50	464.20	-
Wealth tax (Net of advance tax)		0.80	0.80	0.40	0.90
TOTAL		**731.50**	**1,841.20**	**3,471.80**	**311.30**

Note 13 a - Details of Provisions as at 31 March 2012 :

(Amount in Rs. Million)

Nature of Provision	As at	Provision outstanding at the beginning of the year/period	Provision made during the year/period	Provision utilized / reversed during the year/period	Provision outstanding at the end of the year/period
Project costs where work is completed, accrued for pending receipt of invoices/ bills	Sept 30, 2012	1,347.00	218.00	1,009.10	555.90
	Mar 31, 2012	2,548.80	1,010.30	2,212.10	1,347.00
	Mar 31, 2011	308.90	3,001.40	910.80	2,548.80
See Note 1	Mar 31, 2010	176.30	470.50	456.50	308.90
Provision for known losses on projects	Sept 30, 2012	5.80	6.20	5.80	6.20
	Mar 31, 2012	-	5.80	-	5.80
	Mar 31, 2011	-	-	-	-
See Note 1	Mar 31, 2010	-	-	-	-

Note 1: Probable outflow estimated within one year

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Note 14 - Fixed Assets

Note 14 (A) - Tangible Assets

(Amount in Rs. Million)

		As at September 30,	As at March 31,		
		2012	2012	2011	2010
Gross Block					
Tangible Assets					
Land - freehold		343.70	343.70	269.70	269.70
Land - leasehold #*		22.90	22.90	22.90	22.90
Buildings - freehold		3,591.40	3,591.30	3,407.50	3,435.00
Buildings - leasehold $*		44.80	44.70	44.70	44.80
Plant and machinery		561.90	556.10	528.50	528.00
Leasehold improvement plant and machinery		421.40	415.90	353.50	350.50
Furniture and fixtures		638.60	638.60	589.40	564.20
Leasehold improvement furniture and fixtures		755.40	682.40	746.00	654.80
Vehicles		104.90	105.20	84.00	83.80
Computers and accessories		68.20	66.40	56.30	52.00
Total	**A**	**6,553.20**	**6,467.20**	**6,102.50**	**6,005.70**
Accumulated Depreciation /Amortisation					
Land - freehold		-	-	-	-
Land - leasehold #*		4.60	4.30	4.00	3.70
Buildings - freehold		704.60	630.60	488.90	337.20
Buildings - leasehold $*		17.90	17.20	15.80	14.30
Plant and machinery		382.30	369.10	344.20	314.50
Leasehold improvement plant and machinery *		189.50	172.30	135.00	100.10
Furniture and fixtures		485.60	470.40	440.80	412.10
Leasehold improvement furniture and fixtures *		433.60	404.50	345.90	277.80

		As at September 30,	As at March 31,		
		2012	2012	2011	2010
Vehicles		62.60	58.00	50.70	44.00
Computers and accessories		54.80	53.10	48.00	44.00
Total	**B**	**2,335.50**	**2,179.50**	**1,873.30**	**1,547.70**
Net Block					
Land - freehold		343.70	343.70	269.70	269.70
Land - leasehold #*		18.30	18.60	18.90	19.20
Buildings - freehold		2,886.80	2,960.70	2,918.60	3,097.80
Buildings - leasehold $*		26.90	27.50	28.90	30.50
Plant and machinery		179.60	187.00	184.30	213.50
Leasehold improvement plant and machinery *		231.90	243.60	218.50	250.40
Furniture and fixtures		153.00	168.20	148.60	152.10
Leasehold improvement furniture and fixtures *		321.80	277.90	400.10	377.00
Vehicles		42.30	47.20	33.30	39.80
Computers and accessories		13.40	13.30	8.30	8.00
Total	**C = A - B**	**4,217.70**	**4,287.70**	**4,229.20**	**4,458.00**

Note :

Leasehold land is amortized over the period of lease of 66 years.

$ Includes building constructed on leasehold land Rs. 16.80 Millions.

* Includes assets given under lease.

Note 14 (B) - Intangible Assets

(Amount in Rs. Million)

		As at September 30,	As at March 31,		
		2012	2012	2011	2010
Gross Block					
Computer Software		6.00	1.10		
Total	**A**	**6.00**	**1.10**	**-**	**-**
Accumulated Depreciation /Amortisation					
Computer Software		1.90	-	-	-
Total	**B**	**1.90**	**-**	**-**	**-**
Net Block					
Computer Software		4.10	1.10	-	-
Total	**C = A - B**	**4.10**	**1.10**	**-**	**-**

Note 14 (C) - Capital Work-in-progress

(Amount in Rs. Million)

		As at September 30,	As at March 31,		
		2012	2012	2011	2010
Capital work-in-progress		1,529.20	1,263.50	1,011.70	570.20
TOTAL		**1,529.20**	**1,263.50**	**1,011.70**	**570.20**

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Note 15 - Non-current investments

(Amount in Rs. Million)

	Note	As at September 30,	As at March 31,		
		2012	2012	2011	2010
I. Trade Investments (Unquoted, at cost other than temparory diminution)					
Equity Instruments	15a	4,689.40	4,688.40	4,493.70	3,095.90
Preference Shares	15b	675.20	675.20	465.20	474.00
Debentures/Bonds	15c	1,034.10	877.80	759.30	68.90
Partnership Firms	15d	30.00	25.00	54.70	54.20
Others	15e	125.00	125.00	125.00	126.50
II. Other Investments (At cost unless otherwise stated)	15f	25.80	25.80	25.80	25.60
TOTAL		**6,579.50**	**6,417.20**	**5,923.70**	**3,845.10**

Note 15a - Equity Instruments

	As at September 30,		As at March 31,					
	2012		2012		2011		2010	
	Number	Value	Number	Value	Number	Value	Number	Value
I Subsidiaries (Fully paid up unless otherwise stated)								
Down Hills Holiday Resorts Private Limited - (95% called up for 150,000 equity shares at a premium of Rs.350/-)] equity shares of Rs. 10/- each.	4,150,000	339.90	4,150,000	339.90	4,150,000	339.90	4,150,000	339.90
Pennar Hotels Resorts Private Limited - (95% called up for 85,778 equity shares at a premium of Rs.350/-)] equity shares of Rs.10/- each.	3,585,778	282.80	3,585,778	282.80	3,585,778	282.80	3,585,778	282.80
Village De Nandi Private Limited - equity shares of Rs.10/- each.	1,000,000	70.50	1,000,000	70.50	1,000,000	70.50	1,000,000	70.50
Foot Hills Resorts Private Limited - equity shares of Rs.10/- each	5,620,694	433.80	5,620,694	433.80	5,620,694	433.80	5,620,694	433.80
ICBI (India) Private Limited - equity shares of Rs.1,000/- each	289	69.40	289	69.40	289	69.40	289	69.40
Prestige Leisure Resorts Private Limited - equity shares of Rs.10/- each	1,350,000	175.50	1,350,000	175.50	1,350,000	175.50	1,350,000	175.50
Prestige Bidadi Holdings Private Limited - equity shares of Rs.10/- each	9,369,000	376.20	9,369,000	376.20	9,369,000	376.20	5,619,000	56.20
Prestige Valley View Estates Private Limited - equity shares of Rs.10/- each	990,600	71.10	990,600	71.10	990,600	71.10	990,600	71.10
Prestige Construction Ventures Private Limited - equity shares of Rs.10/- each	6,000,000	60.00	6,000,000	60.00	6,000,000	60.00	6,000,000	60.00
Prestige Mangalore Retail Ventures Private Limited - equity shares of Rs.10/- each	4,503,835	45.00	4,503,835	45.00	4,503,835	45.00	4,503,835	45.00
Prestige Mysore Retail Ventures Private Limited - equity shares of Rs.10/- each	22,023,995	220.50	22,023,995	220.50	22,023,995	220.50	22,023,995	220.50
Prestige Whitefield Investment Developers Private Limited - equity shares of Rs.10/- each	61,124,970	614.30	61,124,970	614.30	61,124,970	614.30	61,124,970	614.30
Prestige Shantiketan Leisures Private Limited - equity shares of Rs. 10/- each.	620,000	6.20	620,000	6.20	620,000	6.20	620,000	6.20
K2K Infrastructure India Private Limited (formerly known as Team United Engineers (India) Private Limited) - equity shares of Rs.10/- each.	1,122,660	11.20	1,122,660	11.20	1,122,660	11.20	1,122,660	11.20
Valdel Xtent Outsourcing Solutions Private Limited - equity shares of Rs. 10/- each	29,000,000	150.50	29,000,000	150.50	26,578,000	142.50	3,600,000	132.50
West Palm Developments Private Limited - equity shares of Rs. 10/- each	646,613	113.30	646,613	113.30	567,112	26.90	567,112	26.90
Cessna Garden Developers Private Limited (Subsidiary w.e.f 12th April 2010) - equity shares of Rs. 10/- each	2,399,998	55.50	2,399,998	55.50	2,399,998	55.50	-	-
Villaland Developers Private Limited (Subsidiary w.e.f. 31st August 2010) - equity shares of Rs.10/- each	5,100	0.10	5,100	0.10	5,100	0.10	-	-
Prestige Amusements Private Limited (w.e.f 31st March 2012) - equity shares of Rs.10/- each	125,000	7.00	125,000	7.00	-	-	-	-

		As at September 30,		As at March 31,					
		2012		2012		2011		2010	
		Number	Value	Number	Value	Number	Value	Number	Value
Exora Business Parks Private Limited - equity shares of Rs.10/- each (Upto 30th December 2010)		-	-	-	-	-	-	9,350	271.20
Kandid Marketing Services Private Limited		-	-	-	-	-	-	84,492	844,920
Less : Provision for diminution in value		-	-	-	-	-	-	(84,492)	(844,920)
II Associates (Fully paid up unless otherwise stated)									
Exora Business Parks Private Limited (Subsidiary w.e.f. 30th December 2010) - equity shares of Rs.10/- each		9,350	271.20	9,350	271.20	9,350	271.20	-	-
Prestige Garden Constructions Private Limited - equity shares of Rs. 10/- each		2,946,170	10.90	2,946,170	10.90	2,946,170	10.90	2,946,170	10.90
City Properties Maintenance Company Bangalore Limited - equity shares of Rs.10/- each		40,909	0.40	40,909	0.40	40,909	0.40	40,909	0.40
Prestige Projects Private Limited - equity shares of Rs.10/- each		1,100,000	11.00	1,100,000	11.00	1,100,000	11.00	1,100,000	11.00
Vijaya Productions Private Limited (Joint Control exists from 12th December 2011) - equity shares of Rs.10/- each		-	-	-	-	5,472,326	1,050.70	-	-
Babji Realtors Private Limited - equity shares of Rs.10/- each		1,039,500	86.30	1,039,500	86.30	1,039,500	86.30	1,039,500	86.30
Prestige Amusements Private Limited (upto 31st March 2012) - equity shares of Rs.10/- each		-	-	-	-	100,000	6.00	100,000	6.00
Cessna Garden Developers Private Limited - equity shares of Rs.10/- each		-	-	-	-	-	-	700,000	38.50
III Joint Ventures (Fully paid up unless otherwise stated)									
Prestige Garden Resorts Private Limited (Joint Control exists w.e.f. 23rd September 2009) - equity shares of Rs.10/- each		475,000	30.70	475,000	30.70	475,000	30.70	475,000	30.70
CapitaLand Retail Prestige Mall Management Private Limited (Joint Control exists w.e.f 01st January 2010) - equity shares of Rs.10/- each		2,500,000	25.00	2,500,000	25.00	2,500,000	25.00	2,500,000	25.00
Saichakra Hotels Private Limited - equity shares of Rs.10/- each.		100,000	1.00	-	-	-	-	-	-
Vijaya Productions Private Limited (Joint Control exists from 12th December 2011) - equity shares of Rs.10/- each		5,993,500	1,150.00	5,993,500	1,150.00	-	-	-	-
IV Others (Fully paid up unless otherwise stated)									
Prestige Garden Estates Private Limited - equity shares of Rs. 10/- each		8,007	0.10	8,007	0.10	8,007	0.10	8,007	0.10
Thomsun Realtors Private Limited - equity shares of Rs. 10/- each		100	-	100	-	100	-	-	-
TOTAL			**4,689.40**		**4,688.40**		**4,493.70**		**3,095.90**

Note 15b - Preference Shares

		As at September 30,		As at March 31,					
		2012		2012		2011		2010	
		Number	Value	Number	Value	Number	Value	Number	Value
I Subsidiaries (Fully paid up unless otherwise stated)									
Prestige Construction Ventures Private Limited - Convertible Preference Share of Rs.1,000/- each		46,500	465.00	46,500	465.00	46,500	465.00	46,500	465.00
Prestige Leisure Resorts Private Limited - Optionally, fully convertible, non-cumulative redeemable Preference Shares of Rs.10/- each		2,539,980	210.00	2,539,980	210.00	-	-	-	-
Exora Business Parks Private Limited (Subsidiary upto 30th December 2010) - optionally convertible		-	-	-	-	-	-	54,744	0.50

		As at September 30,		As at March 31,					
		2012		2012		2011		2010	
		Number	Value	Number	Value	Number	Value	Number	Value
redeemable preference shares of Rs.10/- each									
Valdel Xtent Outsourcing Solutions Private Limited - Preference Shares of Rs. 10/- each		-	-	-	-	-	-	846,154	8.50
II Associates (Fully paid up unless otherwise stated) Exora Business Parks Private Limited (Subsidiary w.e.f. 30th December 2010) - Optionally, convertible, redeemable preference shares of Rs.10/- each		21,860	0.20	21,860	0.20	21,860	0.20	-	-
TOTAL			**675.20**		**675.20**		**465.20**		**474.00**

Note 15c - Debentures

		As at September 30,		As at March 31,					
		2012		2012		2011		2010	
		Number	Value	Number	Value	Number	Value	Number	Value
I Subsidiaries (Fully paid up unless otherwise stated)									
Prestige Bidadi Holdings Private Limited - 0% Compulsorily Convertible Debentures of Rs.1,000/- each		519,203	519.20	519,203	519.20	519,203	519.20	-	-
Prestige Mangalore Retail Ventures Private Limited - Fully Compulsorily Convertible Debentures of Rs.10/- each		33,740,763	337.40	27,191,363	271.90	17,115,363	171.20	-	-
Prestige Mysore Retail Ventures Private Limited - Fully Compulsorily Convertible Debentures of Rs.10/- each		4,976,922	49.80	1,784,757	17.80	-	-	-	-
Exora Business Parks Private Limited - compulsorly convertible debentures of Rs.10/- each (Upto 30th December 2010)		-	-	-	-	-	-	26,152	0.30

II Associates (Fully paid up unless otherwise stated)									
Exora Business Parks Private Limited (Subsidiary w.e.f 30th December 2010) - compulsorily convertible debentures of Rs.10/- each		26,152	0.30	26,152	0.30	26,152	0.30	-	-
Babji Realtors Private Limited - Compulsorily Convertible Debentures of Rs.10/- each		10,615,603	127.40	4,735,603	68.60	4,735,603	68.60	4,735,603	68.60
TOTAL			**1,034.10**		**877.80**		**759.30**		**68.90**

Note 15d - Partnership Firms

		As at September 30,	As at March 31,		
		2012	2012	2011	2010
Brunton Developers		-	-	0.80	0.80
Eden Investments		0.80	0.80	0.80	0.80
Silverline Estates		0.30	0.30	0.30	0.30
Prestige Hi-Tech Projects		0.90	0.90	0.90	0.40
Prestige Nottinghill Investments		0.70	0.70	0.70	0.70
Prestige Ozone Properties		-	-	-	-
Prestige Whitefield Developers		-	-	-	-
Prestige KRPL Techpark		9.30	9.30	9.30	9.30
RRR Investments (Joint control exists)		-	-	30.00	30.00
Prestige Interiors		0.10	0.10	0.10	0.10
Prestige Realty Ventures		2.00	2.00	2.00	2.00
Prestige Property Management & Services		9.70	9.70	9.70	9.70
Silver Oak Projects		0.10	0.10	0.10	0.10
Prestige Southcity Holdings		1.10	1.10	-	-
PSN Property Management & Services		5.00	-	-	-
TOTAL		**30.00**	**25.00**	**54.70**	**54.20**

Note 15e - Others

		As at September 30,	As at March 31,		
		2012	2012	2011	2010
Share Warrants					
Thomsun Realtors Private Limited		125.00	125.00	125.00	125.00
Valdel Xtent Outsourcing Solutions Private Limited		-	-	-	1.50
TOTAL		**125.00**	**125.00**	**125.00**	**126.50**

Note 15f - Other Investments

		As at September 30,		As at March 31,					
		2012		2012		2011		2010	
		Number	Value	Number	Value	Number	Value	Number	Value
Propmart Technologies Limited - equity shares of Rs. 10/- each *		335,000	5.00	335,000	5.00	335,000	5.00	335,000	5.00
Less : Diminution in the value of investments		-	-5.00	-	-5.00	-	-5.00	-	-5.00
			-		-		-		-
Amanath Co-operative Bank Limited *		-	0.30	-	0.30	-	0.30	-	0.30
Less : Diminution in the value of investments		-	-0.30	-	-0.30	-	-0.30	-	-0.30
			-		-		-		-
Thomsun Realtors Private Limited - equity shares of Rs.10/- each		-	-	-	-	-	-	100	-
Investment in trusts									
Educate India Foundation		-	0.40	-	0.40	-	0.40	-	0.40
Educate India Trust		-	0.40	-	0.40	-	0.40	-	0.20

		As at September 30,		As at March 31,					
		2012		2012		2011		2010	
		Number	Value	Number	Value	Number	Value	Number	Value
		-	-	-	-	-	-	-	-
Investment in Venture Capital Fund		-	-	-	-	-	-	-	-
Units in Urban Infrastructure Opportunities Fund		250	25.00	250	25.00	250	25.00	250	25.00
Investment in NSC		-	-	-	-	-	-	-	-
TOTAL			**25.80**		**25.80**		**25.80**		**25.60**

* Carried at cost less diminition in the value of Investments

15g. Aggregate amount of quoted investments

		As at September 30,		As at March 31,					
		2012		2012		2011		2010	
		Cost	Market Value	Cost	Market Value	Cost	Market Value	Cost	Market Value
Aggregate amount of quoted Investments		-	-	-	-	-	-	-	-

15h. Aggregate amount of unquoted Investments

		As at September 30,	As at March 31,		
		2012	2012	2011	2010
Aggregate amount of unquoted Investments		6,579.50	6,417.20	5,923.70	3,845.10

15i. Aggregate value of provision for dimunition in value of investments

		As at September 30,	As at March 31,		
		2012	2012	2011	2010
Aggregate value of provision for dimunution in value of investments		5.30	5.30	5.30	5.30

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Note 16 - Long-term loans and advances (Unsecured, considered good)

(Amount in Rs. Million)

		As at September 30,	As at March 31,		
		2012	2012	2011	2010
Capital advances		47.30	58.40	37.50	1.50
Security deposits		0.30	0.30	0.10	0.10
Lease deposits		124.40	41.80	58.20	58.20
Refundable deposits		4,235.60	3,098.10	2,133.70	402.30
Advance paid for purchase of shares		2,818.30	1,700.00	50.00	50.00
Advance Income Tax (Net of provisions)		70.00	72.50	46.00	170.90
Share application money		485.60	482.20	922.30	1,331.50
Debenture application money		64.60	121.90	-	-
TOTAL		**7,846.10**	**5,575.20**	**3,247.80**	**2,014.50**

Includes amounts paid to Related parties (Refer Annexure No - 38).

Note 17 - Other non-current assets

(Amount in Rs. Million)

		As at September 30,	As at March 31,		
		2012	2012	2011	2010
Cash & bank balances					
Fixed Deposits		2.80	61.90	99.40	1.30
Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments		127.50	194.20	139.10	103.40
TOTAL		**130.30**	**256.10**	**238.50**	**104.70**

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Note 18 - Current Investments

(Amount in Rs. Million)

		As at September 30,	As at March 31,		
		2012	2012	2011	2010
Equity Instruments Non Trade Investments (Quoted, At cost or market value whichever is lower, fully paid up)		0.40	0.40	0.40	0.40
Mutual Funds Non Trade Investments (Quoted, At cost or market value whichever is lower, fully paid up)		1,105.00	870.00	256.50	-
TOTAL		**1,105.40**	**870.40**	**256.90**	**0.40**

18a. Aggregate amount of quoted investments

		As at September 30,		As at March 31,					
		2012		2012		2011		2010	
		Cost	Market Value	Cost	Market Value	Cost	Market Value	Cost	Market Value
Aggregate amount of quoted Investments		0.40	1.90	0.40	1.70	0.40	1.70	0.40	1.10

18b. Aggregate amount of unquoted Investments

		As at September 30,	As at March 31,		
		2012	2012	2011	2010
Aggregate amount of unquoted Investments		1,105.00	870.00	256.50	Nil

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Note 19 - Inventories (Lower of cost or net realizable value)

(Amount in Rs. Million)

		As at September 30,	As at March 31,		
		2012	2012	2011	2010
Work in progress - Projects		12,962.30	9,805.50	6,595.40	7,617.80
Stock of units in completed projects					
Purchased		32.80	53.50	34.80	-
Others		1,895.80	2,145.10	2,014.10	273.60
TOTAL		**14,890.90**	**12,004.10**	**8,644.30**	**7,891.40**

Note 20 - Trade receivables
(Unsecured)

(Amount in Rs. Million)

		As at September 30,	As at March 31,		
		2012	2012	2011	2010
Trade receivables					
Outstanding for more than 6 months					
Considered good		2,771.10	4,121.70	571.40	508.80
Considered doubtful		4.50	4.50	4.50	-
Less : Provision for doubtful debts		(4.50)	(4.50)	(4.50)	-
Others					
Considered good		3,078.80	2,946.10	8,606.00	3,413.50
	A	**5,849.90**	**7,067.80**	**9,177.40**	**3,922.30**
Unbilled Revenue	B	1,782.00	1,245.40	936.00	25.20
TOTAL –A+B		**7,631.90**	**8,313.20**	**10,113.40**	**3,947.50**

Trade Receivables includes receivables from related parties (Refer Note. 38)

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Note 21 - Cash and Bank balances

(Amount in Rs. Million)

		As at September 30,	As at March 31,		
		2012	2012	2011	2010
Cash and cash equivalents					
Balances with banks					
- in current accounts		1,146.20	700.00	657.70	1,077.70
- in fixed deposits		156.60	-	2,152.50	-
Cheques, drafts on hand		-	125.00	12.50	-
Cash on hand		1.90	0.50	0.10	0.10
Other bank balances					
Fixed Deposits		209.70	276.60	17.70	31.50
Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments		319.90	71.50	33.10	147.10
TOTAL		**1,834.30**	**1,173.60**	**2,873.60**	**1,256.40**

Note 22 - Short-term loans and advances

(Amount in Rs. Million)

	Note	As at September 30,	As at March 31,		
		2012	2012	2011	2010
Unsecured, considered good					
Loans and advances to related parties	22a	4,765.90	5,387.70	3,600.80	2,402.50
Others	22b	1,853.00	1,146.20	1,218.80	1,915.80
TOTAL		**6,618.90**	**6,533.90**	**4,819.60**	**4,318.30**

Note 22a - Loans and advances to related parties (Refer Note - 38)

(Amount in Rs. Million)

	As at September 30,	As at March 31,		
	2012	2012	2011	2010
Current account in partnership firms	1,012.60	1,027.50	1,206.10	997.60
Inter corporate deposits	2,278.40	2,896.20	1,142.80	204.80
Advances for purchase of land	78.00	98.00	1.50	1.50
Lease Deposits	5.70	5.70	5.70	5.70
Other advances to related parties	1,391.20	1,360.30	1,244.70	1,192.90
TOTAL	**4,765.90**	**5,387.70**	**3,600.80**	**2,402.50**

Note 22b - Others

(Amount in Rs. Million)

	As at September 30,	As at March 31,		
	2012	2012	2011	2010
Advance paid for purchase of land	499.60	370.90	686.60	351.50
Advance VAT & Service Tax	783.10	259.60	77.20	1,082.00
Advance FBT	0.50	0.50	0.50	0.50
Refundable deposits	40.80	73.60	61.80	78.80
Prepaid expenses	18.80	9.20	6.90	8.80
Advance paid to staff	3.00	2.80	2.60	2.90
Inter corporate deposits	15.00	-	-	-
Lease Deposits	210.60	210.00	191.40	190.40
Other advances	281.60	219.60	191.80	200.90
TOTAL	**1,853.00**	**1,146.20**	**1,218.80**	**1,915.80**

Note 23 - Other current assets

(Amount in Rs. Million)

	As at September 30,	As at March 31,		
	2012	2012	2011	2010
Interest accrued but not due on deposits	489.70	324.40	158.00	77.60
TOTAL	**489.70**	**324.40**	**158.00**	**77.60**

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Note 24 - Revenue from Operations

(Amount in Rs. Million)

	Note	For the period ended September 30,	For the year ended March 31,		
		2012	2012	2011	2010
Sale of Real estate developments					
Residential and commercial projects		3,372.00	5,508.70	12,110.60	7,934.00
Sale of Services					
Facilities, rental and maintenance income	24 a	292.40	569.20	534.00	486.80
Property income	24 b	736.10	1,198.30	997.30	892.20
Other operating revenues		205.40	178.50	208.10	183.70
TOTAL		**4,605.90**	**7,454.70**	**13,850.00**	**9,496.70**

Note 24 a - Facilities, rental and maintenance income

(Amount in Rs. Million)

		For the period ended September 30,	For the year ended March 31,		
		2012	2012	2011	2010
Facility and hire charges		260.80	503.20	480.70	431.80
Parking charges		15.00	29.10	26.10	28.60
Signages, exhibition and other receipts		16.60	36.90	27.20	26.40
TOTAL		**292.40**	**569.20**	**534.00**	**486.80**

Note 24 b - Property Income

(Amount in Rs. Million)

		For the period ended September 30,	For the year ended March 31,		
		2012	2012	2011	2010
Rental income		68.80	128.30	81.90	70.00
Hire charges income		222.50	389.00	373.10	371.40
Sub lease rental income		415.50	606.50	508.00	419.70
Property maintenance income		0.10	0.30	1.90	6.70
Commission income		29.20	74.20	32.40	24.40
TOTAL		**736.10**	**1,198.30**	**997.30**	**892.20**

Note 25 - Other income

(Amount in Rs. Million)

		For the period ended September 30,	For the year ended March 31,		
		2012	2012	2011	2010
Interest income		287.50	369.90	298.00	70.20
Dividend Income					
Subsidiary companies		-	-	19.80	-
Others		72.80	2.10	14.70	4.70
Profit on sale of fixed assets		-	0.10	22.10	1.30
Share of profit from partnership firms (Net)		84.60	147.90	401.50	349.60
Provision no longer required written back		-	-	5.10	-
Miscellaneous income		21.80	17.60	3.60	9.00
TOTAL		**466.70**	**537.60**	**764.80**	**434.80**

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Note 26 - Cost of sale on projects and purchase of stock of units

(Amount in Rs. Million)

		For the period ended September 30,	For the year ended March 31,		
		2012	2012	2011	2010
Opening units in completed projects / work in progress projects		12,004.10	8,644.30	7,891.40	7,137.10
Add: Cost of residential and commercial projects		5,089.40	6,887.20	9,974.50	7,343.10
Less : Stock capitalized		-	108.50	5.00	281.40
Less : Closing units in completed projects / work in progress projects		14,890.90	12,004.10	8,644.30	7,891.40
TOTAL		**2,202.60**	**3,418.90**	**9,216.60**	**6,307.40**
Includes					
Purchases of Stock of units		57.40	53.50	34.80	-

Note 27 - Property and facilities operating expenses

(Amount in Rs. Million)

		For the period ended September 30,	For the year ended March 31,		
		2012	2012	2011	2010
Property expenses					
Sub lease rent		379.60	555.90	462.00	371.70
Property tax and other expenses		0.90	2.30	5.50	10.10
Facilities operating expenses					
Facilities management expenses		15.20	27.70	30.30	16.20
Security charges for parking		1.20	1.90	1.70	1.40
Electricity and other expenses for parking		1.60	1.60	2.20	2.70
Sub lease rental - Malls		6.50	16.10	13.20	14.40
Property tax - Malls		12.80	26.80	28.00	22.00
Signages, insurance and other expenses		1.60	3.40	4.30	5.30
TOTAL		**419.40**	**635.70**	**547.20**	**443.80**

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Note 28 - Employee benefits expense

(Amount in Rs. Million)

	Note	For the period ended September 30,	For the year ended March 31,		
		2012	2012	2011	2010
Salaries & wages		276.50	407.20	350.30	278.70
Contribution to provident & other funds	28 a	21.80	34.80	31.50	16.60
Staff welfare expenses		12.80	14.40	8.80	8.10
TOTAL		**311.10**	**456.40**	**390.60**	**303.40**

28 a. The details of employee benefits as required under Accounting Standard 15 Employee Benefits (revised) is given below:

(i) Defined Contribution Plan : During the year, the Company has recognized the following amounts in the Profit and Loss Statement -

(Amount in Rs. Million)

		For the period ended September 30,	For the year ended March 31,		
		2012	2012	2011	2010
Employers' Contribution to Provident Fund & Employee State Insurance		14.80	25.10	19.50	16.50
TOTAL		**14.80**	**25.10**	**19.50**	**16.50**

(ii) Defined Benefit Plan : In accordance with Accounting Standard 15 actuarial valuation based on projected unit credit method has been carried out in respect of the aforesaid defined benefit plan of Gratuity, the details thereon is given below:

(Amount in Rs. Million)

	For the period ended September 30,	For the year ended March 31,		
	2012	**2012**	**2011**	**2010**
Components of employer expense				
Current Service cost	2.50	5.20	3.80	2.70
Interest cost	1.40	2.10	1.60	1.30
Expected return on plan assets	(0.60)	(1.00)	(0.90)	(1.80)
Past Service Cost - Vested/Non Vested Benefit	-	0.10	6.90	-
Actuarial Losses/(Gains)	3.60	3.30	0.50	-2.20
Total expense/(income) recognized in the Statement of Profit & Loss	**6.90**	**9.70**	**11.90**	**-**
Change in Fair Value of Assets during the period ended				
Opening Fair Value of Plan Assets	13.50	13.60	10.50	9.20
Expected return on plan assets	0.60	1.00	0.90	1.80
Actuarial gains/(losses)	(0.60)	0.20	0.10	(0.20)
Contributions by Employer	4.10	4.50	4.70	0.10
Benefits paid	(1.30)	(5.80)	(2.60)	(0.40)
Closing Fair Value of Plan Assets	**16.30**	**13.50**	**13.60**	**10.50**
Change in Defined Benefit Obligation (DBO) during the period ended				
Present Value of DBO at the beginning of the period	33.40	28.30	18.00	16.70
Current service cost	2.50	5.20	3.80	2.70
Interest cost	1.40	2.10	1.60	1.30
Actuarial (gains)/losses	3.00	3.50	0.60	(2.30)
Past Service Cost - Vested/Non Vested Benefit	-	0.10	6.90	-
Benefits paid	(1.30)	(5.80)	(2.60)	(0.40)
Present value of DBO at the end of the period	**39.00**	**33.40**	**28.30**	**18.00**
Net asset/(liability) recognized in balance sheet				
Fair value of plan assets	16.40	13.50	13.60	10.50

	For the period ended September 30,	For the year ended March 31,		
	2012	2012	2011	2010
Present Value of Defined Benefit Obligation	(39.00)	(33.40)	(28.30)	(18.00)
Net asset/(liability) recognized in balance sheet	**(22.60)**	**(19.90)**	**(14.70)**	**(7.50)**
Actuarial Assumptions				
Discount Rate	8.25%	8.65%	8.25%	7.84%
Expected Return on plan assets	7.50%	7.50%	7.50%	7.50%
Rate of increase in compensation	7.00%	7.00%	7.00%	7.00%
Attrition rate	Table as under			
Retirement age	58 Years	58 years	58 years	58 years

Attrition rate	For the period ended September 30,	For the year ended March 31,		
	2012	2012	2011	2010
Upto 30	10%	10%	10%	20%
31-40	5%	5%	5%	
41-50	3%	3%	3%	
Above 50	2%	2%	2%	

Experience adjustment disclosure

Particulars	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Present Value of Defined Benefit Obligation	33.40	28.30	18.00	16.70	15.60
Fair Value of Plan Assets	(13.50)	(13.60)	(10.50)	(9.20)	(8.50)
Surplus/(Deficit) Recognized	19.90	1.50	0.80	0.80	0.70
The experience adjustments arising on					
Experience adjustment on Plan Liabilities	(4.70)	1.80	(6.90)	1.30	1.90
Experience adjustment on Plan Assets	0.20	0.10	(0.20)	-	-

Note:
(i) Details of Investment composition of plan assets has not been provided by the fund managers and hence not given.

(ii) The estimates of future salary increases considered in actuarial valuation take account of inflation, Seniority, promotion and other relevant factors such as supply and demand factors in the employment market.
(iii) Estimated amount of Gratuity obligation over the next one year is Rs. 2/- Millions.

(iii) Other Employee Benefits – Leave Encashment
Leave salary benefit expensed in the Profit & Loss Statement for the year and outstanding towards leave salary is as follows:

Attrition rate		For the period ended September 30,	For the year ended March 31,		
		2012	2012	2011	2010
Leave salary benefit expensed in the Statement of Profit and Loss		4.90	4.60	1.00	1.70
Outstanding towards leave salary		18.20	14.00	11.60	11.96

Note 29 - Finance costs

(Amount in Rs. Million)

		For the period ended September 30,	For the year ended March 31,		
		2012	2012	2011	2010
Interest expense		897.50	1,436.00	1,695.10	1,331.90
Other borrowing costs		44.00	98.40	63.40	278.70
Others		2.80	15.50	12.10	1.20
Total		**944.30**	**1,549.90**	**1,770.60**	**1,611.80**
Less: Borrowing cost capitalised to assets including CWIP		139.30	130.70	138.80	33.50
Less: Borrowing cost apportioned to projects		374.50	654.10	844.60	917.50
Finance costs charged to Statement of Profit & Loss		**430.50**	**765.10**	**787.20**	**660.80**

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Note 30 - Other expenses

(Amount in Rs. Million)

	For the period ended September 30,	For the year ended March 31,		
	2012	2012	2011	2010
Selling Expenses				
Advertisement and sponsorship fee	82.90	289.30	230.90	50.00
Travelling expenses	9.00	20.10	8.50	5.20
Retainer fee - advertisement	1.40	2.30	1.80	2.00
Commission	24.40	24.80	38.00	33.10
Business promotion	15.10	32.20	21.60	13.30
Repairs and maintenance				
Building	6.70	16.90	15.90	7.60
Fitout expenses	2.70	4.30	1.50	0.70
Plant & Machinery and Computers	1.20	2.40	1.70	1.80
Vehicles	7.40	24.90	16.30	14.30
Power and fuel	3.70	5.90	5.30	4.90
Rent	21.00	32.60	23.20	22.30
Insurance	3.50	4.30	3.90	3.40
Rates and taxes	1.50	4.60	1.60	1.10
Legal and professional charges	11.30	23.00	13.10	26.40
Auditor's remuneration	2.50	5.00	4.90	2.70
Director's remuneration	25.50	50.00	48.00	51.90
Director's Sitting Fees	0.10	0.30	0.20	0.10
Donations	4.00	6.30	6.50	4.80
Loss on sale of fixed assets	0.10	7.00	-	-
Loss on sale of Investments	-	-	-	4.70
Membership & subscription	0.20	0.60	0.90	0.20
Postage & courier	1.40	2.50	1.10	0.70
Telephone expenses	3.70	5.70	4.50	4.40
Printing and stationery	5.10	7.00	3.00	2.10
Foreign Exchange Loss	6.20	-	-	-
Miscellaneous expenses	3.60	3.00	5.00	2.00
TOTAL	**244.20**	**575.00**	**457.40**	**259.70**

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Note 31 - Contingent Liabilities and commitments (to the extent not provided for)

(Amount in Rs. Million)

		As at September 30,	As at March 31,		
		2012	2012	2011	2010
1. Claims against Company not acknowledged as debts					
a. Disputed Value Added Tax		12.40	12.40	12.40	12.40
b. Disputed Service Tax		7.50	7.50	7.50	7.50
2. Bank guarantees					
a. Performance Guarantee *		864.00	692.70	436.90	311.80
b. Financial Guarantee		-	-	-	18.50
3. Corporate guarantees given on behalf of Subsidiaries, Joint Ventures & Associates (The amount represents closing balance of credit facility in the books of the respective entities against which corporate guarantee is given)		13,356.30	11,447.50	7,476.60	5,424.00
4. Capital commitments (Net of advances)		440.40	416.80	563.80	21.20

(Amount in Rs. Million)

		As at September 30,	As at March 31,		
		2012	2012	2011	2010
* Includes guarantees towards obligation for earnings in foreign curreny outstanding to be met by 2021 - 22 as under :		23.50	23.00	22.10	15.00
Obligation for earnings in foreign curreny outstanding to be met by 2021 - 22		188.40	183.90	176.80	123.20

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Note 32 - Operating Lease

a) The Company has taken and given residential and commercial spaces under operating lease basis which include leases that are renewable on a yearly basis, cancellable at the Company's option and other long term leases.

b) **Rs in Millions**

	For the period ended September 30,	For the year ended March 31,		
	2012	2012	2011	2010
The rental and hire charges income from operating leases included in the statement of profit & loss for the year is:	956.70	1,598.60	1,423.00	1,278.40

c) **Rs in Millions**

	For the period ended September 30,	For the year ended March 31,		
	2012	2012	2011	2010
Rental expense for operating leases included in the statement of profit & loss for the year is:	407.10	604.60	498.50	408.40

d) The future minimum lease rentals payable and receivable towards non-cancellable operating leases are:

Rs in Millions

Particulars	As at	Less than 1 Year	> 1 to 5 yrs	> 5 yrs
As Lessors				
Rental receipts	30.09.2012	162.40	123.20	-
	31.03.2012	226.10	297.90	-
	31.03.2011	195.90	195.90	-
	31.03.2010	222.50	316.20	4.10
Hire Charges	30.09.2012	108.70	184.70	-
	31.03.2012	104.70	86.30	-
	31.03.2011	67.90	79.00	-
	31.03.2010	157.90	55.40	-
Sublease Receipts	30.09.2012	469.70	663.00	-
	31.03.2012	309.50	256.40	-
	31.03.2011	170.20	200.60	-
	31.03.2010	195.00	71.20	-

As Lessee				
Rental payments	30.09.2012	33.70	117.20	39.40
	31.03.2012	315.40	380.50	52.70
	31.03.2011	185.70	296.90	106.70
	31.03.2010	194.10	144.40	129.20
Sublease Payments	30.09.2012	499.60	631.60	10.50
	31.03.2012	-	-	-
	31.03.2011	-	-	-
	31.03.2010	-	-	-

Note 33 - Earnings per share (EPS), as restated

(Amount in Rs. Million)

		For the period ended September 30,	For the year ended March 31,		
		2012	**2012**	**2011**	**2010**
Net profit for the period (Rs. In Millions)		949.70	1,290.50	2,035.80	1,416.90
Weighted average number of equity shares					
Basic (in Numbers)		328,073,770	328,073,770	291,603,975	262,500,000
Diluted (in Numbers)		328,073,770	328,073,770	291,603,975	262,500,000
Nominal value of shares (in Rupees)		10	10	10	10
Earning per share (in Rupees)*					
Basic		2.89	3.93	6.98	5.40
Diluted		2.89	3.93	6.98	5.40

* Basic and diluted EPS for the period ended September 30, 2012 is not annualized.

Note 34 - Segmental Information

The company operates within a single business segment which constitutes real estate development and letting out of developed properties. The Company operates only in India and hence there is no other geographical segment. Hence the disclosure of segment information as per Accounting Standard-17 is not applicable.

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Note 35 - Disclosure on foreign currency exposures

Foreign currency exposures as at 31 March 2012 that have not been hedged by a derivative instruments or otherwise:

(Amount in Rs. Million)

		For the period ended September 30,		For the year ended March 31,					
		2012		2012		2011		2010	
		Amount (Rs.)	Amount (US $)	Amount (Rs.)	Amount (US $)	Amount (Rs.)	Amount (US $)	Amount (Rs.)	Amount (US $)
Due to:									
Creditors		-	-	1.30	-	3.90	0.10	-	-
Secured Loans		199.00	3.80	-	-	-	-	-	-

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Note 36 - The Company has 50% interest in Partnership firm M/s. RRR Investments (RRR) (upto March 31, 2012), CapitaLand Retail Prestige Mall Management Private Limited (CRPM), Prestige Garden Resorts Private Limited (PGRPL) Vijaya Productions Pvt Ltd (VPPL) (w.e.f December 12, 2011) and Sai Chakra Hotels Private Limited (SCHPL) (w.e.f. September 3, 2012) in India, which has been considered as Joint Ventures. The Company's share of the assets, liabilities, income and expenses is as below :

(Amount in Rs. Million)

Particulars	**As at/ Year ended**	**RRR***	**CRPM**	**PGRPL**	**VPPL**	**SCHPL**
Non-current Assets						
Fixed Assets (including CWIP)	30.09.12	-	0.40	17.40	1,426.30	320.40
	31.03.12	-	0.50	17.50	1,197.90	-
	31.03.11	123.40	2.50	17.70	-	-
	31.03.10	-	5.20	18.50	-	-
Long-term Loan & Advances	30.09.12	-	0.80	-	77.90	-
	31.03.12	-	-	-	63.90	-
	31.03.11	-	0.50	-	-	-
	31.03.10	-	-	-	-	-
Other non-current assets	30.09.12	-	-	-	-	-
	31.03.12	-	-	-	-	-
	31.03.11	-	-	-	-	-
	31.03.10	-	1.20	-	-	-
Current Assets						
Trade Receivables	30.09.12	-	2.30	-	-	-
	31.03.12	-	-	-	-	-
	31.03.11	-	0.90	-	-	-
	31.03.10	-	0.50	-	-	-
Cash and bank balances	30.09.12	-	4.96	1.21	72.20	11.20
	31.03.12	-	5.00	35.90	184.90	-
	31.03.11	0.20	1.30	-	-	-
	31.03.10	0.70	0.90	-	-	-

Short-term loans & advances	30.09.12	-	0.70	27.90	-	1.50
	31.03.12	-	1.70	5.40	-	-
	31.03.11	-	1.10	-	-	-
	31.03.10	-	1.30	-	-	-
Inventories	30.09.12	-	-	-	-	-
	31.03.12	-	-	-	-	-
	31.03.11	-	-	-	-	-
	31.03.10	101.80	-	-	-	-
Other Current assets	30.09.12	-	-	23.40	1.70	-
	31.03.12	-	-	22.50	0.40	-
	31.03.11	-	-	20.30	-	-
	31.03.10	-	-	17.80	-	-
Total	**30.09.12**	**-**	**9.16**	**69.91**	**1,578.10**	**333.10**
	31.03.12	**-**	**7.20**	**81.30**	**1,447.10**	**-**
	31.03.11	**123.60**	**6.30**	**38.00**	**-**	**-**
	31.03.10	**102.50**	**9.10**	**36.30**	**-**	**-**
Non-current Liabilities						
Long-term borrowings	30.09.12	-	-	-	602.30	-
	31.03.12	-	-	-	-	-
	31.03.11	-	-	-	-	-
	31.03.10	-	-	-	-	-
Other long-term liabilities	30.09.12	-	0.03	-	30.50	
	31.03.12	-	-	-	16.80	
	31.03.11	-	-	-	-	
	31.03.10	-	-	-	-	
Long-term provisions	30.09.12	-	-	-	-	
	31.03.12	-	-	-	-	
	31.03.11	-	-	-	-	
	31.03.10	-	-	-	-	

Current Liabilities						
Short-term borrowings	30.09.12	-	-	-	50.00	313.00
	31.03.12	-	-	-	-	-
	31.03.11	-	-	5.70	-	-
	31.03.10	-	-	5.70	-	-
Trade Payables	30.09.12	-	-	1.00	-	2.20
	31.03.12	-	-	1.80	47.80	-
	31.03.11	2.80	-	-	-	-
	31.03.10	5.70	1.80	2.20	-	-
Other current liabilities	30.09.12	-	0.20	-	214.40	16.00
	31.03.12	-	0.20	-	80.50	-
	31.03.11	-	0.20	5.00	-	-
	31.03.10	-	-	1.30	-	-
Short-term provisions	30.09.12	-	-	0.02	0.10	-
	31.03.12	-	-	11.50	-	-
	31.03.11	1.90	-	-	-	-
	31.03.10	-	-	-	-	-
Total	30.09.12	-	**0.23**	**1.02**	**897.30**	**330.20**
	31.03.12	-	**0.20**	**13.30**	**775.00**	-
	31.03.11	**4.70**	**0.20**	**10.70**	-	-
	31.03.10	**5.70**	**1.80**	**9.20**	-	-
Income	30.09.12	-	2.40	1.20	-	-
	31.03.12	-	4.60	52.40	1.10	-
	31.03.11	-	4.10	-	-	-
	31.03.10	-	0.50	-	-	-
Expenses	30.09.12	-	1.10	-	6.30	-
	31.03.12	-	2.90	11.50	9.60	-
	31.03.11	-	5.30	-	-	-
	31.03.10	-	13.60	-	-	-

Contingent Liabilities	30.09.12	-	-	140.60	-	-
	31.03.12	-	-	234.40	-	-
	31.03.11	-	-	375.00	-	-
	31.03.10	-	-	-	-	-
Capital Commitments	30.09.12	-	-	-	-	-
	31.03.12	-	-	-	213.60	-
	31.03.11	-	-	-	-	-
	31.03.10	-	-	-	-	-

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Note 37 - List of related parties

A. Subsidiary companies

Prestige Leisure Resorts Private Limited
ICBI (India) Private Limited
Prestige Valley View Estates Private Limited
Prestige Bidadi Holdings Private Limited
Village-De-Nandi Private Limited
Pennar Hotels & Resorts Private Limited
Down Hills Holiday Resorts Private Limited
Foothills Resorts Private Limited
Prestige Construction Ventures Private Limited
Prestige Mangalore Retail Ventures Private Limited
Prestige Mysore Retail Ventures Private Limited
Prestige Whitefield Investment & Developers Private Limited
Valdel Xtent Outsourcing Solutions Private Limited
K2K Infrastructure (India) Private Limited *(formerly known as Team United Engineers (India) Private Limited)*
Prestige Shantiniketan Leisures Private Limited
Northland Holding Company Private Limited
West Palm Developments Private Limited
Cessna Garden Developers Private Limited (w.e.f 12th April 2010)
Villaland Developers Private Limited (w.e.f 31st August 2010)
Prestige Amusements Private Limited (w.e.f 31st March, 2012)

B. Other parties

(i) Associate companies where there is significant influence:

Prestige Amusements Private Limited (Upto 30th March 2012)
Prestige Garden Constructions Private Limited
Babji Realtors Private Limited
City Properties Maintenance Company Bangalore Limited
Prestige Projects Private Limited
CapitaLand Retail Prestige Mall Management Private Limited (Joint venture w.e.f 1st January 2010)

(ii) Joint Ventures of the Company (JV)

Prestige Garden Resorts Private Limited
CapitaLand Retail Prestige Mall Management Private Limited (Joint venture w.e.f 1st January 2010)
Exora Business Parks Private Limited (subsidiary upto 30th December 2010)
Vijaya Producations Private Limited (Joint Venture w.e.f 12th December 2011)
Sai Chakra Hotels Private Limited (Joint venture w.e.f 3rd September 2012)

(iii) Company in which the directors are interested

Thomsun Realtors Private Limited
Prestige Fashions Private Limited
Dollar Constructions & Engineers Private Limited
Prestige Home Finance Limited (Dissolved on 25th February 2011)
Prestige Garden Estates Private Limited
Prestige Golf Resorts Private Limited
Kandid Marketing Services Private Limited (Dissolved on 16th March 2011)

(iv) Associates, Partnership firms and Trusts in which some of the directors and relatives are interested:

Brunton Developers (Upto 1st Sept 2011)
Castlewood Investments
Colonial Estates
Educate India Foundation
Educate India Trust
Prestige Hi-Tech Projects *(formerly known as Hi-Tech Properties)*
Prestige Constructions
Prestige Property Management and Services
Prestige Whitefield Developers
Prestige Notting Hill Investments
Morph
Eden Investments
Prestige Ozone Properties
RRR Investments (Joint Venture upto March 31st, 2012)
Sublime
Prestige KRPL Techpark
Prestige Realty Ventures
Window Care
Morph Design Company
Albert Properties
Prestige Interiors
Silveroak Projects
Silverline Estates
Nebulla Investments
Prestige Southcity Holdings
Spring Green
Prestige Cuisine
The Good Food Co.

C (i) Key management personnel:

Irfan Razack, Managing Director
Rezwan Razack, Joint Managing Director
Noaman Razack, Director

(ii) Relative of key management personnel:

Badrunissa Irfan
Almas Rezwan
Sameera Noaman
Faiz Rezwan
Uzma Irfan
Mohammed Zaid Sadiq
Rabia Razack
Anjum Jung
Omer Bin Jung
Matheen Irfan
Sana Rezwan
Danya Noaman
Zayd Noaman

Note: The related party relationships are as identified by management which has been relied upon by the auditors.

Details of related party transactions and balances outstanding are given in Annexure - 38

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Note 38 - Related Party Transactions and balances

(Amount in Rs. Million)

		For the period ended September 30,	For the year ended March 31,		
		2012	2012	2011	2010
Share Capital (Bonus Equity Shares Issued)					
Key Management Personnel & their relative		-	-	-	250.00
TOTAL		**-**	**-**	**-**	**250.00**
Share of Revaluation reserves from firms					
Associates, JVs and Companies, firms & trusts in which the directors are interested.		-	-	1,104.40	-
TOTAL		**-**	**-**	**1,104.40**	**-**
Share/Debentures Application Received					
Subsidiaries			-	-	20.00
TOTAL		**-**	**-**	**-**	**20.00**
Share/Debentures Application Returned					
Subsidiaries			-	-	20.00
TOTAL		**-**	**-**	**-**	**20.00**
Intercorporate Deposits taken					
Subsidiaries		-	-	170.00	30.00
Associates, JVs and Companies, firms & trusts in which the directors are interested.		75.00	70.50	8.00	17.50
TOTAL		**75.00**	**70.50**	**178.00**	**47.50**
Repayment of Intercoporate Deposits taken					
Subsidiaries		-	-	170.10	149.00
Associates, JVs and Companies, firms & trusts in which the directors are interested.		65.50	9.00	46.70	8.20
TOTAL		**65.50**	**9.00**	**216.80**	**157.20**
Unsecured Loans Taken					
Associates, JVs and Companies, firms & trusts in which the directors are interested.		1.70	1.10	10.80	8.90
Key Management Personnel & their relative		-	14.00	16.50	262.50
TOTAL		**1.70**	**15.10**	**27.30**	**271.40**
Unsecured Loans taken repaid					
Associates, JVs and Companies, firms & trusts in which the directors are interested.		42.30	-	57.00	18.80
Key Management Personnel & their relative		-	130.30	117.90	107.90
TOTAL		**42.30**	**130.30**	**174.90**	**126.70**

		For the period ended September 30,	For the year ended March 31,		
		2012	2012	2011	2010
Advances Received					
Subsidiaries		6.40	51.60	-	415.60
Associates, JVs and Companies, firms & trusts in which the directors are interested.		-	210.00	-	750.00
Key Management Personnel & their relative		108.00	80.00	583.90	483.40
TOTAL		**114.40**	**341.60**	**583.90**	**1,649.00**
Advances Repaid					
Subsidiaries		6.00	4.60	-	387.50
Associates, JVs and Companies, firms & trusts in which the directors are interested.		-	25.00	197.30	834.00
Key Management Personnel & their relative		-	583.90	-	2.30
TOTAL		**6.00**	**613.50**	**197.30**	**1,223.80**
Lease Deposits taken					
Subsidiaries		-	0.50	-	0.10
Associates, JVs and Companies, firms & trusts in which the directors are interested.		-	0.30	-	1.40
TOTAL		**-**	**0.80**	**-**	**1.49**
Intercorporate Deposits given					
Subsidiaries		300.00	2,530.50	2,414.50	206.50
Associates, JVs and Companies, firms & trusts in which the directors are interested.		-	22.50	107.00	252.60
TOTAL		**300.00**	**2,553.00**	**2,521.50**	**459.10**
Intercorporate Deposits given recovered					
Subsidiaries		917.80	665.60	1,576.50	82.30
Associates, JVs and Companies, firms & trusts in which the directors are interested.		-	134.00	7.00	784.50
TOTAL		**917.80**	**799.60**	**1,583.50**	**866.80**
Loans & Advances given					
Subsidiaries		238.80	125.60	332.10	270.40
Associates, JVs and Companies, firms & trusts in which the directors are interested.		47.10	392.20	1,911.30	1,355.80
Key Management Personnel & their relative		-	67.70	-	91.50
TOTAL		**285.90**	**585.50**	**2,243.40**	**1,717.70**
Loans & Advances given recovered					
Subsidiaries		78.30	11.30	83.40	225.90
Key Management Personnel & their relative		34.10	453.60	1,585.50	950.00
TOTAL		**112.40**	**464.90**	**1,668.90**	**1,175.90**

Share/Debentures Application money given					
Subsidiaries		223.80	402.40	313.10	340.70
Associates, JVs and Companies, firms & trusts in which the directors are interested.		151.90	423.50	155.70	38.50
TOTAL		**375.70**	**825.90**	**468.80**	**379.20**
Share/Debentures Application money received back					
Subsidiaries		130.00	772.40	8.30	223.00
Associates, JVs and Companies, firms & trusts in which the directors are interested.		128.50	386.60	-	-
TOTAL		**258.50**	**1,159.00**	**8.30**	**223.00**
Investments made					
Subsidiaries		-	328.60	171.20	5.60
Associates, JVs and Companies, firms & trusts in which the directors are interested.		5.00	100.40	198.70	11.90
TOTAL		**5.00**	**429.00**	**369.90**	**17.50**
Shares alloted against application made earlier					
Subsidiaries		-	-	17.00	6.70
Associates, JVs and Companies, firms & trusts in which the directors are interested.		-	-	852.80	35.40
TOTAL		**-**	**-**	**869.80**	**42.10**
Debentures alloted against application made earlier					
Associates, JVs and Companies, firms & trusts in which the directors are interested.		156.20	-	-	68.60
TOTAL		**156.20**	**-**	**-**	**68.60**
Purchase of Investments					
Subsidiaries		-	94.40	-	21.50
Key Management Personnel & their relative		-	-	-	19.40
TOTAL		**-**	**94.40**	**-**	**40.90**
Sale/Redemption of Investments					
Associates, JVs and Companies, firms & trusts in which the directors are interested.		-	30.80	0.30	-
Key Management Personnel & their relative		-	-	-	1.10
TOTAL		**-**	**30.80**	**0.30**	**1.10**
Sale of land/Units/Fitouts					
Subsidiaries		5.20	421.70	909.70	-
Associates, JVs and Companies, firms & trusts in which the directors are interested.		-	27.50	18.90	112.90
Key Management Personnel & their relative		-	663.90	31.30	796.70
TOTAL		**5.20**	**1,113.10**	**959.90**	**909.60**
Management Contract					
Subsidiaries		119.10	55.80	75.80	10.00
Associates, JVs and Companies, firms & trusts in which the directors are interested.		50.00	75.30	93.60	131.70
TOTAL		**169.10**	**131.10**	**169.40**	**141.70**

Rent Income					
Subsidiaries		69.10	135.70	144.80	152.80
Associates, JVs and Companies, firms & trusts in which the directors are interested.		21.50	14.60	12.10	16.00
TOTAL		**90.60**	**150.30**	**156.90**	**168.80**
Interest Income					
Subsidiaries		211.40	220.00	97.40	13.20
Associates, JVs and Companies, firms & trusts in which the directors are interested.		0.40	4.00	6.00	47.30
TOTAL		**211.80**	**224.00**	**103.40**	**60.50**
Rendering of services					
Subsidiaries		0.40	0.90	-	-
Associates, JVs and Companies, firms & trusts in which the directors are interested.		6.00	-	24.60	24.00
Key Management Personnel & their relative		-	2.10	-	10.00
TOTAL		**6.40**	**3.00**	**24.60**	**34.00**
Share of Profit from Firms & Dividends from Companies					
Subsidiaries		-	-	19.80	-
Associates, JVs and Companies, firms & trusts in which the directors are interested.		84.50	154.60	402.10	356.00
TOTAL		**84.50**	**154.60**	**421.90**	**356.00**
Purchase of Goods					
Subsidiaries		120.30	187.00	228.90	240.30
Associates, JVs and Companies, firms & trusts in which the directors are interested.		70.80	208.80	89.60	57.40
TOTAL		**191.10**	**395.80**	**318.50**	**297.70**
Purchase of Land/Units/Property					
Associates, JVs and Companies, firms & trusts in which the directors are interested.		-	-	9.00	-
Key Management Personnel & their relative		-	-	-	118.60
TOTAL		-	-	**9.00**	**118.60**
Receiving of Services					
Subsidiaries		4.70	6.10	1.80	0.70
Associates, JVs and Companies, firms & trusts in which the directors are interested.		41.20	294.00	170.10	54.00
TOTAL		**45.90**	**300.10**	**171.90**	**54.70**
Interest Expenses					
Subsidiaries		1.70	-	7.60	0.10
Associates, JVs and Companies, firms & trusts in which the directors are interested.		6.90	18.10	17.30	18.30
TOTAL		**8.60**	**18.10**	**24.90**	**18.40**

Rental Expense					
Subsidiaries		15.80	8.40	7.10	13.00
Associates, JVs and Companies, firms & trusts in which the directors are interested.		5.70	14.40	8.10	-
Key Management Personnel & their relative		103.20	122.20	86.40	11.40
TOTAL		**124.70**	**145.00**	**101.60**	**24.40**
Remuneration Paid					
Key Management Personnel & their relative		26.40	51.30	49.20	52.40
TOTAL		**26.40**	**51.30**	**49.20**	**52.40**
Share of Loss					
Associates, JVs and Companies, firms & trusts in which the directors are interested.		0.10	6.60	0.60	1.60
TOTAL		**0.10**	**6.60**	**0.60**	**1.60**
Amounts outstanding as at Balance Sheet Date					
Amounts Due to					
Inter Corporate Deposit payable					
Subsidiaries		23.00	23.00	-	0.10
Associates, JVs and Companies, firms & trusts in which the directors are interested.		75.00	65.50	27.00	66.50
TOTAL		**98.00**	**88.50**	**27.00**	**66.61**
Interest accured but not due on Inter corporate deposits					
Subsidiaries		2.30	2.20	-	-
Associates, JVs and Companies, firms & trusts in which the directors are interested.		9.40	5.20	3.90	-
TOTAL		**11.70**	**7.40**	**3.90**	**-**
Unsecured Loans Other than ICD payable					
Associates, JVs and Companies, firms & trusts in which the directors are interested.		29.60	-	69.00	124.00
Key Management Personnel & their relative		-	2.40	118.70	219.90
TOTAL		**29.60**	**2.40**	**187.70**	**343.90**
Interest accured but not due on Unsecured loans other than ICD					
Associates, JVs and Companies, firms & trusts in which the directors are interested.		1.30	1.90	8.90	-
TOTAL		**1.30**	**1.90**	**8.90**	**-**
Trade Payables					
Subsidiaries		138.70	84.00	62.40	39.40
Associates, JVs and Companies, firms & trusts in which the directors are interested.		16.40	129.40	115.50	248.00
Key Management Personnel & their relative		7.70	7.70	54.70	45.90
TOTAL		**162.80**	**221.10**	**232.60**	**333.30**

Lease Deposits Received					
Subsidiaries		93.20	93.20	91.30	91.30
Associates, JVs and Companies, firms & trusts in which the directors are interested.		7.70	7.80	8.90	8.90
TOTAL		**100.90**	**101.00**	**100.20**	**100.20**
Advances Held					
Subsidiaries		47.50	47.10	379.70	661.60
Associates, JVs and Companies, firms & trusts in which the directors are interested.		11.30	221.20	25.00	222.50
Key Management Personnel & their relative		503.00	395.00	898.90	355.10
TOTAL		**561.80**	**663.30**	**1,303.60**	**1,239.20**
Amounts Due From					
Inter Corporate Deposit receivable					
Subsidiaries		2,273.80	2,891.60	1,026.60	166.20
Associates, JVs and Companies, firms & trusts in which the directors are interested.		4.70	4.70	116.20	113.50
TOTAL		**2,278.50**	**2,896.30**	**1,142.80**	**279.70**
Interest accrued but not due Inter Corporate Deposit given					
Subsidiaries		436.90	278.80	97.10	-
Associates, JVs and Companies, firms & trusts in which the directors are interested.		7.90	7.50	8.80	-
TOTAL		**444.80**	**286.30**	**105.90**	**-**
Lease Deposits given					
Subsidiaries		1.10	-	-	-
Key Management Personnel & their relative		5.50	5.50	5.50	5.70
TOTAL		**6.60**	**5.50**	**5.50**	**5.70**
Trade Receivables					
Subsidiaries		275.20	77.00	956.00	120.80
Associates, JVs and Companies, firms & trusts in which the directors are interested.		36.30	62.50	100.50	299.40
Key Management Personnel & their relative		2.80	249.10	9.90	35.10
TOTAL		**314.30**	**388.60**	**1,066.40**	**455.30**
Loans & Advances recoverable					
Subsidiaries		598.20	-	-	186.20
Associates, JVs and Companies, firms & trusts in which the directors are interested.		1,417.70	-	-	2,162.00
Key Management Personnel & their relative		67.70	-	-	-
TOTAL		**2,083.60**	**-**	**-**	**2,348.20**

Current account in partnership firms		**1,012.60**	**1,027.50**	**1,206.10**	-
Share Application Money					
Subsidiaries		81.20	81.20	-	369.40
Associates, JVs and Companies, firms & trusts in which the directors are interested.		404.40	386.10	408.00	109.30
TOTAL		**485.60**	**467.30**	**408.00**	**478.70**
Debenture Application Money					
Subsidiaries		59.50	63.10	-	0.30
Associates, JVs and Companies, firms & trusts in which the directors are interested.		5.10	58.80	-	-
TOTAL		**64.60**	**121.90**	**-**	**0.30**
Guarantees & Collaterals Provided					
Subsidiaries		1,552.40	1,711.10	1,649.70	724.50
Associates, JVs and Companies, firms & trusts in which the directors are interested.		677.00	4,675.60	2,580.60	1,828.40
TOTAL		**2,229.40**	**6,386.70**	**4,230.30**	**2,552.91**
Release of Guarantees & Collaterals provided					
Subsidiaries		217.60	697.90	1,736.30	40.70
Associates, JVs and Companies, firms & trusts in which the directors are interested.		102.90	1,717.90	785.50	137.40
TOTAL		**320.50**	**2,415.80**	**2,521.80**	**178.10**
Guarantees & Collaterals Received					
Subsidiaries		-	2,600.00	500.00	6,424.90
Associates, JVs and Companies, firms & trusts in which the directors are interested.		-	1,000.00	750.00	4,838.30
Key Management Personnel & their relative		8,016.20	8,330.30	4,975.30	23,413.50
TOTAL		**8,016.20**	**11,930.30**	**6,225.30**	**34,676.70**
Release in Guarantees & Collaterals received					
Subsidiaries		799.80	7,698.20	2,645.60	1,596.60
Associates, JVs and Companies, firms & trusts in which the directors are interested.		187.50	3,402.80	202.50	3,164.60
Key Management Personnel & their relative		3,653.80	25,367.20	12,837.10	2,824.00
TOTAL		**4,641.10**	**36,468.20**	**15,685.20**	**7,585.20**
Closing Balance as on March 31, 2012					
Guarantees & Collaterals Provided					
Subsidiaries		6,867.90	5,533.20	4,520.00	1,518.90
Associates, JVs and Companies, firms & trusts in which the directors are interested.		6,488.40	5,914.30	2,956.60	3,905.10
TOTAL		**13,356.30**	**11,447.50**	**7,476.60**	**5,424.00**

Guarantees & Collaterals Received					
Subsidiaries		3,317.70	4,117.50	9,215.30	7,372.00
Associates, JVs and Companies, firms & trusts in which the directors are interested.		1,281.30	1,468.80	3,871.50	6,599.00
Key Management Personnel & their relative		13,244.80	12,045.70	29,082.60	36,944.50
TOTAL		**17,843.80**	**17,632.00**	**42,169.40**	**50,915.50**

(A) Related party relationships are as identified by the Company on the basis of information available with them and accepted by the auditors

(B) The above amounts exclude reimbursement of expenses.

(C) No amount is / has been written off or written back during the year in respect of debts due from or to related parties.

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF PRESTIGE BIDADI HOLDINGS PRIVATE LIMITED

Report on the Condensed Financial Statements

We have audited the accompanying condensed financial statements of **PRESTIGE BIDADI HOLDINGS PRIVATE LIMITED** ("the Company"), which comprise the Condensed Balance Sheet as at September 30, 2012, the Condensed Statement of Profit and Loss for the half-year ended on that date, the Condensed Cash Flow Statement for the half-year ended on that date and the selected explanatory notes.

Management's Responsibility for the Condensed Financial Statements

The Company's Management is responsible for the preparation of these condensed financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Accounting Standard 25 (Interim Financial Reporting), as notified by the Companies (Accounting Standards) Rules, 2006 ("AS 25") and other accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the condensed financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the condensed financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the condensed financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entities internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the condensed financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid condensed financial statements give a true and fair view in conformity with AS 25 and the accounting principles generally accepted in India:

(a) in the case of the Condensed Balance Sheet, of the state of affairs of the Company as at September 30, 2012;

(b) in the case of the Condensed Statement of Profit and Loss, of the loss of the Company for the half-year ended on that date, and

(c) in the case of the Condensed Cash Flow Statement, of the cash flows of the Company for the half-year ended on that date.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 008072S)

V. Balaji
Partner
(Membership No. 203685)

BANGALORE,

Date: 09/01/2013

PRESTIGE BIDADI HOLDINGS PRIVATE LIMITED
CONDENSED BALANCE SHEET AS AT SEPTEMBER 30, 2012

Particulars	Note No.	As at 30 Sep 2012 Rs	As at 31 Mar 2012 Rs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	93,750,000	93,750,000
Reserves and surplus	3	245,787,245	265,027,551
		339,537,245	358,777,551
Non-current liabilities			
Long-term borrowings	4	519,203,000	519,203,000
		519,203,000	**519,203,000**
Current liabilities			
Short-term borrowings	5	254,572,200	254,572,200
Trade payables	6	99,185	182,565
Other current liabilities	7	34,358,527	17,117,362
		289,029,912	**271,872,127**
Total		**1,147,770,157**	**1,149,852,678**
ASSETS			
Current assets			
Inventories	8	1,132,272,210	1,132,272,210
Cash and Bank balances	9	15,492,432	17,580,468
Short-term loans and advances	10	5,515	-
		1,147,770,157	1,149,852,678
Total		**1,147,770,157**	**1,149,852,678**

See accompanying notes forming part of the Condensed Financial Statements 1 to 20

In terms of our report attached

for Deloitte Haskins & Sells **For and on behalf of the Board**

Chartered Accountants

V. Balaji **Almas Rezwan** **Uzma Irfan**

Partner Managing Director Director

Place: Bangalore

Date:09/01/2013

PRESTIGE BIDADI HOLDINGS PRIVATE LIMITED
CONDENSED STATEMENT OF PROFIT AND LOSS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2012

Particulars	Note No.	Half year ended September 30, 2012 Rs
Revenue from operations		-
Total Revenue		**-**
Expenses		
Finance Costs	11	19,145,225
Other Expenses	12	95,081
Total Expenses		**19,240,306**
Loss before tax		**(19,240,306)**
Tax expense:		
- Current tax		-
- Deferred tax charge/ (credit)		-
Loss after tax		**(19,240,306)**
Earnings per Equity Share (equity shares, par value Rs 10 each)		
- basic and diluted	17	(2.05)
Weighted average number of equity shares considered for computing earnings per share		9,375,000

See accompanying notes forming part of the Condensed Financial Statements 1 to 20

In terms of our report attached

for Deloitte Haskins & Sells **For and on behalf of the Board**

Chartered Accountants

V. Balaji **Almas Rezwan** **Uzma Irfan**
Partner Managing Director Director

Place: Bangalore
Date: 09/01/2013

PRESTIGE BIDADI HOLDINGS PRIVATE LIMITED
CONDENSED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2012

Particulars	Note No.	Half year ended September 30, 2012 Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before taxation		**(19,240,306)**
Adjustments for non cash & non operating items:		
Finance Expenses		19,145,225
Operating profit before working capital changes		**(95,081)**
Adjustments for		
Increase / (Decrease) in Current/Non-current Liabilities		(72,917)
(Increase) / Decrease in Inventories		-
(Increase) / Decrease in Short Term Loans & Advances		(5,515)
Cash generated from operations		**(173,513)**
Income tax refund / (payment)		-
Net Cash from operating activities - A		**(173,513)**
CASH FLOW FROM INVESTING ACTIVITIES		
Net Cash From / used in Investing Activities -B		**-**
CASH FLOW FROM FINANCING ACTIVITIES		
Finance Expenses		(1,914,523)
Net Cash From / used in Financing Activities -C		**(1,914,523)**
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)		**(2,088,036)**
Cash & Cash equivalents opening balance		17,580,468
Cash & Cash equivalents closing balance		**15,492,432**

The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statement, issued under Companies (Accounting Standard) Rules, 2006.

See accompanying notes forming part of the Condensed Financial Statements 1 to 20

In terms of our report attached

for Deloitte Haskins & Sells
Chartered Accountants

V. Balaji
Partner
Place: Bangalore
Date: 09/01/2013

For and on behalf of the Board

Almas Rezwan
Managing Director

Uzma Irfan
Director

PRESTIGE BIDADI HOLDINGS PRIVATE LIMITED
NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

1 Significant accounting policies

1. Corporate Information

Prestige Bidadi Holdings Private Limited ("the Company") was incorporated on 5th January 2007. The registered office of the Company is in The Falcon House, No. 1 Main Guard Cross Road, Bangalore – 560 001, India. The Company is engaged in the business of real estate development.

2. Basis for preparation of financial statements

These interim condensed financial statements have been prepared under the historical cost convention on accrual basis and in accordance with the requirements of Accounting Standard 25 "Interim Financial Reporting" notified under the Companies (Accounting Standards) Rules, 2006. The accounting policies followed in the preparation of these financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended and as at March 31, 2012 and should be read in conjunction with those financial statements. The significant accounting policies are given in the following paragraphs. The Company has prepared these interim condensed unconsolidated financial statements for the first time at half year ended September 30, 2012. Accordingly, the corresponding figures for the half year ended September 30, 2011 are not available.

3. Use of Estimates

The preparation of the financial statements in conformity with the Indian GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of condensed financial statements and reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

4. Inventories

Work-in-progress are valued at cost or net realizable value, which ever is lower. Cost is aggregate of land cost, materials, contract works, direct expenses, provisions and apportioned borrowing cost and net of material scrap receipts and income earned on temporary deployment of funds.

5. Cash flow statement

Cash flow statement is prepared under the 'Indirect Method' Prescribed under Accounting Standard 3 'Cash Flow Statements' prescribed by the Companies (Accounting Standards) Rules, 2006.

6. Foreign Currency transactions

All transactions in foreign currency are recorded on the basis of the exchange rate prevailing as on the date of transaction. The difference, if any, on actual payment / realization is recorded to the statement profit & loss account. Monetary assets and liabilities denominated in foreign currency are restated at rates prevailing at the year-end. The net loss or gain arising out of such conversion is dealt with in the statement of profit & loss.

7. Borrowing Cost

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such asset. A qualifying asset is one that takes necessarily substantial period to get ready for its intended use. All other borrowing costs are charged to revenue.

8. Earning Per Share

The basic earning per share is computed by dividing the net profit / loss attributable to equity share holders for the period by the weighted average number of equity shares outstanding during the period.

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

9. Taxes On Income

Income tax comprise of the current tax provision under the tax payable method and the net change in the deferred tax asset or liability during the year.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of the assets and liabilities and their respective tax basis. Deferred tax assets are recognized subject to managements' judgment that realization is reasonably certain. Deferred Tax assets and liabilities are measured using enacted tax rates to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change.

10. Provisions and contingent liabilities

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

2 Share capital

Amount in Rs.

Particulars	As at 30 Sep 2012	As at 31 March 2012
Authorised capital		
10,000,000 (P.Y10,000,000) equity shares of Rs 10 each	100,000,000	100,000,000
Issued, subscribed and paid up capital		
9,375,000 (P.Y 9,375,000) Equity shares of Rs 10 each, fully paid up (for cash)	93,750,000	93,750,000
	93,750,000	**93,750,000**

Of the above 9,369,000 (P.Y 31.03.2012, 9,369,000) equity shares of Rs. 10 each are held by the holding company Prestige Estates Projects Limited (PEPL).

List of persons holding more than 5 percent shares in the Company

Name of the share holder	As at 30 Sep 2012 No of shares	% holding	As at 31 Mar 2012 No of shares	% holding
Equity Share Capital				
Prestige Estates Projects Limited	9,369,000	99.94%	9,369,000	99.94%
	9,369,000	99.94%	9,369,000	99.94%

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 30 Sep 2012 No of shares	Amount in Rs.	As at 31 Mar 2012 No of shares	Amount in Rs.
Equity Shares				
Number of shares at the beginning of the period	9,375,000	93,750,000	9,375,000	93,750,000
Number of shares issued during the period	-	-	-	-
Number of shares outstanding at the end of the period	**9,375,000**	**93,750,000**	**9,375,000**	**93,750,000**

The Company has only one class of equity shares with voting rights having par value of Rs. 10 each. The rights, preferences and restrictions attached to such equity shares is in accordance with the terms of issue of equity shares under the Companies Act, 1956 and the Articles of Association of the Company.

3 Reserves and surplus

Particulars	As at 30 Sep 2012	Amount in Rs. As at 31 Mar 2012
Securities Premium Reserve		
Opening balance	282,500,000	282,500,000
Add: Additions during the period	-	-
	282,500,000	**282,500,000**
Surplus in statement of profit and loss		
Opening balance	(17,472,449)	(2,735,349)
Add: Net loss for the period	(19,240,306)	(14,737,100)
	(36,712,755)	**(17,472,449)**
	245,787,245	**265,027,551**

4 Long-term borrowings

Particulars	Note No.	Amount in Rs. As at 30 Sep 2012	As at 31 Mar 2012
Debentures (Unsecured)		519,203,000	519,203,000
519,203 (P.Y 519,203) Zero Coupon Compulsorily Convertible Debentures (CCD) of Rs. 1,000/- each fully paid up	4a		
		519,203,000	**519,203,000**

4a (i) During the year 2010- 11 the holding company, Prestige Estates Projects Limited purchased all these debentures from Chamous Investments Limited on November 18, 2010. Subsequent to the purchase of debentures, the terms of the debentures were revised as follows:

-The coupon rate of interest was revised from 15% p.a to zero coupon w.e.f November 18, 2010.

- These Debentures shall be mandatorily and fully convertible into Equity Shares unless otherwise agreed to by the Board of Directors and the earliest date of conversion is 5 years from January 01, 2011.

Further the interest accrued upto the date of purchase was also waived by the holding company vide their letter dated November 18, 2010, taken on record by the Board of Directors in their meeting on November 18, 2010. Accordingly the interest accrued and payable upto November 18, 2010 amounting to Rs 230,570,199/- has been reversed by crediting the borrowing cost allocated to project Work-in-Progress during the year 2010 -11.

(ii) Terms of the issue of CCD's on revision as discussed above:

-Date of conversion:

No. of Debentures	Date of Issue	Conversion Date
219,203	18/8/2007	31/12/2015
300,000	20/02/2008	31/12/2015

-The CCD's are compulsorily convertible into equity shares.

-Each CCD shall carry a zero coupon rate of interest.

-The CCD's are convertible on or before the conversion date at a conversion price subject to the pricing guidelines under applicable laws prevailing at the time of conversion.

5 Short-term borrowings

Particulars	Note No.	As at 30 Sep 2012	As at 31 Mar 2012
			Amount in Rs.
Inter Corporate Deposits from related parties (unsecured)	5a	254,572,200	254,572,200
		254,572,200	**254,572,200**

5a The above loans and advances are repayable on demand

6 Trade Payables

Particulars	Note No.	As at 30 Sep 2012	As at 31 Mar 2012
			Amount in Rs.
Other than acceptances	18	99,185	182,565
		99,185	**182,565**

7 Other current liabilities

Particulars	As at 30 Sep 2012	As at 31 Mar 2012
		Amount in Rs.
Interest accrued but not due on borrowings	33,396,034	16,165,332
Other payables		
Statutory remittances	962,493	952,030
	34,358,527	**17,117,362**

8 Inventories (lower of cost or net realizable value)

Particulars	As at 30 Sep 2012	As at 31 Mar 2012
		Amount in Rs.
Work In Progress - projects	1,132,272,210	1,132,272,210
	1,132,272,210	**1,132,272,210**

9 Cash and Bank balances

Particulars	As at 30 Sep 2012	As at 31 Mar 2012
		Amount in Rs.
Cash and cash equivalents		
Balances with banks		
- in current accounts	15,492,432	17,580,468
	15,492,432	**17,580,468**

10 Short-term loans and advances

Particulars	As at 30 Sep 2012	As at 31 Mar 2012
		Amount in Rs.
Unsecured, considered good		
Others		
- Prepaid Expenses	5,515	-
	5,515	**-**

11 Finance Costs

Particulars	Half year ended September 30, 2012
	Amount in Rs.
Interest on Inter Corporate Deposit	19,145,225
	19,145,225

12 Other Expenses

Particulars	Half year ended September 30, 2012
	Amount in Rs.
Insurance	-
Rates and taxes	7,721
Auditors' Remuneration	87,360
	95,081

13 Contingent liabilities and capital commitments

Particulars	As at 30 Sep 2012	Amount in Rs. As at 31 Mar 2012
Contingent liabilities		
Claims against the Company not acknowledged as debts	-	-
Corporate guarantee/Equitable mortgage given on behalf of companies under the same management*	-	231,250,000
Capital commitment	-	-
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	-

*****The amount represents closing balance of credit facility in the books of the respective entity against which the corporate guarantee is given

14 There are no employees employed by the company and accordingly there are no employee costs and provision for employee benefits.

15 Income Taxes

The Company has not earned any taxable income during the current period and hence there is no provision for income taxes.
The timing differences relating mainly to unabsorbed brought forward and current year business losses for the year ended March 31, 2012, resulted in a deferred tax credit as per accounting standard 22 "Accounting for taxes on Income". As a prudent measure the deferred tax asset has not been recognized in the accounts.

16 Related party disclosure

(i) List of Related Parties and Relationships -

Relationship	Related Parties
Holding Company	Prestige Estates Projects Limited
Other Related parties with whom the Company had transactions : -	
Key Management Personnel	Mrs. Almas Rezwan, Director
	Ms. Fiaz Rezwan, Director
	Ms. Uzma Irfan, Director

(ii) Transactions with Related Parties during the period -

Transactions	Holding Company	Enterprise with significant influence	Companies under the same management	Key Management Personnel
Interest on Inter-corporate deposits received				
Prestige Estates Projects Limited	19,145,225	-	-	-

(iii) Balance Outstanding

Debentures issued				
Prestige Estates Projects Limited	519,203,000	-	-	-
	(519,203,000)	-	-	-
Inter corporate deposits received	519,203,000	-	-	-
Prestige Estates Projects Limited	254,572,200	-	-	-
	(254,572,200)	-	-	-
Interest accrued but not due on Inter Corporate Deposits				
Prestige Estates Projects Limited	33,396,034	-	-	-
	(16,165,332)	-	-	-
Equitable Mortgage of Land for Bank Guarantee taken by				
Prestige Estates Projects Limited	-	-	-	-
	(231,250,000)	-	-	-

a) Related party relationships are as identified by the company on the basis of information available with them and accepted by the auditors.

b) No amount is / has been written back during the year in respect of debts due from or to related party.

c) Reimbursement of actual expenses is not considered in the above disclosure.

d) Figures shown in brackets relates to outstanding balances as at March 31, 2012.

17 Earnings per share

Particulars	**Half year ended September 30, 2012**
a) Net profit/ (loss) for the year available to equity shareholders	(19,240,306)
b) Weighted average number of equity shares - Basic	9,375,000
c) Weighted Average number of equity shares-Diluted	9,375,000
d) Nominal Value of shares	10
e) Basic Earnings per Share	(2.05)
f) Diluted Earnings per Share	(2.05)

The effect of weighted average number of equity shares – Diluted, on the EPS being anti-dilutive, hence not considered in the calculation of Diluted EPS.

18 Segment Reporting

The operations of the company include acquiring, development and leasing of real estate properties constituting a single segment and restricted to one geographical area. Hence the disclosure of segment information as per Accounting standard 17 issued under Companies (Accounting Standard) Rules, 2006 is not applicable.

19 Based on an independent legal opinion, management is of the opinion that no securities/charges are required to be created in respect of Compulsorily Convertible Debentures issued by the Company.

20 Previous period figures have been regrouped/ reclassified wherever necessary to correspond to the current period classification/ disclosure.

Signatures to Notes 1 to 20

For and on behalf of the Board

Almas Rezwan	**Uzma Irfan**
Managing Director	Director

Place: Bangalore
Date: 09/01/2013

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF CESSNA GARDEN DEVELOPERS PRIVATE LIMITED

Report on the Condensed Financial Statements

We have audited the accompanying condensed financial statements of **CESSNA GARDEN DEVELOPERS PRIVATE LIMITED** ("the Company"), which comprise the Condensed Balance Sheet as at September 30, 2012, the Condensed Statement of Profit and Loss for the half year ended on that date, the Condensed Cash Flow Statement for the half-year ended on that date and the selected explanatory notes.

Management's Responsibility for the Condensed Financial Statements

The Company's Management is responsible for the preparation of these condensed financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Accounting Standard 25 (Interim Financial Reporting), as notified by the Companies (Accounting Standards) Rules, 2006 ("AS 25") and other accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the condensed financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the condensed financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the condensed financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the condensed financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid condensed financial statements give a true and fair view in conformity with AS 25 and the accounting principles generally accepted in India:

(a) in the case of the Condensed Balance Sheet, of the state of affairs of the Company as at September 30, 2012;

(b) in the case of the Condensed Statement of Profit and Loss, of the profit of the Company for the half-year ended on that date; and

(c) in the case of the Condensed Cash Flow Statement, of the cash flows of the Company for the half-year ended on that date.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 008072S)

V. Balaji
Partner
(Membership No. 203685)

BANGALORE
January 9, 2013

CESSNA GARDEN DEVELOPERS PRIVATE LIMITED
CONDENSED BALANCE SHEET AS AT 30TH SEPTEMBER 2012

Particulars	Note no.	As at 30 September 2012 Rs	As at 31 March 2012 Rs
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	39,999,970	39,999,970
(b) Reserves and surplus	4	(202,188,241)	(230,004,579)
		(162,188,271)	**(190,004,609)**
(2) Non-current liabilities			
(a) Long-term borrowings	5	4,249,559,304	3,914,188,277
(b) Deferred tax liability (net)	26 a	20,900	9,200
(c) Other long-term liabilities	6	497,510,118	500,852,387
		4,747,090,323	**4,415,049,864**
(3) Current liabilities			
(a) Short-term borrowings	7	1,053,452,244	1,048,452,244
(b) Other current liabilities	8	1,168,444,295	968,983,781
(c) Short-term provisions	9	251,207,863	219,433,877
		2,473,104,402	**2,236,869,902**
		7,058,006,454	**6,461,915,157**
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	4,726,055,248	4,835,593,628
(ii) Capital work-in-progress		1,769,007,248	1,080,043,958
		6,495,062,496	**5,915,637,586**
(b) Long-term loans and advances	11	394,191,770	244,754,747
		6,889,254,267	**6,160,392,333**
(2) Current assets			
(a) Trade receivables	12	-	11,035
(b) Cash and bank balances	13	75,003,140	185,292,026
(c) Short-term loans and advances	14	93,222,916	116,219,763
(d) Other current assets	15	526,131	-
		168,752,187	**301,522,824**
		7,058,006,454	**6,461,915,157**

See accompanying notes forming part of the Condensed Financial Statements 1 to 29

In terms of our report attached
for **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board

V. Balaji
Partner

Badrunissa Irfan
Director

Almas Rezwan
Director

Place: Bangalore

Date:09/01/2013

CESSNA GARDEN DEVELOPERS PRIVATE LIMITED
CONDENSED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 30TH SEPTEMBER 2012

Particulars	Note no.	Half year ended 30 Sep 2012 Rs.
(I) Revenue from operations		
Rental Income		421,892,423
(II) Other income	16	584,588
(III) Total Revenue		**422,477,011**
(IV) Expenses		
Finance Costs	17	252,185,457
Depreciation and amortization expense	10	109,538,379
Other Expenses	18	32,925,136
Total Expenses		**394,648,972**
(V) Profit before tax		**27,828,038**
(VI) Tax expense:		
(1) Current tax		7,095,060
(2) MAT Credit entitlement		(7,095,060)
(3) Deferred tax charge/ (credit)		11,700
(VII) Profit after tax		**27,816,338**
Earnings per share (equity shares, par value Rs 10 each)	25	
- basic and diluted (Not Annualised)		6.95

See accompanying notes forming part of the Condensed Financial Statements 1 to 29

In terms of our report attached
for **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board

V. Balaji — Partner
Badrunissa Irfan — Director
Almas Rezwan — Director

Place: Bangalore
Date:09/01/2013

CESSNA GARDEN DEVELOPERS PRIVATE LIMITED
CONDENSED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER 2012

Particulars	Note no.	Half Year Ended 30th September 2012 Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before taxation		27,828,038
Adjustments for non cash & non operating items:		
Depreciation		109,538,379
Financial Expenses		251,845,479
Interest on Fixed Deposits		(584,588)
Operating profit before working capital changes		**388,627,308**
Adjustments for		
Increase / (Decrease) in Current & Non-current Liabilities		8,852,012
Increase / (Decrease) in Short-term & Long-term Provisions		31,773,986
(Increase) / Decrease in Trade Receivables		11,036
(Increase) / Decrease in Short-term and Long-term Loans & Advances		15,901,787
Cash generated from operations		**445,166,129**
Income tax refund / (payment) - Net		(1,452,448)
Net Cash from operating activities - A		**443,713,681**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets		(766,576,355)
Interest received		58,457
Changes in other bank balances (Increase)/decrease		(6,515,000)
Net Cash From / used in Investing Activities -B		**(773,032,898)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings (Secured loans)		577,284,042
Repayment of borrowings (Secured loans)		(166,360,421)
Proceeds from/ (Repayment of) short term borrowings (Net)		5,000,000
Financial Expenses		(203,408,290)
Net Cash From / used in Financing Activities -C		**212,515,331**
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)		**(116,803,886)**
Cash & Cash equivalents opening balance		171,048,021
Cash & Cash equivalents closing balance		**54,244,135**

Reconciliation of Cash and cash equivalents with balance sheet		
Cash and bank balances as per Balance Sheet (31st March 2012-Rs. 185,292,026)	13	75,003,140
Less: Fixed Deposits & Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments (31st March 2012-14,244,005)		20,759,005
Cash and cash equivalents at the end of the year as per cash flow statement above (31st March 2012-171,048,021)		**54,244,135**

See accompanying notes forming part of the Financial Statements 1 to 29

In terms of our report attached

for **Deloitte Haskins & Sells** **For and on behalf of the Board**

Chartered Accountants

V. Balaji **Badrunissa Irfan** **Almas Rezwan**

Partner Director Director

Place: Bangalore

Date:09/01/2013

CESSNA GARDEN DEVELOPERS PRIVATE LIMITED
NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

1. Corporate Information

Cessna Garden Developers Private Limited ("the Company") was incorporated on September 12, 1995 as a company under the Companies Act, 1956 ("the Act"). The registered office of the Company is at The Falcon House, No. 1 Main Guard Cross Road, Bangalore – 560 001, India. The Company is engaged in the business of real estate developments.

2. Basis of preparation of interim condensed financial statement and significant accounting policies

1 Basis for preparation of financial statements

These interim condensed financial statements have been prepared under the historical cost convention on accrual basis and in accordance with the requirements of Accounting Standard 25 "Interim Financial Reporting" notified under the Companies (Accounting Standards) Rules, 2006, as amended. Also refer Note 19. The accounting policies followed in the preparation of these financial statements are consistent with those followed in the preparation of annual financial statements for the year ended and as at March 31, 2012 and should be read in conjunction with those financial statements. The significant accounting policies are given in the following paragraphs. The Company has prepared these interim condensed financial statements for the first time at half year ended September 30, 2012. Accordingly, the corresponding figures for the half year ended September 30, 2011 are not available.

2 Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

3 Revenue recognition

Rental income is recognized on accrual basis according to terms and conditions of rental agreements.

Interest earned on deposits is recognized on accrual basis.

4 Fixed Assets

Fixed assets are stated at cost, including expenses incurred to bring the asset to present condition. Any cost incurred relating to settlement of claims regarding titles to the properties is accounted for and capitalized as incurred, wherever the asset is held.

Capital Work in Progress is stated at cost, including expenses incurred and interest on borrowed money allocated to and utilized to bring the asset to present condition and includes capital advances.

5 Impairment Policy

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected

from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to 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 recognised in the statement of profit and loss.

Reversal of impairment losses recognised in prior years, if any, is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

6 **Depreciation**

Depreciation on Tangible Fixed assets is provided on the written down value method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956 except computers which are depreciated on a straight line basis over 3 years based on the management's estimate of their useful life.

Individual assets costing less than Rs.5,000/- are depreciated in full, in the year of acquisition.

7 **Borrowing cost**

Borrowing cost attributable to the acquisition or construction of a qualifying asset is capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

8 **Leases**

Leases, where the Company effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease rentals are recognized as income in the statement of profit and loss on a straight-line basis over the lease term.

9 **Taxation**

Income tax comprises the current tax provision under the tax payable method and the net change in the deferred tax asset or liability in the year.

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

Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences between the carrying values of the assets and liabilities and their respective tax bases. Deferred tax assets are recognized subject to managements' judgment that realization is reasonably certain. Deferred Tax assets and liabilities are measured using enacted tax rates to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change.

10 **Foreign Currency Transactions**

All transactions in foreign currency are recorded on the basis of the exchange rate prevailing as on the date of transaction. The difference, if any, on actual payment / realization is recorded to the statement of profit and loss. Monetary assets and liabilities denominated in foreign currency are restated at rates prevailing at the year-end. The net loss or gain arising out of such conversion is dealt with in the statement of profit and loss.

11 **Provisions and contingent liabilities**

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

12 **Earning Per Share**

The basic and diluted earning per share is computed by dividing the net profit / loss attributable to equity share holders for the period by the weighted average number of equity shares outstanding during the year.

13 **Cash flow statement**

Cash flow statement is prepared under the 'Indirect Method' Prescribed under Accounting Standard 3 'Cash Flow Statements' prescribed under the Companies (Accounting Standard) Rules, 2006.

CESSNA GARDEN DEVELOPERS PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

3 Share capital

Rs.

Particulars	As at 30 Sep 2012	As at 31 March 2012
Authorised capital		
4,000,000 (previous year 4,000,000) equity shares of Rs 10 each	40,000,000	40,000,000
Issued, subscribed and paid up capital		
3,999,997 (previous year 3,999,997) Equity shares of Rs 10 each, fully paid up (for cash)	39,999,970	39,999,970
	39,999,970	**39,999,970**

3.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 30 Sep 2012		As at 31 March 2012	
	No of shares	Amount	No of shares	Amount
Equity Shares				
Number of shares at the beginning of the period/ year	3,999,997	39,999,970	3,999,997	39,999,970
Number of shares issued during the period/ year	-	-		
Number of shares outstanding at the end of the period/ year	**3,999,997**	**39,999,970**	**3,999,997**	**39,999,970**

3.2 Details of shares held by the holding company

Prestige Estates Projects Limited, the holding company	2,399,998	60.00%	2,399,998	60.00%

3.3 List of persons holding more than 5 percent shares in the Company

Name of the share holder	As at 30 Sep 2012 No of shares held	As at 31 March 2012 No of shares held
Prestige Estates Projects Limited	2,399,998	2,399,998
Sumanth Kumar Reddy	999,999	999,999
Irfan Razack	300,000	300,000
	3,699,997	3,699,997

3.4 The Company has only one class of equity shares with voting rights having par value of Rs. 10 each. The rights, preferences and restrictions attached to such equity shares is in accordance with the terms of issue of equity shares under the Companies Act, 1956 and the Articles of Association of the Company.

4 Reserves and surplus

Rs.

Particulars	As at 30 Sep 2012	As at 31 March 2012
Securities Premium Account		
Opening balance	125,042,317	125,042,317
Add: Additions during the period/ year	-	-
Closing Balance	**125,042,317**	**125,042,317**
Deficit in Statement of Profit and Loss		
Opening Balance	(355,046,896)	(284,137,920)
Add: Profit/ (Loss) for the period/ year	27,816,338	(70,908,976)
Closing Balance	**(327,230,558)**	**(355,046,896)**
	(202,188,241)	**(230,004,579)**

5 Long-term borrowings

Rs.

Particulars	Note no.	As at 30 Sep 2012	As at 31 March 2012
Secured:			
Term loans			
- From banks	5a	2,762,434,510	2,030,833,314
- From financial institutions	5a	1,487,124,794	1,883,354,963
		4,249,559,304	**3,914,188,277**

5a Details of securities and repayment terms

a) Project Loans

Secured by:
1. Mortgage of underlying Immovable Property

Other details-
1. Personal Guarantee of relatives of all directors
2. Corporate Guarantee of M/s. Prestige Estates Projects Limited

Repayment terms
1. Repayable in 26 quarterly installments commencing from April 2014
Interest rates: 12.00% - 15.00% per annum

b) Lease Rental Discounting Loans

Secured by:

1. Mortgage of underlying Immovable Property

2. Assignment of rent receipts

Other details-

1. Personal Gurarantee of relatives of all Directors
2. Corporate Guarantee of M/s. Prestige Estates Projects Limited

Repayment terms

1. Repayable within 72-120 Monthly installments. Interest payable at the rate of 12.50% per annum

6 Other long-term liabilities

Rs.

Particulars	As at 30 Sep 2012	As at 31 March 2012
Lease deposits received	497,510,118	500,852,387
	497,510,118	**500,852,387**

7 Short-term borrowings (Unsecured and repayable on demand)

Rs.

Particulars	As at 30 Sep 2012	As at 31 March 2012
Loans and advances from Holding Company	1,020,352,244	1,015,352,244
Loans and advances from Shareholders - Mr. Sumanthkumar Reddy B	33,100,000	33,100,000
	1,053,452,244	**1,048,452,244**

8 Other current liabilities

Rs.

Particulars	Note no.	As at 30 Sep 2012	As at 31 March 2012
a) Current maturities of long term debt	**8a**	453,042,213	410,461,859
b) Interest accrued but not due on borrowings		203,919,989	155,482,800
c) Interest accrued and due on borrowings		45,492,051	12,519,812
d) Share Application money received pending allotment		20,000,000	20,000,000

Particulars	Note no.	As at 30 Sep 2012	As at 31 March 2012
e) Other payables			
- Statutory remittances		16,963,889	8,796,933
- Lease Deposits received		149,661,440	149,661,440
- Creditors for capital expenditure		267,053,907	200,010,981
- Advance from customers		418,876	-
- Others		11,891,931	12,049,956
		1,168,444,295	**968,983,781**

8a The details of interest rate, repayment terms, nature and value of securities furnished and guarantees given are disclosed under note 5a

9 Short-term Provisions

Rs.

Particulars		As at 30 Sep 2012	As at 31 March 2012
Provisions for			
- Projects	9a	370,599	370,599
- Contingency	9a	250,837,264	219,063,279
		251,207,863	**219,433,877**

9a Details of Provisions as at 30 September, 2012 :

Nature of Provision	Probable outflow estimated with in	Provision outstanding at the beginning of the period	Provision made/ (utilised) during the period	Provision outstanding at the end of the period
Project costs, where work is completed, accrued pending receipt of bills/ invoices	1 year	370,599	-	370,599
Contingency-refer note 27	1 year	219,063,279	31,773,986	250,837,264

CESSNA GARDEN DEVELOPERS PRIVATE LIMITED

Notes forming part of Financials Statements (continued)

10 Tangible assets

Rs

Description	Gross block				Accumulated depreciation				Net block	
	As at 1 April 2012	Additions	Adjustments/Deletions	As at 30 Sep 2012	Up to 31st March 2012	Charge for the period	Deletion	Up to 30 Sep 2012	As at 30 Sep 2012	As at 31 March 2012
A. Tangible Assets (Owned)										
Land - Freehold	467,858,290	-	-	467,858,290	-	-	-	-	467,858,290	467,858,290
Buildings #	4,978,980,422	-	-	4,978,980,422	611,633,090	109,482,817	-	721,115,907	4,257,864,515	4,367,347,332
Computers & Equipment	479,219	-	-	479,219	293,860	37,173	-	331,033	148,186	185,359
Furniture & Fixtures	319,876	-	-	319,876	117,229	18,389	-	135,619	184,257	202,647
Total	**5,447,637,807**	-	-	**5,447,637,807**	**612,044,179**	**109,538,379**	-	**721,582,558**	**4,726,055,248**	**4,835,593,628**
Previous Year	*3,479,838,823*	*1,981,998,985*	*14,200,000*	*5,447,637,808*	*451,811,067*	*160,233,113*	-	*612,044,180*	*4,835,593,628*	

Represents assets given under operating lease

CESSNA GARDEN DEVELOPERS PRIVATE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

11 Long-term loans and advances

Rs.

Particulars	As at 30 Sep 2012	As at 31 March 2012
Unsecured, considered good		
Capital advance	297,043,795	156,154,279
Security deposits	1,500	1,500
Advance Tax (Net of provisions)	15,051,415	13,598,968
Property Tax paid under protest (Refer Note No. 27)	75,000,000	75,000,000
MAT credit entitlement	7,095,060	-
	394,191,770	**244,754,747**

12 Trade receivables

Rs.

Particulars	As at 30 Sep 2012	As at 31 March 2012
Unsecured, considered good		
Debts due for a period exceeding six months		
- considered good	-	11,035

	-	**11,035**

13 Cash and bank balances

Particulars	Rs. As at 30 Sep 2012	Rs. As at 31 March 2012
Cash and cash equivalents		
Balances with banks		
- in current accounts	54,244,135	163,760,112
- in earmaked accounts		
Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments	20,759,005	14,244,005
Escrow accounts	-	7,287,909
	75,003,140	**185,292,026**
Of the above, the balances that meet the definition of Cash & cash equivalents as per AS-3 Cash Flow Statements is	**54,244,135**	**171,048,021**

14 Short-term loans and advances

Particulars	As at 30 Sep 2012	Rs. As at 31 March 2012
Unsecured, considered good		
a) Prepaid Expenses	468,430	1,430,236
b) Balances with Government authorities		
Advance Service Tax & VAT	90,979,809	114,789,527
c) Other advances	1,774,677	-
	93,222,916	**116,219,763**

15 Other current assets

Particulars	As at 30 Sep 2012	Rs. As at 31 March 2012
Interest accrued but not due on Fixed Deposits	526,131	-
	526,131	**-**

NOTES FORMING PART OF FINANCIAL STATEMENTS

16 Other income

Particulars	Rs. For the half year ended 30 Sep 2012
Interest on Fixed Deposits	584,588
Interest on income tax refund	-
	584,588

17 Finance Costs

Particulars	Rs. For the half year ended 30 Sep 2012
Interest expense	
- on long-term loans	281,756,274
- on others	76,602,518
Other borrowing costs	2,574,249
	360,933,041
Less: Borrowing cost capitalized to assets including CWIP	108,747,584
	252,185,457

18 Other Expenses

Particulars	Rs. For the half year ended 30 Sep 2012
Rates and taxes (Refer Note no. 27)	31,827,424
Legal and professional	141,175
Insurance	949,746
Repairs and maintenance - Computers	5,828
Miscellaneous expenses	963
	32,925,136

CESSNA GARDEN DEVELOPERS PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

19. The net worth of the Company has been completely eroded as at 30th September 2012. The Company however is able to operate uninterruptedly with continued financial support from its Holding Company M/s Prestige Estates Projects Limited. Also based on the turnaround strategy adopted by the Company, the management projects that the company will generate profits in future. Accordingly, the management believes that the Company will continue as a going concern and thereby realise its assets and discharge its liabilities in the normal course of its business. Accordingly these condensed financial statements have been prepared on going concern basis.

20. Contingent liabilities and capital commitments

Rs

	Half Year ended 30 September 2012	**Year ended 31 March 2012**
Contingent liabilities		
Corporate Guarantees/ Collateral security of properties given on equitable mortgage towards loans taken by Prestige Estates Projects Limited, holding Company w.e.f April 12, 2010 (the amount represents closing balance of credit facility in the books of holding company against which the corporate guarantee is given)	917,338,045	1,308,779,949
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	1,242,912,081	815,534,114

21. Expenses in statement of profit & loss are net off the following expenses included as part of capital work in progress

Rs

	Half Year ended 30 September 2012	**Year ended 31 March 2012**
Transactions for the period/ year		
Material cost	234,543,018	343,155,915
Contractors expenses	220,346,514	486,956,507
Professional Charges	108,975,960	53,317,505
Legal Expenses		5,650
Statutory Approvals	(1,560,500)	15,916,860
Advances given on project	120,934,516	71,710,781
Finance cost apportioned, net of financial income.	108,747,584	239,614,086
Other Expenses	17,865,714	115,072,704
Total	**809,852,806**	**1,325,750,008**
Opening cost of Capital Work in Progress	1,191,998,236	1,847,914,613
Less: Amount capitalised	-	1,981,666,384
Closing cost of Capital Work in Progress *	**2,001,851,042**	**1,191,998,236**

* Includes capital advances shown under Note no.11 amounting to Rs. 247,043,795 (Previous period Rs. 126,154,279)

22. There are no employees employed by the company and accordingly there are no employee costs and provision for employee benefits.

23. Related parties

(i) Names of related parties and description of relationship with the Company:

Holding Company	Prestige Estates Projects Limited (PEPL)
Other related parties with whom the Company had transactions :-	
Entities in which Key managerial personnel is interested	Morph Sublime
Persons with significant influence:	Mr. Sumanth Kumar Reddy - Shareholder
Key managerial personnel:	Mrs. Badrunissa Irfan, Director Mrs. Almas Rezwan, Director Mrs. Sameera Noaman, Director
Entities under common control	Prestige Leisure Resorts Private Limited Prestige Property Management & Services

(ii) The following transactions were carried out with the related parties in the ordinary course of business, during the half year ended 30th September 2012

Transactions	**Controlling entity and Individuals with significant influence**	**Entities in which Key managerial personnel is interested/ Entities under common control**	**Key Managerial Personnel**	**Total**
Inter corporate deposit taken				
Prestige Estates Projects Limited	5,000,000	-	-	5,000,000
Interest on Inter corporate deposit taken				
Prestige Estates Projects Limited	76,602,518	-	-	76,602,518
Receiving services				
Prestige Estates Projects Limited	108,000,154	-	-	108,000,154
Prestige Property Management & Services	-	316,659	-	316,659
Corporate guarantee taken:				
For Loan taken by Cessna Garden Developers Private Limited, Corporate Guarantee given by-				
Prestige Estates Projects Limited	879,545,393	-	-	879,545,393
Personal Guarantee given by Directors			879,545,393	879,545,393
Release of guarantee taken:				
For Loan taken by Cessna Garden Developers Private Limited, Corporate Guarantee given by-				
Prestige Estates Projects Limited	468,621,772			468,621,772
Personal Guarantee given by Directors			468,621,772	468,621,772

Transactions	Controlling entity and Individuals with significant influence	Entities in which Key managerial personnel is interested/ Entities under common control	Key Managerial Personnel	Total
Corporate guarantee / Collateral security on Equitable mortgage of properties given for loan given by third parties to related parties:				
Corporate guarantee/ Equitable mortgage offered to a third party for Loan taken by -				
Prestige Estates Projects Limited	32,715,992	-	-	32,715,992
Release of Corporate guarantee/ Equitable mortgage towards Loan taken by -				
Prestige Estates Projects Limited	424,157,896	-	-	424,157,896
	(1,838,921,840)	-	-	(1,838,921,840)

(iii) Amounts outstanding as at the balance sheet date -

Transactions	Controlling entity and Individuals with significant influence	Entities in which Key managerial personnel is interested/ Entities under common control	Key Managerial Personnel	Total
Amounts due to:-				
Sundry Creditors				
Prestige Estates Projects Limited	129,328,956	-	-	129,328,956
	(26,746,101)	-	-	(26,746,101)
Prestige Property Management & Services	-	331,003	-	331,003
	-	(3,459,974)	-	(3,459,974)
Sublime	-		-	-
	-	(48,904)	-	(48,904)
Inter corporate deposit payable				
Prestige Estates Projects Limited	1,020,352,244	-	-	1,020,352,244
	(1,015,352,244)	-	-	(1,015,352,244)
Interest on Inter corporate deposit payable				
Prestige Estates Projects Limited	203,919,989	-	-	203,919,989
	(134,977,723)	-	-	(134,977,723)
Unsecured Loan from Shareholder payable				
Sumanth Kumar Reddy	33,100,000	-	-	33,100,000
	(33,100,000)	-	-	(33,100,000)
Guarantees and collaterals taken outstanding:				
For Loan taken -				
Corporate Guarantee given by Prestige Estates Projects Limited	4,748,093,568	-	-	4,748,093,568
	(4,337,169,747)	-	-	(4,337,169,747)
Personal Guarantee given by Directors	-	-	4,748,093,568	4,748,093,568
	-	-	(4,337,169,747)	(4,337,169,747)

Transactions	Controlling entity and Individuals with significant influence	Entities in which Key managerial personnel is interested/ Entities under common control	Key Managerial Personnel	Total
Guarantees and collaterals given outstanding:				
Equitable mortgage on land offered to a third party for Loan taken				
Prestige Estates Projects Limited	917,338,045	-	-	917,338,045
	(1,308,779,949)	-	-	(1,308,779,949)

Notes:

a) Related party relationships are as identified by the Company on the basis of information available with them and relied upon by the auditors.

b) The above amounts exclude reimbursement of expenses./amount paid to facilitate online remittance of statutory liabilities.

c) No amount is / has been written back during the year in respect of debts due from or to related parties.

d) Figures in brackets relate to previous year ended 31st March 2012 in the case of outstanding balances

24. Operating Leases

The Company has let out commercial property on operating lease. The lease rentals recognised during the period towards such leasing aggregate to Rs. 421,892,423/-.

Rs

Particulars	At 30 September 2012	At 31 March 2012
Future minimum lease rentals receivable in respect of non cancellable lease for property let out:-		
Not later than one year	538,679,640	538,679,640
Later than one year but not later than five years	879,087,098	989,640,648
Later than five years	-	-

25. Earnings / (Loss) per share

Figures in Rs. except number of shares

Particulars	Half Year ended 30 September 2012
Net profit/ (loss) for the period available to equity shareholders	27,816,338
Weighted average number of equity shares outstanding	
- Basic	3,999,997
- Diluted	3,999,997
Nominal Value of shares	10

Particulars	Half Year ended 30 September 2012
Basic Earnings / (Loss) per share	6.95
Diluted Earnings / (Loss) per share	6.95

Note : The conversion rate of share application money pending allotment being contingent, the effect on diluted earning per share has not been considered.

26. a. Details of deferred tax assets and liabilities

Rs

Particulars	Deferred tax (asset)/ liability as on 31-Mar-12	Current period charge / (credit)	Deferred tax (asset) / liability as at 30-Sep-12
Difference between Book and Tax Depreciation	9,200	11,700	20,900
Total	9,200	11,700	20,900

b. Loss under house property has not been recognised as a deferred tax asset as a matter of prudence.

27. The Company had, during the financial year 2009-10, expensed Property tax of Rs. 91,967,337/- as assessed by the appropriate authority for the year 2007-08, 2008-09 & 2009-10. Being aggrieved by the said assessment order, it has filed an appeal before the appropriate authority, which is pending. Consequently, the company has provided Rs. 158,869,927/- towards such property taxes for periods subsequent to 2009-10 upto September 30, 2012, pending resolution of its appeal.

28. Segment Reporting

The operations of the company include acquiring, development and leasing of real estate properties constituting a single segment and has restricted to one geographical area. Hence the disclosure of segment information as per Accounting standard 17 issued under Companies (Accounting Standard) Rules, 2006 is not applicable.

29. Previous year figures have been regrouped/reclassified wherever necessary to correspond to the current period classification/disclosure.

Signatures to Schedules 1 to 29

For and on behalf of the Board

Badrunissa Irfan
Director

Almas Rezwan
Director

Place: Bangalore

Date: 09/01/2013

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF ICBI (INDIA) PRIVATE LIMITED

Report on the Condensed Financial Statements

We have audited the accompanying condensed financial statements of **ICBI (INDIA) PRIVATE LIMITED** ("the Company"), which comprise the Condensed Balance Sheet as at September 30, 2012, the Condensed Statement of Profit and Loss for the half year ended on that date, the Condensed Cash Flow Statement for the half-year ended on that date and the selected explanatory notes.

Management's Responsibility for the Condensed Financial Statements

The Company's Management is responsible for the preparation of these condensed financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Accounting Standard 25 (Interim Financial Reporting), as notified by the Companies (Accounting Standards) Rules, 2006 ("AS 25") and other accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the condensed financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the condensed financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the condensed financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entities internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the condensed financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid condensed financial statements give a true and fair view in conformity with AS 25 and the accounting principles generally accepted in India:

(a) in the case of the Condensed Balance Sheet, of the state of affairs of the Company as at September 30, 2012;

(b) in the case of the Condensed Statement of Profit and Loss, of the profit of the Company for the half-year ended on that date; and

(c) in the case of the Condensed Cash Flow Statement, of the cash flows of the Company for the half-year ended on that date.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 008072S)

V. Balaji
Partner
(Membership No. 203685)

BANGALORE,
January 9, 2013

ICBI (INDIA) PVT. LTD

The Falcon House, #1, Main Guard Cross Road, Bangalore-560 001

CONDENSED BALANCE SHEET AS AT SEPTEMBER 30, 2012

Particulars	Note No.	As at Sep 30, 2012	As at March 31, 2012
		Rs.	**Rs.**
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	350,000	350,000
(b) Reserves and Surplus	4	433,870,856	428,725,151
		434,220,856	429,075,151
(2) Non Current Liabilities			
(a) Other long- term liabilities	5	19,547,420	13,018,320
		19,547,420	13,018,320
(3) Current Liabilities			
(a) Trade Payables	6	739,547	798,559
(b) Other Current Liabilities	7	8,687,101	8,694,205
(c) Short Term Provisions	8	1,365,800	1,365,800
		10,792,448	10,858,564
Total		**464,560,724**	**452,952,035**
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets			
(i) Tangible assets	9	336,012,250	344,895,978
(b) Non-current Investments	10	2,250,000	2,250,000
(c) Deferred Tax Assets (net)	22	1,693,400	1,731,000
(d) Long term Loans & Advances	11	90,887,066	91,034,349
		430,842,716	439,911,327
(2) Current Assets			
(a) Trade Receivables	12	25,316,046	2,099,760
(b) Cash & Cash Equivalents	13	8,175,272	989,506
(c) Short-term Loans and Advances	14	226,691	9,951,442
		33,718,009	13,040,708
Total		**464,560,724**	**452,952,035**
See accompanying notes forming part of the condensed financial statements	1 to 26		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board

V. Balaji
Partner

Irfan Razack
Director

Rezwan Razack
Director

Place: Bangalore
Date: 09/01/2013

ICBI (INDIA) PVT. LTD

The Falcon House, #1, Main Guard Cross Road, Bangalore-560 001

CONDENSED STATEMENT OF PROFIT AND LOSS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2012

Particulars	Note No.	Half year ended Sep 30, 2012
		Rs.
I. Revenue from operations	16	20,757,406
II. Other Income	17	1,519,325
III. Total Revenue (I+II)		**22,276,731**
IV. Expenses		
Employee benefits expense	18	60,000
Depreciation and amortization expense	9	8,883,728
Other Expenses	19	4,236,097
Total Expenses		**13,179,825**
V. Profit before tax (III-IV)		9,096,906
VI. Tax expense:		
(1) Current Tax		3,913,600
(2) Deferred Tax		37,600
		3,951,200
VII. Profit for the year (V -VI)		**5,145,706**
VIII. Earing per share (Not Annualised)		
Basic	21	14,702
Diluted		14,702
See accompanying notes forming part of the condensed financial statements	1 to 26	

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board

V. Balaji
Partner

Irfan Razack
Director

Rezwan Razack
Director

Place: Bangalore
Date: 09/01/2013

ICBI (INDIA) PRIVATE LIMITED
CONDENSED CASH FLOW STATEMENT FOR PERIOD ENDED 30 SEPTEMBER 2012

Particulars	Notes	Half year ended Sep 30, 2012
		Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation		9,096,906
Adjustments for non cash & non operating items		
Interest income		(278,888)
Depreciation		8,883,729
Share of Profit from Partnership Firms		(1,240,437)
Operating profit before working capital changes		**16,461,309**
Increase / (Decrease) in Current/ Non-current Liabilities		6,462,984
Decrease / (Increase) Trade receivable		(23,216,286)
Decrease / (Increase) Long term/ Short term Loans & Advances		8,675,546
Cash generated from operations		**8,383,553**
Income tax paid (Net of refund)		(2,525,880)
Net Cash from operating activities - A		**5,857,673**
CASH FLOW FROM INVESTING ACTIVITIES		
Interest Income		278,888
Capital expenditure on fixed assets		-
Change in current account of partnership firm		1,049,205
Proceeds from Partnership Firm		-
Net Cash From / used in Investing Activities - B		**1,328,093**
Net Increase / (Decrease) in cash and cash equivalents (A+B)		**7,185,766**
Cash & Cash equivalents Opening balance		989,506
Cash & Cash equivalents Closing Balance		**8,175,272**

1) The above cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement, issued under Companies (Accounting Standard) Rules, 2006.

See accompanying notes forming part of the condensed financial statements — 1 to 26

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

V Balaji
Partner
Place: Bangalore
Date:09/01/2013

For and on Behalf of the Board

Irfan Razack
Director

Rezwan Razack
Director

1. Corporate Information

ICBI (INDIA) PRIVATE LIMITED was incorporated on April 04, 1945. The registered office of the Company is in The Falcon House, No.1, Main Guard Cross Road, Bangalore - 560 001, India. The Company is engaged in the leasing of commercial properties owned/ taken on lease.

2. Basis for preparation of interim condensed financial statements and significant accounting policies

i. Basis of preparation

These interim condensed financial statements have been prepared under the historical cost convention on accrual basis and in accordance with the requirements of Accounting Standard 25 "Interim Financial Reporting" notified under the Companies (Accounting Standards) Rules, 2006, as amended. The accounting policies followed in the preparation of these financial statements are consistent with those followed in the preparation of annual financial statements for the year ended and as at March 31, 2012 and should be read in conjunction with those financial statements. The significant accounting policies are given in the following paragraphs.

The Company has prepared these interim condensed financial statements for the first time as at half year ended September 30, 2012. Accordingly, the corresponding figures for the half year ended September 30, 2011 are not available.

ii. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

iii. Cash flow statement

Cash flow statement is prepared under the 'Indirect Method' prescribed under Accounting Standard 3 'Cash Flow Statements'.

iv. Depreciation

Depreciation on fixed assets provided on written down value method and at the rates prescribed in the Schedule XIV of the Companies Act, 1956. Individual assets costing Rs.5000/- and below are charged in full in the year of purchase.

v. Revenue recognition

Rental income, sublease income and hire charges are recognized on accrual basis according to terms and conditions of rental/ hiring agreements.

Share of profit/loss from partnership firm is recognized based on the financial information provided and confirmed by the respective firms.

vi. Fixed Assets

Fixed assets are stated at cost, including duties, non-refundable taxes or levies and any expenses directly attributable to bringing the asset to its working condition for its intended use.

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to

determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to 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 recognised in the statement of profit and loss.

Reversal of impairment losses recognised in prior years, if any, is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

vii. Investments

Long-term Investments are stated at cost, less any diminution in value other than temporary in nature. Current Investments are stated at lower of cost and realizable value.

In case of revaluation of fixed assets by the partnership firms in which firm is a partner, proportionate share of revaluation surplus is transferred to a separate capital reserve. In case of loss, the share will be recognized in the statement of profit and loss in the year of realization.

On realization of revaluation surplus by the firm, the reserves are transferred to the General Reserves.

viii. Employee Benefits

Short term employee benefits includes salaries for current employees and are measured as per the terms of employment and accounted on an undiscounted basis.

ix. Borrowing cost

Borrowing cost attributable to the acquisition or construction of a qualifying asset is capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

x. **Leases**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease receipts/ payments are recognized as an income/expense in the statement of profit and loss on a straight-line basis over the lease term.

xi. Earnings Per Share

The basic and diluted earnings per share is computed by dividing the net profit / loss attributable to equity share holders for the year by the weighted average number of equity shares outstanding during the year.

xii. Taxation

Income tax comprises the current tax provision under the tax payable method, the net change in the deferred tax asset or liability during the year.

Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences between the carrying values of the assets and liabilities and their respective tax bases. Deferred tax assets are recognized subject to managements' judgment that realization is virtually certain. Deferred Tax assets and liabilities are measured using enacted tax rates to apply to taxable income in the years in which the timing differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change.

xiii. Provisions and contingent liabilities

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

Signatures to Notes 1 to 26 forming part of financial statements

For and on behalf of the Board

Irfan Razack	**Rezwan Razack**
Director	Director

Place: Bangalore
Date: 09/01/2013

ICBI (INDIA) PVT. LTD

Notes forming part of the condensed financial statements

Note No.		As at Sep 30, 2012 Rs.	As at March 31, 2012 Rs.
3	**Share capital**		
	Authorised		
	500 Equity shares of Rs.1,000/- each	500,000	500,000
	Issued, Subscribed and fully paid-up		
	350 (March 31, 2012; 350) equity shares of Rs.1,000 each, fully paid up	350,000	350,000

3 (a) **Reconciliation of shares outstanding at the beginning and at the end of the year**

	Sep 30, 2012		March 31, 2012	
	No.of Shares	**Amount (Rs.)**	**No.of Shares**	**Amount (Rs.)**
Equity Shares of Rs.1,000 each				
Outstanding at the beginning of the year	350	350,000	350	350,000
Add: Issued during the year	-	-	-	-
Outstading at the end of the year	350	350,000	350	350,000

3 (b) **Details of Shareholders holding more than 5% shares in the Company**

	Sep 30, 2012		March 31, 2012	
	No. of Shares	**%holding in the class**	**No. of Shares**	**%holding in the class**
Equity Shares of Rs.1000/- each fully paid				
Prestige Estates Projects Ltd	289	82.57%	289	82.57%
Irfan Razack	55	15.71%	55	15.71%

3 (c) **Details of shares held by the holding company**

Prestige Estates Projects Ltd, the holding company	289	82.57%	289	82.57%

3 (d) The Company has only one class of equity shares with voting rights having par value of Rs. 1,000/- each. The rights , preferences and restrictions attached to such equity shares is in accordance with the terms of issue of equity shares under the Companies Act, 1956 and the Articles of Association of the Company.

Note No.		As at Sep 30, 2012 Rs.	As at March 31, 2012 Rs.
4	**Reserve & Surplus**		
	(a) Securities Premium account		
	Opening balance	35,850,000	35,850,000
	Closing balance	35,850,000	35,850,000
	(b) Capital reserve*		
	Opening balance	6,782,226	6,782,226
	Closing balance	6,782,226	6,782,226
	(c) General Reserve		
	Opening balance	72,610,780	72,610,780
	Closing balance	72,610,780	72,610,780
	d) Surplus in Statement of Profit and Loss		
	Opening Balance	313,482,145	310,502,837
	Add : Profit for the period	5,145,705	2,979,308
	Closing Balance	318,627,850	313,482,145
	Total Reserves and Surplus	**433,870,856**	**428,725,151**

(*) Represents revaluation in Partnership Firm- Albert Properties

Note No.		As at Sep 30, 2012 Rs.	As at March 31, 2012 Rs.
5	**Other Long-term Liabilities**		
	Rental Security Deposits	19,547,420	13,018,320
		19,547,420	**13,018,320**
6	**Trade Payables**		
	Other than acceptances	739,547	798,559
		739,547	**798,559**
7	**Other Current Liabilities**		
	Other payables		
	- Other Statutory Liabilities	52,550	59,654
	- Security Deposits received	8,634,551	8,634,551
		8,687,101	**8,694,205**

Note No.		As at Sep 30, 2012 Rs.	As at March 31, 2012 Rs.
8	**Short-term Provisions**		
	Provision for Income Tax (Net of Advance Tax Rs. 23,705,211/- (March 31, 2012 - Rs. 23,705,211/-)		
		1,365,800	1,365,800
		1,365,800	**1,365,800**

Note 9 - Fixed Assets and depreciation

Figures in Rs.

Particulars	Gross Block				Depreciation Block				Net Block	
	As at April 1, 2012	Additions	Deletions	As at Sep 30, 2012	Upto March 31, 2012	Charge for the period	Deletions during the period	Upto Sep 30, 2012	As at Sep 30, 2012	As at March 31, 2012
Land	1,977,685	-	-	1,977,685	-	-	-	-	1,977,685	1,977,685
Building *	354,567,005	-	-	354,567,005	17,026,132	8,438,522	-	25,464,654	329,102,351	337,540,873
Furniture & Fixtures *	30,235,788	-	-	30,235,788	26,836,877	307,601	-	27,144,478	3,091,310	3,398,911
Plant & Machinery *	11,930,889	-	-	11,930,889	9,952,380	137,605	-	10,089,985	1,840,904	1,978,509
Total	**398,711,367**	-	-	**398,711,367**	**53,815,389**	**8,883,728**	-	**62,699,117**	**336,012,249**	**344,895,978**
March 31, 2012	80,885,067	317,826,300	-	398,711,367	46,131,037	7,684,352	-	53,815,389	344,895,978	34,754,030

* Represents assets which are given under operating lease

ICBI (INDIA) PVT. LTD

Notes forming part of the condensed financial statements

Note No.			As at Sep 30, 2012 Rs.	As at March 31, 2012 Rs.
10	**Non-current Investments**			
	I) Trade Investments (unquoted, At cost, fully paid up)			
	Investments in Partnership Firms			
	Albert Properties	Note - 10	2,250,000	2,250,000

Note No.		As at Sep 30, 2012 Rs.	As at March 31, 2012 Rs.
	(a)		
	II) Non trade investments		
	Investments in Equity Instruments (unquoted at cost, fully paid up)		
	Shares in KSFC	3,000	3,000
	Less :Provision for diminution in value of investment	3,000	3,000
		2,250,000	**2,250,000**

Aggregate amount of unquoted investment Rs. 2,250,000/- (March 31, 2012 - Rs.2,250,000/-)
Aggregate provision for diminution in investments Rs.3000/- (March 31, 2012 - Rs.3000/-)

10(a) The details of all partners, capital and profits sharing ratio in partnership firm where company is a partner are as under :

	September 30, 2012		March 31, 2012	
Name of the firm/Partners	**Capital**	**Profit sharing Ratio**	**Capital**	**Profit sharing Ratio**
Albert Properties :				
- ICBI (India) Pvt. Ltd	2,250,000	88%	2,250,000	88%
- Irfan Razack	150,000	4%	150,000	4%
- Rezwan Razack	150,000	4%	150,000	4%
- Noaman Razack	150,000	4%	150,000	4%
Total	**2,700,000**	**100%**	**2,700,000**	**100%**

11	**Long term loans & advances - unsecured & considered good**		
a)	Capital Advance towards purchases of properties - Related Party		
	Prestige Estates Projects Ltd	22,000,000	22,000,000
b)	Lease Deposits	5,849,640	5,849,640
c)	Advance Income Tax (net of provision of Rs. 24,432,999/-) (March 31, 2012; Rs 20,519,399/-)	5,642,465	7,030,186
d)	Other advances - Related Party		
	Albert Properties (Directors of the Company are Partners in the Firm)	57,394,961	56,154,523
		90,887,066	**91,034,349**

12 **Trade Receivables - unsecured & considered**

Note No.		As at Sep 30, 2012 Rs.	As at March 31, 2012 Rs.
	good		
	Outstanding more than six months	-	-
	Others	25,316,046	2,099,760
		25,316,046	**2,099,760**
	Note: Trade receivables include debts due from related parties as under:		
	- Prestige Estates Projects Limited	23,813,797	1,733,256
	- Prestige Property Management & Services	1,230	-
		23,815,027	**1,733,256**
13	**Cash and Cash Equivalents**		
	Balances with Banks		
	'- in Current account	8,175,272	989,506
		8,175,272	**989,506**

ICBI (INDIA) PVT. LTD

Notes forming part of the financial statements

Note No.		As at Sep 30, 2012 Rs.	As at March 31, 2012 Rs.
14	**Short-term Loans and Advances - Unsecured & considered good**		
	a) Loans & Advances to Related Parties		
	Brunton Developers (Directors of the Company are Partners in the Firm)	-	1,049,205
	Prestige Estates Projects Ltd (Directors of the Company are Directors of the Other Company)	-	8,900,220
	Prestige Fashions Pvt Ltd (Directors of the Company are Directors of the Other Company)	52,500	-
	b) Prepaid Expenses	174,191	2,017
		226,691	**9,951,442**

15 **Commitment and Contingencies**

i) Contingent Liabilities			
Claims against the Company not acknowledged as Debts	Nil		Nil
Corporate Guarantees given by the Company on behalf of M/s.Geotrix Building Envelope Pvt.Ltd (Geotrix). The amount represents closing balance of credit facility in the books of Geotrix against which the corporate guarantees are given	8,040,000		15,276,000
ii) Commitments	Nil		Nil

Note No.		Half year ended Sep 30, 2012 Rs.
16	**Revenue from operations**	
	a) Rental Income	14,335,606
	b) Hire Charges	1,695,288
	c) Sub-Lease Rental Income	4,726,512
		20,757,406
	Not later than one year	19,455,072
	Later than one year but not later than five years	28,551,008
	Later than five year	Nil
17	**Other Income**	
	Interest on income tax refund	278,888
	Share of Profit from Partnership Firms	1,240,437
		1,519,325
18	**Employee Benefits**	
	Salary & Wages-Note 25	60,000
		60,000
19	**Other Expenses**	
	Power and fuel	7,586
	Sub-lease Rental Expense	3,977,232
	Repairs to Building	-
	Insurance	2,674
	Rates and taxes, excluding taxes on income	-
	Property Tax	168,543

Note No.		Half year ended Sep 30, 2012 Rs.
	Audit Fees	72,800
	Commission	-
	Miscellaneous Expenses	7,262
		4,236,097

20 **Segment Reporting**

The operations of the company include acquiring, development and leasing of real estate properties constituting a single segment and has restricted to one geographical area. Hence the disclosure of segment information as per Accounting Standard 17 is not applicable.

21 **Earning per share (EPS) is calculated as under**

A) Numerator -	
Net profit (in Rupees)	5,145,705
B) Denominator - weighted average number of equity shares	
Basic and diluted (in Numbers)	350
C) Nominal value of shares (in Rupees)	1,000
D) Earning per share (in Rupees)	
Basic and diluted (in Rupees)	14,702

ICBI (INDIA) PVT. LTD

Notes forming part of the condensed financial statements

Note No.

22 **Income Taxes**

Deferred tax asset / liability for the year ended September 30, 2012 comprises of :

Amount in Rs.

Particulars	Deferred Tax (Asset) / Liability as on April 1st , 2012	Current period Charge / (Credit)	Deferred Tax (Asset) / Liability as on September 30, 2012
Depreciation	1,731,000	37,600	1,693,400
Total	**1,731,000**	**37,600**	**1,693,400**

23 **Operating Leases**

a) The company lets out commercial properties on lease. The lease rental income recognized during the half year ended September 30, 2012 is Rs. 14,335,606/- . The future minimum lease receipts under non cancellable operating leases in the aggregate and for the following period:

Amount in Rs.

Particulars	Half year ended September 30, 2012	Year ended March 31, 2012
Not later than one year	19,455,072	20,117,471
Later than one year but not later than five years	28,551,008	38,128,544
Later than five year	Nil	Nil

b) The company hires commercial properties on lease basis which are in turn sublet. The sub lease expenses incurred during the half year ended September 30, 2012 towards such properties is Rs.3,977,232/-. The future minimum lease payments under non-cancelable operating leases in the aggregate and for each of the following periods.

Amount in Rs.

Particulars	Half year ended Sep 30, 2012	Year ended March 31, 2012
Not later than one year	3,459,720	3,536,610
Later than one year but not later than five years	8,605,315	6,875,455
Later than five year	Nil	Nil

(c) The Sub lease incomes earned during the half year ended September 30, 2012 amounted to Rs.4,726,512/-. The future minimum lease receipts under non cancelable operating leases in the aggregate and for each of the following periods:

Amount in Rs.

Particulars	Half year ended Sep 30, 2012	Year ended March 31, 2012
Not later than one year	5,887,080	5,842,586
Later than one year but not later than five years	1,490,220	4,193,040
Later than five year	Nil	Nil

24 The Company has only one employee and the Company is in the process of finalizing its policies for employee benefits. The provisions of the Payment of Gratuity Act and the Provident Fund Act are not applicable to the company. Accordingly there are no liabilities on account of employee benefits for the period.

25 Previous year figures have been regrouped/ reclassified wherever necessary to correspond to the current period's classification/ disclosure.

26 **Related Party Disclosure**

List of Related Parties and Relationships–

Relationship	Related Parties
Holding Company	Prestige Estates Projects Limited (PEPL)
Partnership firms in which Company has control	Albert Properties Brunton Developers (upto 31-08-2011)
Other related parties with whom the Company had transactions –	
Entities in which the	Prestige Fashions Pvt Ltd

directors are interested/ Entities under common control	Prestige Property Management & Services
Key Management Personnel	Mr. Irfan Razack, Director Mr. Rezwan Razack, Director Mr. Noaman Razack, Director

Transactions and balance with Related Party during the period –

(Amount in Rs.)

Transactions	Holding Company	Partnership firms in which Company has control	Entities in which directors are interested/ Entities under common control	Key Management Personnel	Total
Movement in Current Account					
ALBERT PROPERTIES					
a) Share of Profit	Nil	1,240,347	Nil	Nil	1,240,347
Security Deposits Received					
Prestige Estates Projects Ltd	14,216,720	Nil	Nil	Nil	14,216,720
Rental Income					
Prestige Estates Projects Ltd	11,102,406	Nil	Nil	Nil	11,102,406
Rental Expense					
Prestige Estates Projects Ltd	137,274	Nil	Nil	Nil	137,274
Trade Payables					
Prestige Property Management & Services	Nil	Nil	Nil	Nil	Nil
	(Nil)	(Nil)	(5,401)	(Nil)	(5,401)
Prestige Estates Project Ltd	Nil	Nil	Nil	Nil	Nil
	(22,947)	(Nil)	(Nil)	(Nil)	(22,947)
Amounts Due from					
Loans & Advances`					
Albert Properties	Nil	57,394,961	Nil	Nil	57,394,961
	(Nil)	(56,154,523)	(Nil)	(Nil)	(56,154,523)
Brunton Developers	Nil	Nil	Nil	Nil	Nil
	(Nil)	(1,049,205)	(Nil)	(Nil)	(1,049,205)
Advance paid towards purchase					

Transactions	Holding Company	Partnership firms in which Company has control	Entities in which directors are interested/ Entities under common control	Key Management Personnel	Total
of property					
Prestige Estates Projects Ltd	22,000,000 (22,000,000)	Nil (Nil)	Nil (Nil)	Nil (Nil)	22,000,000 (22,000,000)
Trade Receivables					
Prestige Estates Projects Ltd	23,813,797 (1,733,256)	Nil (Nil)	Nil (Nil)	Nil (Nil)	23,813,797 (1,733,256)
Prestige Property Management & Services	Nil (Nil)	Nil (Nil)	1,230 (Nil)	Nil (Nil)	Nil (Nil)
Investment in Partnership Firms					
Albert Properties	Nil (Nil)	2,250,000 (2,250,000)	Nil (Nil)	Nil (Nil)	2,250,000 (2,250,000)

(a) Related party relationships are as identified by the Company on the basis of information available with them and accepted by the auditors.

(b) The above amounts exclude reimbursement of expenses and amount remitted towards online remittance of Statutory liabilities by a group Company

(c) No amount is / has been written off or written back during the period in respect of debts due from or to related party

(d) Figures in brackets relate to the ended March 31, 2012 in the case of outstanding balances.

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF PRESTIGE AMUSEMENTS PRIVATE LIMITED

Report on the Condensed Financial Statements

We have audited the accompanying condensed financial statements of **PRESTIGE AMUSEMENTS PRIVATE LIMITED** ("the Company"), which comprise the Condensed Balance Sheet as at September 30, 2012, the Condensed Statement of Profit and Loss for the half year ended on that date, the Condensed Cash Flow Statement for the half-year ended on that date and the selected explanatory notes.

Management's Responsibility for the Condensed Financial Statements

The Company's Management is responsible for the preparation of these condensed financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Accounting Standard 25 (Interim Financial Reporting), as notified by the Companies (Accounting Standards) Rules, 2006 ("AS 25") and other accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the condensed financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the condensed financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the condensed financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the condensed financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid condensed financial statements give a true and fair view in conformity with AS 25 and the accounting principles generally accepted in India:

(a) in the case of the Condensed Balance Sheet, of the state of affairs of the Company as at September 30, 2012;

(b) in the case of the Condensed Statement of Profit and Loss, of the profit of the Company for the half-year ended on that date; and

(c) in the case of the Condensed Cash Flow Statement, of the cash flows of the Company for the half-year ended on that date.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 008072S)

V. Balaji
Partner
(Membership No. 203685)

BANGALORE,
January 9, 2013

PRESTIGE AMUSEMENTS PRIVATE LTD
CONDENSED BALANCE SHEET AS AT 30 SEPTEMBER, 2012

Particulars	Note no.	As at 30 Sept 2012 Rs	As at 31 Mar 2012 Rs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	2,450,200	2,450,200
Reserves and surplus	3	63,954,133	61,638,142
		66,404,333	64,088,342
Non-current liabilities			
(a) Other Long-term Liabilities	4	82,500	-
(b) Long-term Provisions	5	685,767	767,704
		768,267	767,704
Current liabilities			
(a) Trade Payables	6	17,816,358	17,846,737
(b) Other current liabilities	7	57,532,642	56,989,894
(c) Short-term Provisions	8	15,530	15,530
		75,364,530	74,852,161
Total		**142,537,130**	**139,708,207**
ASSETS			
Non-current assets			
(a) Fixed assets			
Tangible assets	9	18,842,348	19,477,152
(b) Long-term loans and advances	10	17,096,340	11,260,052
(c) Deferred tax asset (net)	27	2,043,652	2,463,714
		37,982,339	33,200,918
Current assets			
(a) Inventories	11	900,595	1,211,243
(b) Trade receivables	12	66,820,375	57,316,054
(c) Cash and Cash Equivalents	13	4,492,996	11,887,788
(d) Short-term loans and advances	14	30,088,501	33,857,172
(e) Other current assets	15	2,252,323	2,235,032
		104,554,791	106,507,289
Total		**142,537,130**	**139,708,207**

See accompanying notes forming part of the condensed financial statements 1 to 27

In terms of our report attached

for Deloitte Haskins & Sells **For and on behalf of the Board**

Chartered Accountants

V. Balaji **Irfan Razack** **Rezwan Razack**

Partner Director Director

Place: Bangalore

Date: 09/01/2013

PRESTIGE AMUSEMENTS PRIVATE LTD
CONDENSED STATEMENT OF PROFIT AND LOSS FOR THE HALF YEAR ENDED 30 SEPTEMBER, 2012

Particulars	Note no.	Half year ended 30 Sep 2012 Rs
Revenue from operations	16	109,509,049
Other income	17	1,804,812
Total Revenue		**111,313,861**
Expenses		
Employee Benefit expenses	18	18,608,347
Depreciation and amortization expense	9	715,835
Other Expenses	19	88,329,626
Total Expenses		**107,653,808**
Profit before tax		**3,660,053**
Tax expense:		
- current tax		924,000
- deferred tax charge		420,062
Profit after tax		**2,315,991**
Earnings per share (equity shares, par value Rs 10 each)		
- basic and diluted (not annualized)	23	9.45

See accompanying notes forming part of the condensed financial statements — 1 to 27

In terms of our report attached

for Deloitte Haskins & Sells
Chartered Accountants

V. Balaji
Partner
Place: Bangalore
Date: 09/01/2013

For and on behalf of the Board

Irfan Razack
Director

Rezwan Razack
Director

PRESTIGE AMUSEMENTS PRIVATE LTD

CONDENSED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30 SEPTEMBER, 2012

Particulars	Note no.	Half year ended 30 Sep 2012 Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation		**3,660,053**
Adjustments for non cash & non operating items:		
Depreciation		715,835
Interest Earned		(1,801,821)
Profit on sale of fixed assets		(2,991)
Operating profit before working capital changes		**2,571,076**
Adjustments for		
Increase / (Decrease) in Current/ Non-current Liabilities		512,932
(Increase) / Decrease in Trade receivables		(9,504,321)
(Increase) / Decrease in Inventories		310,648
Decrease / (Increase) Long term/ Short term Loans & Advances		450,007
Cash generated from operations		**(5,662,649)**
Income tax refund / (payment) - Net		(3,441,624)
Net Cash from operating activities - A		**(9,101,282)**
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on Fixed Assets		(176,139)
Sale of fixed assets		98,101
Interest Income		1,784,529
Net Cash From / used in Investing Activities -B		**1,706,491**
CASH FLOW FROM FINANCING ACTIVITIES - C		**-**
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)		**(7,394,791)**
Cash & Cash equivalents opening balance		11,887,788
Cash & Cash equivalents closing balance		**4,492,997**

See accompanying notes forming part of the condensed financial statements — 1 to 27

In terms of our report attached

for Deloitte Haskins & Sells
Chartered Accountants

V. Balaji
Partner

For and on behalf of the Board

Irfan Razack
Director

Rezwan Razack
Director

Place: Bangalore

Date: 09/01/2013

PRESTIGE AMUSEMENTS PRIVATE LTD
NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS

1 Basis of preparation of Interim Condensed Financial Statements and significant accounting policies

Prestige Amusements Private Limited was incorporated on July 02, 1998. The registered office of the Company is in The Falcon House, No.1, Main Guard Cross Road, Bangalore - 560 001, India. The Company is engaged in the business of operation and management of various shopping malls.

a. Basis for preparation of financial statements

These interim condensed financial statements have been prepared under the historical cost convention on accrual basis and in accordance with the requirements of Accounting Standard 25 "Interim Financial Reporting" notified under the Companies (Accounting Standards) Rules, 2006 as amended. The accounting policies followed in the preparation of these financial statements are consistent with those followed in the preparation of annual financial statements for the year ended and as at March 31, 2012 and should be read in conjunction with those financial statements. The significant accounting policies are given in the following paragraphs.

The Company has prepared these interim condensed financial statements for the first time at half year ended September 30, 2012. Accordingly, the comparative figures for the half year ended September 30, 2011 are not available.

b. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

c. Revenue recognition

Facilities and maintenance charges and lease rental incomes are recognized on accrual basis.

d. Fixed Assets

Fixed assets are stated at cost, including expenses incurred to bring the asset to present condition. Any cost incurred relating to settlement of claims regarding titles to the properties is accounted for and capitalized as incurred, wherever the asset is held. An asset is treated as impaired when the carrying cost of the Assets exceeds its recoverable value. An impairment loss is charged to Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

e. Impairment of assets

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to 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 recognised in the profit and loss account.

Reversal of impairment losses recognised in prior years, if any, is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

f. Depreciation

Depreciation on fixed assets provided on written down value method and at the rates prescribed in the Schedule XIV of the Companies Act, 1956.

g. Taxes On Income

Income tax comprises the current tax provision under the tax payable method and the net change in the deferred tax asset or liability in the year.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of the assets and liabilities and their respective tax basis. Deferred tax assets are recognized subject to managements' judgment that realization is reasonably certain. Deferred Tax assets and liabilities are measured using enacted tax rates to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change.

h. Provisions and contingent liabilities

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

i. Cash flow statement

Cash flow statement is prepared under the 'Indirect Method' of accounting standard 3 'Cash Flow Statements' issued under the Companies (Accounting Standard) Rules, 2006.

j. Earnings Per Share

The basic earning per share is computed by dividing the net profit / loss attributable to equity share holders for the year by the weighted average number of equity shares outstanding during the year.For the purpose of calculating diluted earnings per share the net profit / loss for the period attributable to equity share holders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2 Share capital

Rs.

Particulars	**As at 30 Sep 2012**	**As at 31 March 2012**
Authorised capital 500,000 (previous year 500,000) equity shares Rs 10 each	5,000,000	5,000,000
Issued, subscribed and fully paid up capital 245,020 (P.Y 245,020) Equity Shares of Rs.10/- each	2,450,200	2,450,200
	2,450,200	**2,450,200**

Particulars	As at 30 Sep 2012	As at 31 March 2012

2a Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 30 Sep 2012		As at 31 March 2012	
	No of shares	Amount	No of shares	Amount
Equity Shares				
Number of shares at the beginning of the period / year	245,020	2,450,200	220,020	2,200,200
Number of shares issued during the period / year	-	-	25,000	250,000
Number of shares outstanding at the end of the period / year	**245,020**	**2,450,200**	**245,020**	**2,450,200**

2b List of persons holding more than 5 percent shares in the Company

	As at 30 Sep 2012		As at 31 March 2012	
Name of the share holder	**No of shares**	**% holding**	**No of shares**	**% holding**
Equity Share Capital				
Prestige Estates Projects Ltd	125,000	51.02	125,000	51.02
Irfan Razack	40,010	16.33	40,010	16.33
Rezwan Razack	40,010	16.33	40,010	16.33
Noaman Razack	40,000	16.33	40,000	16.33
	245,020	100	245,020	100

2c Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	As at 30 Sep 2012	As at 31 March 2012
Prestige Estates Projects Limited, the holding company	125,000	125,000
	125,000	**125,000**

2d The Company has only one class of equity shares with voting rights having par value of Rs. 10/- each. The rights , preferences and restrictions attached to such equity shares is in accordance with the terms of issue of equity shares under the Companies Act, 1956 and the Articles of Association of the Company.

3 Reserves and surplus

Rs.

Particulars	As at 30 Sep 2012	As at 31 March 2012
Securities Premium Account		
Opening balance	5,750,000	5,750,000
Additions during the period	-	-
Deductions during the period	-	-
Closing balance	**5,750,000**	**5,750,000**
Surplus in Profit and loss statement		
Opening balance	55,888,142	44,026,798
Add: Profit for the period / year	2,315,991	11,861,344
Closing balance	**58,204,133**	**55,888,142**
	63,954,133	**61,638,142**

4 Other Long-term Liabilities

Rs.

Particulars	As at 30 Sep 2012	As at 31 March 2012
Lease and maintenance deposits received	82,500	-
	82,500	**-**

5 Long-term Provisions

Rs.

Particulars	As at 30 Sep 2012	As at 31 March 2012
Provision for Employee Benefits	685,767	767,704
	685,767	**767,704**

6 Trade Payables

Rs.

Particulars	As at 30 Sep 2012	As at 31 March 2012
Other than acceptences	17,816,358	17,846,737
	17,816,358	**17,846,737**

7 Other current liabilities

Rs.

Particulars	As at 30 Sep 2012	As at 31 March 2012
Other payables		
Lease and maintenance deposits received	27,852,130	27,768,960
Advance from Customers	19,113,868	20,540,029
Statutory remittances	1,383,361	888,062
Others	9,183,283	7,792,843
	57,532,642	**56,989,894**

8 Short term provisions

Rs.

Particulars	As at 30 Sep 2012	As at 31 March 2012
Other Provisions		
Provision for Income Tax (net of advance tax paid Rs 696,976/- (March 31, 2012 - Rs 696,976/-))	15,530	15,530
	15,530	**15,530**

Note 9 - Fixed Assets and depreciation

Rs

Description	Gross block				Accumulated depreciation				Impairment Loss		Net block	
	As at 31 March 2012	Additions	Adjustments /Deletions	As at 30 Sep 2012	Up to 31 March 2011	Charge for the period	Deletion	Up to 30 Sep 2012	Up to 30 Sep 2012	Up to 31 March 2011	As at 30 Sept 2012	As at 31 March 2012
Tangible Assets - Owned												
Land	3,623,973	-	-	3,623,973	-	-	-	-			3,623,973	3,623,973
Buildings	20,078,377	-		20,078,377	9,772,788	258,346	-	10,031,134			10,047,243	10,305,589
Computers	1,201,274	91,770		1,293,044	871,873	77,425	-	949,298			343,746	329,401
Vehicles	1,269,144	-	439,284	829,860	977,560	29,171	344,176	662,555			167,305	291,584
Furniture & Fixtures	8,196,803	18,000	-	8,214,803	1,802,732	12,850	-	1,815,582	6,259,238	6,259,238	139,983	134,833
Plant & Machiery	12,733,260	66,369	-	12,799,629	6,788,955	338,043	-	7,126,998	1,152,533	1,152,533	4,520,098	4,791,772
Total	**47,102,831**	**176,139**	**439,284**	**46,839,686**	**20,213,908**	**715,835**	**344,176**	**20,585,567**	**7,411,771**	**7,411,771**	**18,842,348**	**19,477,152**
Year ended March 31, 2012	*46,597,172*	*505,659*	-	*47,102,831*	*18,638,641*	*1,575,267*	-	*20,213,908*	*7,411,771*	*7,411,771*	*18,971,492*	

10 Long-term loans and advances

Rs.

Particulars	As at 30 Sep 2012	As at 31 March 2012
Security Deposits	11,530,052	11,260,052
Advance Income Tax (net of provisions Rs 33,867,722/- (31 March, 2012 - Rs. 32,897,722/-)	5,566,288	3,048,664
	17,096,340	**14,308,716**

11 Inventories

Rs.

Particulars	As at 30 Sep 2012	As at 31 March 2012
Components & Consumables	900,595	1,211,243
(at cost or net realisable value, whichever is lower)	**900,595**	**1,211,243**

12 Trade receivables -Unsecured

Rs.

Particulars		As at 30 Sep 2012	As at 31 March 2012
Outstanding for more than 6 months from the date on which they were due for payment			
Considered good		31,770,490	1,249,054
Considered doubtful		2,470,801	2,470,801
Less: Provision for doubtful debts		(2,470,801)	(2,470,801)
	Total	31,770,490	1,249,054
Others			
Considered good		35,049,885	56,067,000
	Total	32,987,381	54,004,496
		66,820,375	**57,316,054**

13 Cash and cash Equivalents

Rs.

Particulars	As at 30 Sep 2012	As at 31 March 2012
a) Cash on hand	103,490	47,851
b) Balances with banks		
- in current accounts	4,389,506	11,839,937
	4,492,996	**11,887,788**

14 Short-term loans and advances

Rs.

Particulars	As at 30 Sep 2012	As at 31 March 2012
Unsecured, considered good		
a) Advance paid to related parties		
- inter corporate loans	23,000,000	23,000,000
b) Advance to suppliers	425,445	72,793
c) Prepaid Expenses	224,360	724,784
d) Balance with Government Authorities		
- Advance Service Tax	1,236	204,453
e) Others		
- Refundable Deposits	6,196,400	6,191,400
- Advance paid to staff	231,060	158,550
- Advance Gratuity contribution	10,000	456,528
	30,088,501	**30,808,508**

15 Other Current Assets

Rs.

Particulars	As at 30 Sep 2012	As at 31 March 2012
Interest accrued but not due on Inter Corporate Deposits	2,252,323	2,235,032
	2,252,323	**2,235,032**

16 Revenue from Operations

Rs.

Particulars	For the half year ended 30 Sep 2012
Rental Income	8,237,592
Income from Facilities & Maintenance	101,077,012
Other Operating Income	194,445
	109,509,049

17 Other Income

Particulars	Rs. For the half year ended 30 Sep 2012
Interest on Inter Corporate Deposits	1,729,726
Profit on sale of fixed assets	2,991
Other Interest	72,095
	1,804,812

18 Employee Cost

Particulars	Rs. For the half year ended 30 Sep 2012
Salaries & Wages	15,148,032
Contrinution to Provident Fund	1,501,270
Staff welfare expenses	1,959,045
	18,608,347

19 Other Expenses

Particulars	Rs. For the half year ended 30 Sep 2012
Electricity/Generator Expenses	60,217,336
Repairs & Maintenance	
- Building	84,629
- Plant & Machinery	-
- Common Area Maintenance	7,800,686
Insurance	209,634
Security & Housekeeping	9,552,274
Management Expenses	249,323
Sub Lease Rent Expenses	3,793,830
Mall Shopping Festival	5,576,676
Rates and taxes	165,015
Legal & Professional fee	488,714
Bank Charges	7,913
Miscellaneous Expenses	183,596
	88,329,626

20 Contingent liabilities and capital commitments

Rs

Particulars	As at 30 Sep 2012	As at 31 March 2012
Contingent liabilities		
Claims against the Company not acknowledged as debts	-	-
Capital commitment	-	-

21 Employee Benefits

Short term employee benefits including salaries, social security contributions, short term compensated absences (such as paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related employee service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non monetary benefits (such as medical care) for current employees are estimated and measured on an undiscounted basis.

I. Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement Profit and Loss -

Particulars	Year ended 30-Sep-12 (Rs.)
Employer's contribution to Provident Fund	1,002,363
	1,002,363

II. Defined Benefit Plan:

In accordance with Accounting Standard 15 (Revised 2005) actuarial valuation based on projected unit credit method as on 30th Sept 2012 has been carried out in respect of the aforesaid defined benefit plan of Gratuity, the details thereon is given below:

Amounts in Rs.

Sl. No	Particulars	For the half year ended 30 Sep 2012
I	**Components of Employer Expense**	
	Current Service Cost	244,839
	Interest Cost	91,507
	Expected return on plan assets	(82,240)
	Actuarial Losses/(Gains)	244,802
	Total Expense/(Income) recognized in Statement of P&L	498,908
II	**Change in Fair Value of Assets during the period**	
	Opening Fair Value of Plan Assets	2,064,457
	Expected return on plan assets	82,240

Sl. No	Particulars	For the half year ended 30 Sep 2012
	Actuarial gains/(losses)	(82,240)
	Assets Acquired on Acquisition/ (Distributed on Divestiture)	-
	Contributions by Employer	740,084
	Benefits paid	(399,040)
	Closing Fair Value of Plan Assets	**2,405,501**
III	**Change in Defined Benefit Obligation (DBO)**	
	Present Value of DBO at the beginning of the period	2,358,013
	Current service cost	244,839
	Interest cost	91,507
	Actuarial (gains)/losses	162,562
	Benefits paid	(399,040)
	Present value of DBO at the end of the period	**2,457,881**
IV	**Net asset/(liability) recognized in balance sheet**	
	Fair value of plan assets	2,405,501
	Present Value of Defined Benefit Obligation	(2,457,881)
	Net (liability) recognized in balance sheet	(52,380)
V	**Actuarial Assumptions**	
	Discount Rate	8.25%
	Expected Return on plan assets	7.50%
	Rate of increase in compensation	7%
	Attrition rate	20%
	Retirement age	58 years

Note:

1. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

2. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

3. Details of plan assets not provided by the Fund Managers and hence not given.

a) The present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan (*Amount in Rs.)*

Sl No.	Particulars	As at 30 Sep 2012	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010	As at 31 March 2009
1	Present Value of Defined Benefit Obligation	2,457,880	2,358,013	2,128,792	1,468,968	1,440,129
2	Fair Value of Plan Asset	2,405,501	2,064,457	1,845,743	391,871	-
3	Surplus/(Deficit) Recognized	(52,379)	(293,556)	(283,049)	(1,077,097)	(1,440,129)
b) The experience adjustments arising on						

1	Experience adjustment on Plan Liabilities	(81,940)	(362,746)	286,391	(441,064)	1,228,169
2	Experience adjustment on Plan Assets	(82,240)	45,282	18,830	9,087	-

III. Other Employee Benefits:
Leave salary benefit expensed in the Statement of Profit & Loss for the period is credit of Rs.134, 316 /- (Previous year debit Rs.299,838/-). Liability carried in the Balance Sheet at the period end is Rs.633,387/- (Previous year Rs.767,704/-)

22 Related party disclosure :

(i) List of related parties

Relationship	**Related Parties**
Holding Company	Prestige Estates Projects Limited
Companies under common control	Prestige Leisure Resorts P Ltd
	Prestige Valley View P Ltd
Entities in which Key managerial personnel have significant influence	The Good Food Co
	Prestige Fashions Pvt Ltd
Holding Company	
Other Related parties with whom the Company had transactions : -	
Key Managerial Personnel (KMP)	Mr.Irfan Razack, Director
	Mr.Rezwan Razack, Director
	Mr.Noaman Razack, Director

ii) Transactions and balances with Related Parties during the period-

Rs

Transactions/ Balances	**Holding Company**	**Companies under common control**	**Entities in which key managerial personnel have significant influence**	**Key Management Personnel**	**Total**
Interest on Intercorporate Deposits Received					
Prestige Estates Projects Ltd	1,729,726	Nil	Nil	Nil	1,729,726
Purchase of Goods					
Prestige Fashions P Ltd	Nil	Nil	46,404	Nil	46,404
Rendering Services					
Prestige Fashions P Ltd	Nil	Nil	2,359,326	Nil	4,230,167
Prestige Leisure Resorts P Ltd.	Nil	2,358,272	Nil	Nil	2,358,272
Good Food Company	Nil	Nil	364,988	Nil	364,988
Prestige Estates Projects Ltd (Mall Management Deficit)	9,887,886	Nil	Nil	Nil	9,887,886
Rental Expenses					
Prestige Estates Projects Ltd	920,580		Nil	Nil	920,580

Sale of Gift Vouchers					
Prestige Leisure Resorts	Nil	93,500	Nil	Nil	93,500

iii) Balance Outstanding **Rs**

Towards purchase of Goods					
Good Food Co,	Nil	Nil	-	Nil	-
	(Nil)	(Nil)	(6,240)	(Nil)	(6,240)
Prestige Leisure Resorts P Ltd.	Nil	93,500	Nil	Nil	93,500
	(Nil)	-	(Nil)	(Nil)	-
Towards rendering Services					
Prestige Fashions P Ltd	Nil	Nil	344,149	Nil	394,188
	(Nil)	(Nil)	(394,188)	(Nil)	(394,188)
Prestige Leisure Resorts	Nil	360,248	Nil	Nil	360,248
	(Nil)	(961,027)	(Nil)	(Nil)	(961,027)
Good Food Company	Nil	Nil	67,967	Nil	67,967
	(Nil)	(Nil)	(112,883)	(Nil)	(112,883)
Prestige Estates Projects Ltd	41,900,453	Nil	Nil	Nil	41,900,453
	(33,985,277)	(Nil)	(Nil)	(Nil)	(33,985,277)
Loans & Advances					
Prestige Estates Projects Limited					
Rent/Lease Deposit	1,397,750	Nil	Nil	Nil	1,397,750
	(1,397,750)	(Nil)	(Nil)	(Nil)	(1,397,750)
Inter-Corporate Deposit	23,000,000	Nil	Nil	Nil	23,000,000
	(23,000,000)	(Nil)	(Nil)	(Nil)	(23,000,000)
Interest Accrued on ICD	2,252,325	Nil	Nil	Nil	2,252,325
	(2,235,032)	(Nil)	(Nil)	(Nil)	(2,235,032)

a) Related party relationships are as identified by the company on the basis of information available with them and relied by the auditors.

b) No amount is / has been written back during the year in respect of debts due from or to related party.

c) Reimbursement of actual expenses in not considered in the above disclosure.

d) Figures in brackets relate to the previous year ended March 31, 2012 in case of outstanding balances.

23 Earnings per share (EPS) is calculated as under

Particulars	Half - Year ended 30 Sep 2012
a) Net profit/ (loss) for the period (Rs.)	2,438,587
b) Weighted average number of equity shares	
- Basic	245,020
-Diluted	245,020
c) Nominal Value of shares (Rs.)	10
d) Basic Earnings per Share (Rs.)	
-Basic	9.95
-Diluted	9.95

24 Segment Reporting

The operations of the Company include acquiring, development and leasing of real estate properties constituting a single segment and has restricted to one geographical area. Hence the disclosure of segment information as per Accounting standard 17 issued under Companies (Accounting Standard) Rules, 2006 is not applicable.

25 Operating lease

The Company Leases:

A The company hires commercial properties on lease which in turn are sublet.

The rental expenses paid towards such lease during the period amounted Rs 3,793,830/-. The future minimum lease payments under non cancellable lease in the aggregate and for the periods:

Rs.

Particulars	Half year ended 30-Sep-12 (Rs.)	Year ended 31-Mar-12 (Rs.)
Up to one year	Nil	Nil
Later than one year but not later than five years	Nil	Nil
Later than five years	Nil	Nil

B The sublease receipts during the year amounted to Rs 8,237,592/-. The future minimum lease receipts under non cancelable lease in the aggregate and for the periods

Rs.

Particulars	Half year ended 30-Sep-12 (Rs.)	Year ended 31-Mar-12 (Rs.)
Up to one year	Nil	Nil
Later than one year but not later than five years	Nil	Nil
Later than five years	Nil	Nil

27 Deferred Tax

The deferred tax credit for the half year amounting to Rs.420,062/- has been recognized in the Statement of profit and loss. The break up of deferred tax asset / liability as at September 30, 2012 is as under –

Rs.

Particulars	Deferred tax (Asset)/Liability as on 01-Apr-12	Current Year Charge/(Credit)	Deferred tax (Asset)/Liability as on 30-Sep-12
Difference between book and Tax depreciation	(1,317,737)	298,235	(1,019,502)
Others (provision for leave encashment/ Gratuity & doubtful debt)	(1,145,977)	121,827	(1,024,150)
Closing Balance	**(2,463,714)**	**420,062**	**(2,043,652)**

27 Previous year figures have been regrouped/reclassified wherever necessary to correspond to the current period's classification/disclosure.

Signatures to Notes 1 to 27 forming part of the financial statements

For and on behalf of the Board

Irfan Razack	**Rezwan Razack**
Director	Director

Place: Bangalore

Date: 09/01/2013

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF PRESTIGE VALLEY VIEW ESTATES PRIVATE LIMITED

Report on the Condensed Financial Statements

We have audited the accompanying condensed financial statements of **PRESTIGE VALLEY VIEW ESTATES PRIVATE LIMITED** ("the Company"), which comprise the Condensed Balance Sheet as at September 30, 2012, the Condensed Statement of Profit and Loss for the half year ended on that date, the Condensed Cash Flow Statement for the half-year ended on that date and the selected explanatory notes.

Management's Responsibility for the Condensed Financial Statements

The Company's Management is responsible for the preparation of these condensed financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Accounting Standard 25 (Interim Financial Reporting), as notified by the Companies (Accounting Standards) Rules, 2006 ("AS 25") and other accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the condensed financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the condensed financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the condensed financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entities internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the condensed financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid condensed financial statements give a true and fair view in conformity with AS 25 and the accounting principles generally accepted in India:

(a) in the case of the Condensed Balance Sheet, of the state of affairs of the Company as at September 30, 2012;
(b) in the case of the Condensed Statement of Profit and Loss, of the loss of the Company for the half-year ended on that date; and
(c) in the case of the Condensed Cash Flow Statement, of the cash flows of the Company for the half-year ended on that date.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 008072S)

V. Balaji
Partner
(Membership No. 203685)

BANGALORE,
January 9, 2013

PRESTIGE VALLEY VIEW ESTATES PRIVATE LIMITED
The Falcon House, #1, Main Guard Cross Road, Bangalore - 560 001

CONDENSED BALANCE SHEET AS AT 30TH SEPEMBER, 2012

Particulars	Note No.	As at 30-Sep-12 Rs.	As at 31-Mar-12 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	19,406,200	19,406,200
(b) Reserves and Surplus	3	199,612,947	200,192,169
		219,019,147	219,598,369
(2) Current Liabilities			
(a) Short-term borrowings	4	12,500,000	12,500,000
(b) Trade Payables	5	100,224	158,224
(c) Other Current Liabilities	6	10,234,795	8,514,748
(d) Short-term Provisions	7	1,976,620	1,998,190
		24,811,639	23,171,162
Total		**243,830,786**	**242,769,531**
II.ASSETS			
(1)Non-current Assets			
(a) Fixed Assets			
(i) Tangible assets	8	222,293,782	227,993,623
(b) Long-term Loans & Advances	9	7,900,000	7,900,000
		230,193,782	235,893,623
(2) Current Assets			
(a) Trade Receivables	10	8,639,442	6,828,088
(b) Cash & Cash Equivalents	11	4,906,802	47,820
(c) Short-term loans and advances	12	90,760	-
		13,637,004	6,875,908
Total		**243,830,786**	**242,769,531**
See accompanying Notes forming part of the condensed financial statements	1 to 24		

In terms of our report attached

For **Deloitte Haskins & Sells** **For and on behalf of the Board**

Chartered Accountants

V. Balaji	**Badrunissa Irfan**	**Almas Rezwan**
Partner	Director	Director

Bangalore
Date : 09/01/2013

PRESTIGE VALLEY VIEW ESTATES PRIVATE LIMITED

The Falcon House, #1, Main Guard Cross Road, Bangalore-560 001

CONDENSED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 30TH SEPTEMBER, 2012

Particulars	Note No.	Half year ended 30-Sep-12 Rs.
I. Revenue from operations	14	7,832,370
II. Other Income	15	-
III. Total Revenue (I+II)		**7,832,370**
IV. Expenses		
Employee benefits expense	16	60,000
Finance Costs	17	806,045
Depriciation and amortization expense	8	5,699,841
Other Expenses	18	171,105
Total Expenses		**6,736,991**
V. Profit before tax (III - IV)		1,095,379
VI. Tax expense:		
Current Tax		1,674,600
VII. Profit/ (Loss) after tax (V -VI)		**(579,221)**
VIII. Earing per share (equity shares, par value Rs 10 each)	21	
(1) Basic (Not Annualised)		(0.30)
(2) Diluted (Not Annualised)		(0.30)
See accompanying Notes forming part of the financial statements	1 to 24	

In terms of our report attached

For **Deloitte Haskins & Sells** **For and on behalf of the Board**

Chartered Accountants

V. Balaji **Badrunissa Irfan** **Almas Rezwan**

Partner Director Director

Bangalore

Date : 09/01/2013

PRESTIGE VALLEY VIEW ESTATES PRIVATE LIMITED
CONDENSED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER 2012

Particulars	Note No	Half year ended 30-Sep-12 Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation		**1,095,379**
Adjustments for non cash & non operating items:		
Interest on Inter corporate deposit		806,045
Depreciation		5,699,841
Interest on income tax refund		-
Operating profit before working capital changes		**7,601,265**
Adjustments for movements in -		
Increase / (Decrease) in Current/ Non-current liabilities		856,003
Decrease / (Increase) Trade receivable		(1,811,354)
Decrease / (Increase) Long-term/ Short-term advances		(90,760)
Cash generated from operations		**6,555,154**
Income tax (paid)/refund received [net]		(1,696,170)
Net Cash from operating activities - A		**4,858,984**
Cash Flow from Investing activities		
Advance paid for purchase of fixed assets		-
Net Cash From / used in Investing Activities - B		**-**
Net Increase / (Decrease) in cash and cash equivalents (A+B)		**4,858,984**
Cash & Cash equivalents - Opening balance		47,820
Cash & Cash equivalents - Closing balance		**4,906,804**

1) The above cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement, issued under Companies (Accounting Standard) Rules, 2006.

2) Cash and cash equivalents does not include any balances which are not available for use by the Company.

See accompanying Notes forming part of the condensed financial statements — 1 to 24

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board

V. Balaji
Partner

Badrunissa Irfan
Director

Almas Rezwan
Director

Bangalore
Date :09/01/2013

1. Basis of preparation of interim condensed financial statements and significant accounting policies

PRESTIGE VALLEY VIEW ESTATES PRIVATE LIMITED was incorporated on March 07, 1996. The registered office of the Company is in The Falcon House, No.1, Main Guard Cross Road, Bangalore - 560 001, India. The Company is engaged in the leasing of commercial properties owned by it.

a. Basis for preparation

These interim condensed financial statements have been prepared under the historical cost convention on accrual basis and in accordance with the requirements of Accounting Standard 25 "Interim Financial Reporting" notified under the Companies (Accounting Standards) Rules, 2006, as amended. The accounting policies followed in the preparation of these condensed financial statements are consistent with those followed in the preparation of annual financial statements for the year ended and as at March 31, 2012 and should be read in conjunction with those financial statements. The significant accounting policies are given in the following paragraphs.

The Company has prepared these interim condensed financial statements for the first time at half year ended September 30, 2012. Accordingly, the corresponding figures for the half year ended September 30, 2011 are not available.

b. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

c. Cash flow statements

Cash flow statement is prepared under the 'Indirect Method' Prescribed under Accounting standard 3 'Cash Flow Statements'.

d. Revenue recognition

Rental income is recognized on accrual basis.

Interest on inter corporate deposits is recognized on time-proportion basis, based on interest rates implicit in the transaction.

e. Fixed Assets

Fixed assets are stated at cost, including duties, non-refundable taxes or levies and any expenses directly attributable to bringing the asset to its working condition for its intended use. Sale of land is accounted on transfer of the underlying interest to the buyer.

f. Impairment

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to 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 recognised in the statement of profit and loss.

Reversal of impairment losses recognised in prior years, if any, is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

g. Depreciation

Depreciation on Fixed assets is provided on the written down value method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956. Individual assets costing Rs.5000/- and below are charged in full.

h. Foreign Currency transactions

All transactions in foreign currency are recorded on the basis of the exchange rate prevailing as on the date of transaction. The difference, if any, on actual payment / realization is recorded to the statement profit and loss. Monetary assets and liabilities denominated in foreign currency are restated at rates prevailing at the year-end. The net loss or gain arising out of such conversion is dealt with in the statement of statement of profit and loss.

i. Earnings Per Share

The basic and diluted earning per share is computed by dividing the net profit / loss attributable to equity share holders for the year by the weighted average number of equity shares outstanding during the year.

j. Investments

Current Investments are carried at lower of cost or net realizable value. Long-term Investments are carried at cost less provision for other than temporary dimunition if any.

k. Taxation

Income tax comprises the current tax provision under the tax payable method, the net change in the deferred tax asset or liability in the year.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of the assets and liabilities and their respective tax bases. Deferred tax assets are recognized subject to managements' judgment that realization is virtually certain. Deferred Tax assets and liabilities are measured using enacted tax rates to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change.

l. Provisions and contingent liabilities

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

Signatures to Notes 1 to 24 forming part of Condensed Financial Statements.

For and on behalf of the Board

Badrunissa Irfan	**Almas Rezwan**
Director	Director

PRESTIGE VALLEY VIEW ESTATES PRIVATE LIMITED

Notes forming part of the Financial Statements for the half year ended 30th September, 2012

Note No.		As at 30-Sep-2012 Rs.	As at 31-Mar-2012 Rs.
2	**Share Capital**		
	Authorised capital		
	10,000,000 equity shares of Rs.10 each	**100,000,000**	**100,000,000**
	(March 31, 2012 - 10,000,000)		
	Issued, subscribed and fully paid-up capital 1,940,620 (March 31, 2012 - 1,940,620) equity shares of Rs.10 each, fully paid-up	19,406,200	19,406,200
	- The above also includes 990,600 (March 31, 2012 - 990,600) Equity shares of Rs.10 each held by the Holding Company - Prestige Estates Projects Limited - (PEPL).		
		19,406,200	**19,406,200**

2 (a) **Reconciliation of the shares outstanding at the beginning and at the end of the period**

Equity Shares	**30-Sep-2012**		**31-Mar-2012**	
	No.	**Rs.**	**No.**	**Rs.**
At the beginning of the period	1,940,620	19,406,200	1,940,620	19,406,200
Issued during the period	-	-	-	-
Outstanding at the end of the period	**1,940,620**	**19,406,200**	**1,940,620**	**19,406,200**

2 (b) **Details of Shareholders holding more than 5% shares in the Company**

	30-Sep-2012		**31-Mar-2012**	
Name of Shareholders	**No.of shares**	**% holding in the class**	**No.of shares**	**% holding in the class**
Prestige Estates Projects Ltd	990,600	51.05%	990,600	51.05%
Irfan Razack	196,010	10.10%	196,010	10.10%
Rezwan Razack	197,010	10.15%	197,010	10.15%
Noaman Razack	197,000	10.15%	197,000	10.15%
Sameera Noaman	100,000	5.15%	100,000	5.15%
Badrunissa Irfan	100,000	5.15%	100,000	5.15%
Almas Rezwan	100,000	5.15%	100,000	5.15%

		30-Sep-2012		31-Mar-2012	
	Name of Shareholders	**No.of shares**	**% holding in the class**	**No.of shares**	**% holding in the class**
2 (c)	**Details of shares held by the Holding Company** Prestige Estates Projects Limited, the holding company	990,600	51.05%	990,600	51.05%

2 (d) The Company has only one class of equity shares with voting rights having par value of Rs. 10/- each. The rights , preferences and restrictions attached to such equity shares is in accordance with the terms of issue of equity shares under the Companies Act, 1956 and the Articles of Association of the Company.

Note No.		As at 30-Sep-2012 Rs.	As at 31-Mar-2012 Rs.
3	**Reserves and surplus**		
	(a) Securities Premium Account		
	Opening Balance	40,900,000	40,900,000
	Closing Balance	40,900,000	40,900,000
	(b) Surplus in Statement of Profit and Loss		
	Opening Balance	159,292,167	159,095,005
	Add: Profit (Loss) for the period/ year	(579,221)	197,164
	Closing Balance	158,712,946	159,292,169
	Total Reserves and Surplus	**199,612,947**	**200,192,169**
4	**Short-term Borrowings - Unsecured**		
	From related parties		
	Intercorporate Deposits from West Palm Developments Private Limited	12,500,000	12,500,000
		12,500,000	**12,500,000**
5	**Trade Payables**		
	Other than acceptances	100,224	158,224
		100,224	**158,224**
6	**Other Current Liabilities**		
	(a) Interest on Intercorporate Deposits-Westpalm Developments Pvt.Ltd	4,056,956	3,250,911
	(b) Other payables		
	Creditors for capital expenditure - Prestige Estates Projects Limited	41,856	41,856

Note No.		As at 30-Sep-2012	As at 31-Mar-2012
		Rs.	Rs.
	Statutory remittances	155	198,733
	Security deposits received	6,135,828	5,023,248
		10,234,795	**8,514,748**
7	**Short-term Provisions**		
	Provisions for Income Tax (net of Advance Tax Rs 302,38,460/- (March 31, 2012 Rs 285,63,860/-))	1,976,620	1,998,190
		1,976,620	**1,998,190**

NOTE 8 - Fixed Assets

(Amount in Rs.)

	GROSS BLOCK AT COST				ACCUMULATED DEPRECIATION			NET BLOCK	
Particulars	**As at April 1, 2012**	**Additions during the period**	**Deductions during the period**	**As at September 30, 2012**	**Upto March 31, 2012**	**For the Period**	**Upto September 30, 2012**	**As at September 30, 2012**	**As at March 31, 2012**
Tangible Assets									
Building Tech Park *	132,598,895		-	132,598,895	32,371,751	2,505,679	34,877,430	97,721,465	100,227,144
Building - Prestige Delta*	70,018,000			70,018,000	9,994,540	1,500,587	11,495,127	58,522,873	60,023,460
Building - Palladium*	68,891,206	-	-	68,891,206	1,148,187	1,693,575	2,841,762	66,049,444	67,743,019
TOTAL	**271,508,101**	-	-	**271,508,101**	**43,514,478**	**5,699,841**	**49,214,319**	**222,293,783**	**227,993,623**
Previous year	202,616,895	68,891,206	-	271,508,101	33,932,048	9,582,429	43,514,477	227,993,624	168,684,847

* Represents assets which are given under lease

Note No.		As at 30-Sep-2012	As at 31-Mar-2012
		Rs.	Rs.
9	**Long-term Loans & Advances - Unsecured & Considered good**		
	Capital Advance towards purchase of properties - Related Party	7,900,000	7,900,000
		7,900,000	**7,900,000**
10	**Trade Receivables - Unsecured & Considered good**		
	Outstanding more than 6 Months	6,835,347	2,697,720
	Others	1,804,095	4,130,368

		8,639,442	**6,828,088**
11	**Cash & Cash Equivalents**		
	Balances with banks		
	- in current account	4,906,802	47,820
		4,906,802	**47,820**
12	**Short-term Loans & Advances: Related Party**		
	Other Advance	155	-
	Prepaid Expenses	90,605	-
		90,760	-

13 **Commitment and Contingencies**

	30-Sep-2012	31-Mar-2012
I. Contingent liabilities		
(a) Claims against the Company, not acknowledged as debts	Nil	Nil
(b) Corporate Guarantees given by the Company (Jointly with another group entity on behalf of Holding Company-PEPL)	Nil	Nil
II. Commitments		
Capital Commitment towards purchase of property from Holding Company-PEPL (net of advances) *	Nil	Nil
	Nil	Nil

* Capital commitment amount is based on the contract value as per the agreement and excludes incidental charges or changes in the contract value not estimated.

Note No.			For the half year ended 30-Sep-12 Rs.
14	**Revenue from operations**		
	Rental Income		7,832,370
			7,832,370
15	**Other Income**		
	Interest on income tax refund		-
			-
16	**Employee Benefits Expense**	Note-22	
	Salary & Wages		60,000
			60,000

Note No.		For the half year ended 30-Sep-12 Rs.
17	**Finance costs**	
	Interest on Inter Corporate Deposit	806,045
		806,045
18	**Other Expenses**	
	Property Tax	90,605
	Audit Fee	72,800
	Miscellaneous Expenses	7,700
		171,105

19 **Segment Reporting**

The operations of the company include acquiring and leasing of real estate properties constituting a single segment and has restricted to one geographical area. Hence the disclosure of segment information as per Accounting Standard 17 is not applicable.

Note No.		For the half year ended 30-Sep-12 Rs.
20	**Earnings per share (EPS) is calculated as under**	
	A) Numerator	
	Net profit / (Loss) for the period	(579,220)
	B) Denominator - weighted average number of equity shares	
	Basic and diluted (in Numbers)	1,940,620
	C) Earnings per share	
	Basic	(0.30)
	Diluted	(0.30)

21 **Operating Leases**

The Company has let out certain Commercial Properties under operating lease. The lease rental income recognised during the half year ended 30th September 2012 is Rs. 78,32,370/-

The lease rental income and future minimum lease receipts under non-cancelable operating leases in the aggregate and for each of the folowing periods:

(Amount in Rs.)

Particulars	30-Sep-2012
Not later than one year*	Nil
Later than one year but not later than five years*	Nil
Later than five years*	Nil

* there are no contingent rents under lease arrangement

22 The Company has only one employee and the Company is in the process of finalizing its policies for employee benefits. The provisions of the payment of Gratuity Act and the Provident Fund Act are not applicable to the company. Accordingly there are no liabilities on account of employee benefits for the period.

23 Previous year figures have been regrouped/ reclassified whereever necessary to correspond to the current period's classification/ disclosure.

PRESTIGE VALLEY VIEW ESTATES PRIVATE LIMITED
Notes annexed to and forming part of the Financial Statements

Note 24 - Related Party Disclosure

List of Related Parties and Relationships

Relationship	Related Parties
Controlling enterprises	Prestige Estates Projects Limited (PEPL)
Other related parties with whom the Company had transactions : -	
Entity under Common Control	Prestige Fashions Pvt. Ltd (PFPL) West Palm Developments Private Limited (WPDPL)
Key Management Personnel	Mrs.Badrunissa Irfan – Director Mrs. Almas Rezwan – Director Mrs. Sameera Noaman – Director

Transactions with Related Party during the period

Transactions	Controlling Enterprise	Entities under Common Control	Key Management Personnel	Total
Rent Received - PEPL	3,227,580	Nil	Nil	3,227,580
Interest on Inter corporate Deposits accepted -				
WPDPL	Nil	804,662	Nil	804,662
Other advance given during the period				
PFPL	Nil	2,079,739	Nil	2,079,739
Amount outstanding as at the Balance Sheet Date				
Amounts due towards :				
a. Trade Receivables-	86,39,442	Nil	Nil	86,39,442
PEPL	(6,828,086)	(Nil)	(Nil)	(6,828,086)
b. Advances given -	Nil	Nil	Nil	Nil
PEPL	(7,900,000)	(Nil)	(Nil)	(7,900,000)
Amounts due to:				
a. Inter corporate Deposit accepted-				
WPDPL	Nil	12,500,000	Nil	12,500,000
	(Nil)	(12,500,000)	(Nil)	(12,500,000)
b. Interest Payable on Inter corporate Deposit -				
WPDPL	Nil	804,662	Nil	804,662
	(Nil)	(3,250,911)	(Nil)	(3,250,911)
c. Outstanding towards purchase of fixed assets				
PEPL	41,856	Nil	Nil	41,856
	(41,856)	(Nil)	(Nil)	(41,856)

a) Related party relationships are as identified by the Company on the basis of information available with them and relied upon by the auditors.
b) The above amounts exclude reimbursement of expenses.
c) No amount is / has been written off/ written back during the year in respect of debts due from or to related party.

d) Figures in brackets relate to balances outstanding as at March 31, 2012 in the case of outstanding balances.

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF WEST PALM DEVELOPMENTS PRIVATE LIMITED

Report on the Condensed Financial Statements

We have audited the accompanying condensed financial statements of WEST PALM DEVELOPMENTS PRIVATE LIMITED ("the Company"), which comprise the Condensed Balance Sheet as at September 30, 2012, the Condensed Statement of Profit and Loss for the half year ended on that date, the Condensed Cash Flow Statement for the half-year ended on that date and the selected explanatory notes.

Management's Responsibility for the Condensed Financial Statements

The Company's Management is responsible for the preparation of these condensed financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Accounting Standard 25 (Interim Financial Reporting), as notified by the Companies (Accounting Standards) Rules, 2006 ("AS 25") and other accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the condensed financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the condensed financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the condensed financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the condensed financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid condensed financial statements give a true and fair view in conformity with AS 25 and the accounting principles generally accepted in India:

(a) in the case of the Condensed Balance Sheet, of the state of affairs of the Company as at September 30, 2012;

(b) in the case of the Condensed Statement of Profit and Loss, of the profit of the Company for the half-year ended on that date; and

(c) in the case of the Condensed Cash Flow Statement, of the cash flows of the Company for the half-year ended on that date.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 008072S)

V. Balaji
Partner
(Membership No. 203685)

BANGALORE
January 9, 2013

WESTPALM DEVELOPMENTS PRIVATE LIMITED

The Falcon House, #1, Main Guard Cross Road, Bangalore-560 001

CONDENSED BALANCE SHEET AS AT 30TH SEPTEMBER, 2012

	Note No.	As at 30-Sept-12 Rs.	As at 31-Mar-12 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	10,600,200	10,600,200
(b) Reserves and Surplus	4	406,105,126	362,281,438
		416,705,326	372,881,638
(2) Non Current Liabilities			
(a) Long-term Borrowings	5	154,878,271	197,417,489
(3) Current Liabilities			
(a) Trade Payables	6	123,297	181,296
(b) Other Current Liabilities	7	106,640,334	101,834,073
(c) Short-term Provisions	8	1,054,254	482,684
		107,817,885	102,498,053
Total		**679,401,482**	**672,797,180**
II.ASSETS			
(1)Non-current Assets			
(a) Fixed Assets			
Tangible Assets	9	193,621,584	197,823,166
(b) Long-term Loans & Advances	10	8,969,941	8,044,878
		202,591,525	205,868,044
(2) Current Assets			
(a) Cash & Bank Balances	11	4,400,783	16,287,806
(b) Short-term Loans and Advances	12	355,174,178	353,882,207
(c) Other Current Assets	13	117,234,996	96,759,123
		476,809,957	466,929,136
Total		**679,401,482**	**672,797,180**
See accompanying notes forming part of the condensed financial statements	1 to 27		

In term of our report attached

For **Deloitte Haskins & Sells** **For and on Behalf of the Board**

Chartered Accountants

V. Balaji	**Irfan Razack**	**Rezwan Razack**
Partner	Director	Director

Place : Bangalore
Date : 09/01/2013

WESTPALM DEVELOPMENTS PRIVATE LIMITED

The Falcon House, #1, Main Guard Cross Road, Bangalore-560 001

CONDENSED STATEMENT OF PROFIT AND LOSS FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2012

Particulars	Note No.	Half year ended 30-Sept-12 Rs.
I. Revenue from operations	16	56,647,656
II. Other Income	17	22,749,060
III. Total Revenue (I+II)		**79,396,716**
IV. Expenses		
Employee benefits expense	18	90,000
Finance Costs	19	13,773,248
Depreciation and amortization expense	9	4,201,582
Other Expenses	20	2,108,749
Total Expenses		**20,173,579**
V. Profit before tax (III-IV)		**59,223,137**
VI. Tax expense:		
(1) Current Tax		15,399,450
(2) Deferred Tax		-
VII. Profit for the period (V-VI)		**43,823,687**
VIII.Earning per share (equity shares, par value Rs 10 each)		
(1) Basic (Not Annualised)	22	41.34
(2) Diluted (Not Annualised)		41.34
See accompanying notes forming part of the condensed financial statements	1 to 27	

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

V. Balaji

Partner

Bangalore

Date : 09/01/2013

For and on Behalf of the Board

Irfan Razack Director

Rezwan Razack Director

WEST PALM DEVELOPMENTS PRIVATE LIMITED
CONDENSED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2012

Particulars	Half year ended 30-Sept-12 Rs.
CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit before taxation	59,223,138
Adjustments for non-cash & non-operating items	
Depreciation	4,201,582
Interest Income	(22,749,060)
Interest Expense	13,773,248
Operating profit before working capital changes	**54,448,908**
Increase / (Decrease) in Current/ Non-current Liabilities	(64,204)
Decrease / (Increase) Long-term/ Short-term Loans & Advances	(1,541,971)
Cash generated from operations	**52,842,733**
Income tax paid (Net of refund)	(15,752,943)
Net Cash from operating activities - A	**37,089,790**
CASH FLOW FROM INVESTING ACTIVITIES	
Loan given to Share-holders	-
(Inrease)/ Decrease in fixed deposits under lien	1,500,000
Loan repaid by other than related parties	16,250,000
(Inrease)/ Decrease in intercorporate deposits balance	(16,000,000)
Interest Income received	2,273,187
Net Cash From / used in Investing Activities -B	**4,023,187**
CASH FLOW FROM FINANCING ACTIVITIES	
Repayment of borrowings	(37,231,549)
Interest paid	(14,268,451)
Net Cash From / used in Financing Activities -C	**(51,500,000)**
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	**(10,387,023)**
Cash & Cash equivalents Opening balance	14,787,806
Cash & Cash equivalents Closing Balance	**4,400,783**

1. The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statement, issued under Companies (Accounting Standard) Rules, 2006.

2. Reconciliation of opening cash and cash equivalents with balance sheet as at 31st March 2012.

Cash and bank balance as per balance sheet Note 11		16,287,806
Less: fixed deposits under lien		1,500,000
Opening balance of cash and cash equivalents		14,787,806
See accompanying notes forming part of the condensed financial statements	1 to 27	

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

V. Balaji
Partner

For and on Behalf of the Board

Irfan Razack
Director

Rezwan Razack
Director

Bangalore
Date :09/01/2013

1. Corporate Information

WEST PALM DEVELOPMENTS PRIVATE LIMITED was incorporated on April 15, 1996. The registered office of the Company is in The Falcon House, No.1, Main Guard Cross Road, Bangalore - 560 001, India. The Company is engaged in the leasing of commercial properties owned by it.

2. Basis for preparation of interim condensed financial statements and significant accounting policies

i. Basis for preparation

These interim condensed financial statements have been prepared under the historical cost convention on accrual basis and in accordance with the requirements of Accounting Standard 25 "Interim Financial Reporting" notified under the Companies (Accounting Standards) Rules, 2006, as amended. The accounting policies followed in the preparation of these financial statements are consistent with those followed in the preparation of annual financial statements for the year ended and as at March 31, 2012 and should be read in conjunction with those financial statements. The significant accounting policies are given in the following paragraphs.

The Company has prepared these interim condensed financial statements for the first time as at half year ended September 30, 2012. Accordingly, the corresponding figures for half year ended September 30, 2011 are not available.

ii. Use of Estimates

The preparation of the condensed financial statements in conformity with Indian GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

iii. Cash flow statement

Cash flow statement is prepared under the 'Indirect Method' Prescribed under Accounting standard 3 'Cash Flow Statements'.

iv. Depreciation

Depreciation on Fixed assets is provided on the written down value method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.

v. Revenue recognition

Rental Income is recognized on accrual basis. Profit on sale/ surrendering of land is recognized on conveyance of land. Interest income is accounted on accrual basis.

vi. Fixed Assets

Fixed assets are stated at cost, including duties, non-refundable taxes or levies and any expenses directly attributable to bringing the asset to its working condition for its intended use.

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to 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 recognised in the statement of profit and loss.

Reversal of impairment losses recognised in prior years, if any, is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

vii. **Foreign Currency transactions**

All transactions in foreign currency are recorded on the basis of the exchange rate prevailing as on the date of transaction. The difference, if any, on actual payment / realization is recorded to the statement of profit and loss. Monetary assets and liabilities denominated in foreign currency are restated at rates prevailing at the year-end. The net loss or gain arising out of such conversion is dealt with in the statement of profit and loss.

viii. **Borrowing Cost**

Borrowing cost attributable to the acquisition or construction of a qualifying asset is capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

ix. **Earnings Per Share**

The basic and diluted earning per share is computed by dividing the net profit / loss attributable to equity share holders for the year by the weighted average number of equity shares outstanding during the year.

x. **Taxation**

Income tax comprises the current tax provision under the tax payable method and the net change in the deferred tax asset or liability in the year.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of the assets and liabilities and their respective tax basis. Deferred tax assets are recognized subject to managements' judgment that realization is reasonably certain. Deferred Tax assets and liabilities are measured using enacted tax rates to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change.

xi. **Provisions and contingent liabilities**

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

Signatures to Notes 1 to 27 forming part of the Financial Statements.

For and on behalf of the Board

Irfan Razack	**Rezwan Razack**
Director	Director

Place: Bangalore
Date:09/01/2013

WEST PALM DEVELOPMENTS PRIVATE LIMITED

The Falcon House, #1, Main Guard Cross Road, Bangalore-560 001

Notes forming part of the Condensed Financial Statements for the half year ended September 30, 2012

Note No.		As at 30-Sep-12 Rs.	As at 31-Mar-12 Rs.
3	**Share capital**		
	Authorised		
	15,000,000 Equity shares of Rs.10 each	150,000,000	150,000,000
	Issued, Subscribed and fully paid-up		
	1,060,020 equity shares of Rs.10 each, fully paid up (Of the above, 646,613 (March 31, 2012 - 646,613) equity shares are held by the Holding Company - Prestige Estates Projects Limited	10,600,200	10,600,200
		10,600,200	**10,600,200**

3 (a) **Reconciliation of shares outstanding at the beginning and at the end of the period**

	30-Sep-12		31-Mar-12	
	No.of Shares	**Amount**	**No.of Shares**	**Amount**
Equity Shares of Rs.10 each				
Outstanding at the beginning of the period / year	1,060,020	10,600,200	1,060,020	10,600,200
Add: Issued during the period / year	-	-	-	-
Outstanding at the end of the period / year	1,060,020	10,600,200	1,060,020	10,600,200

3 (b) **Details of Shareholders holding more than 5% shares in the Company**

		30-Sep-12		31-Mar-12	
		No.of Shares	**%holding in the class**	**No.of Shares**	**%holding in the class**
3 (c)	**Equity Shares of Rs.10/- each fully paid**				
	Prestige Estates Projects Ltd	646,613	61.00%	646,613	61.00%
	YSN Properties & Investments	61,834	5.83%	61,834	5.83%
	Neeta Dhiren	77,010	7.26%	77,010	7.26%
	Neha Manohar	77,010	7.26%	77,010	7.26%
	Details of shares held by the Holding Company				
	Prestige Estates Projects Limited, the holding Company	646,613	61.00%	646,613	61.00%

		30-Sep-12		31-Mar-12	
		No.of Shares	**%holding in the class**	**No.of Shares**	**%holding in the class**
3 (d)	The Company has only one class of equity shares with voting rights having par value of Rs. 10/- each. The rights , preferences and restrictions attached to such equity shares is in accordance with the terms of issue of equity shares under the Companies Act, 1956 and the Articles of Association of the Company.				
4	**Reserve and Surplus**				
	(a) Reserves				
	Opening Balance		22,566,171		22,566,171
	Closing Balance		22,566,171		22,566,171
	(b) Surplus in Statement of Profit & Loss				
	Opening Balance		339,715,267		254,576,236
	Add : Profit during the period / year		43,823,688		85,139,031
	Closing Balance		383,538,955		339,715,267
	Total reserve and surplus		**406,105,126**		**362,281,438**

Note No.		As at 30-Sep-12 Rs.	As at 31-Mar-12 Rs.
5	**Long-term Borrowings - Secured**		
	Term loans from banks	154,878,271	197,417,489
		154,878,271	197,417,489
5 (a)	Secured by - i) Assignment of rental receivables arising out of lease property, Prestige Technology Park at Kadubeesanahalli Village ii) Mortgage of immovable property, Prestige Technology Park situated at Kadabeesanahalli Village iii) Personal guarantee of all the directors of the company Repayment terms - 105 equal monthly installments of Rs. 6,500,000/- effective from May 2012 Interest rate - PLR plus 0.50%		
5 (b)	Aggregate amount of loan guaranteed by Directors Rs. 209,747,950/- (March 31, 2012 - Rs. 249,979,489/-)		
6	**Trade Payables**		
	Other than acceptances	123,297	181,296
		123,297	**181,296**

7	**Other Current Liabilities**		
	(a) Current maturities of Long term debt	54,869,679	49,562,010
	(b) Interest Accrued but not due on borrowings	2,140,783	2,635,986
	(c) Other payables		
	- Statutory Remittances	-	6,204
	- Security deposits received	49,629,872	49,629,873
		106,640,334	**101,834,073**
8	**Short-term Provisions**		
	Provision for Income Tax (net of advance tax Rs. 85,626,733/- (March 31, 2012 - Rs. 104,144,786/-))	1,054,254	482,684
		1,054,254	**482,684**

Note 9 - Fixed Assets

(Amount in Rs.)

Particulars	GROSS BLOCK AT COST			ACCUMULATED DEPRECIATION			NET BLOCK	
	As at 31-Mar-2012	Additions during the period	As at 30-Sept-2012	Upto 31-Mar-2012	For the period	Upto 30-Sept-2012	As at 30-Sept-12	As at 31-Mar-12
Tangible Assets :								
Freehold Land	29,759,879	-	29,759,879	-	-	-	29,759,879	29,759,879
Building *	233,605,925	-	233,605,925	65,542,638	4,201,582	69,744,220	163,861,705	168,063,287
Total	**263,365,804**	**- #**	**263,365,804**	**65,542,638**	**4,201,582**	**69,744,220**	**193,621,584**	**197,823,166**
March 31, 2012	263,365,804	- #	263,365,804	56,697,202	8,845,436	65,542,638	197,823,166	206,668,602

*Represents assets which are given under operating lease

Note No.		As at 30-Sep-12 Rs.	As at 31-Mar-12 Rs.
10	**Long term Loans & Advances**		
	Advance Income Tax (net of provisions Rs 121,458,422/- (March 31, 2012 Rs 91,708,222/-))	8,969,941	8,044,878
		8,969,941	**8,044,878**
11	**Cash and Bank Balances**		
	Balances with Banks		
	- in Current account	4,400,783	14,787,806
	- in Deposit accounts (under lien)	-	1,500,000
		4,400,783	**16,287,806**

Note No.		As at 30-Sep-12 Rs.	As at 31-Mar-12 Rs.
12	**Short-term Loans & Advances - Unsecured**		
a)	**Loans & Advances - Related Party - considered good**		
	i) Inter Corporate Deposits - Private companies having common directors		
	Prestige Valley View Estates Pvt. Ltd	12,500,000	12,500,000
	Valdel Xtent Outsourcing Solutions Pvt Ltd	16,000,000	-
	ii) Loans to Directors	176,000,000	176,000,000
		204,500,000	**188,500,000**
b)	**Loans & Advances - Others**		
	i) Inter Corporate Deposits - considered good		
	Beary's Properties & Developments Pvt. Ltd	12,500,000	12,500,000
	Featherlite Office Systems Pvt. Ltd	87,500,000	87,500,000
	ii) Loans to Shareholders - considered good		
	Arun Chamaria	10,500,000	10,500,000
	Balachandra A.Yadalam	4,300,000	4,300,000
	Shivakumar A.Yadalam	4,265,000	4,265,000
	Subramanyam Y Yadalam	4,265,000	4,265,000
	YSN Properties & Investments	25,665,000	25,665,000
		148,995,000	**148,995,000**
	iii) Loans to Others - considered good	-	16,250,000
c)	Prepaid expenses - considered good	1,679,178	137,207
d)	Other advances - considered good	-	-
e)	Other advances - considered doubtful	7,001,282	7,001,282
	Less: Provision for doubtful advances	7,001,282	7,001,282
		-	-
		355,174,178	**353,882,207**

WEST PALM DEVELOPMENTS PRIVATE LIMITED

The Falcon House, #1, Main Guard Cross Road, Bangalore-560 001

Notes forming part of the Financial Statements for the half year ended September 30, 2012

Note No.			As at 30-Sep-12 Rs.	As at 31-Mar-12 Rs.
13	**Other Current Assets**			
	Interest receivable - Related Parties			
	i) Interest on Inter Corporate Deposit			
	Prestige Valley View Estates Pvt. Ltd		4,056,956	3,252,294
	Valdel Xtent Outsourcing Solutions Pvt Ltd		419,626	-
	ii) Interest - Directors			
	Irfan Razack		21,561,742	17,634,992
	Rezwan Razack		20,324,593	16,623,148
	Noaman Razack		20,324,593	16,623,148
			66,687,510	**54,133,582**
	Interest receivable - Others			
	i) Interest receivable - Inter Corporate Deposits			
	Beary's Properties & Developments Pvt. Ltd		2,046,499	1,378,740
	Featherlite Office Systems Pvt. Ltd		27,164,364	22,766,485
	ii) Interest Receivable - Shareholders			
	Arun Chamaria		3,713,301	3,035,532
	Balachandra A.Yadalam		939,633	662,829
	Shivakumar A.Yadalam		931,984	657,433
	Subramanyam Y Yadalam		931,984	657,433
	YSN Properties & Investments		7,967,698	6,677,736
			43,695,463	**35,836,188**
	iii) Interest receivable - others		6,852,023	6,789,353
			117,234,996	**96,759,123**
14	**Contingent Liabilities and commitments (to the extent not provided for)**			
	i) Contingent Liabilities			
	a) Claim against the company not acknowledged as debts	Note 15	2,645,032	2,645,032
	ii) Commitments		-	-
15	During the previous year, the Company had received a demand for payment of Income Tax of Rs. 2,645,032 for the A.Y. 2009-10, under section 156 of the Income Tax Act, 1961. The entity has filed as appeal for the same with The Deputy Commissioner of Income Tax, under section 246-A of the Income Tax Act, 1961			

WEST PALM DEVELOPMENTS PRIVATE LIMITED

The Falcon House, #1, Main Guard Cross Road, Bangalore-560 001

Notes forming part of the Financial Statements for the half year ended September 30, 2012

Note No.			Half year ended 30-Sep-12 Rs.
16	**Revenue from Operations**		
	Rental Income		56,647,656
17	**Other Income**		
	Interest Income		22,749,060
			22,749,060
18	**Employee Benefits Expense :**		
	Salary & Wages	Note - 26	90,000
	Contribution to Provident & Other Funds		-
	Staff Welfare Expenses		-
			90,000
19	**Finance Costs**		
	Interest on Term Loan		13,773,248
	Other Interest		-
			13,773,248
20	**Other Expenses**		
	Insurance		123,688
	Rates & Taxes		65,242
	Property Tax		1,665,660
	Legal & Professional Charges		254,158
			2,108,748
21	**Segment Reporting** The operations of the company include acquiring, development and leasing of real estate properties constituting a single segment and has restricted to one geographical area. Hence the disclosure of segment information as per Accounting standard 17 is not applicable.		
22	**Earning per share (EPS) is calculated as under**		
	A) Numerator		
	Net profit for the period/ year (in Rupees)		43,823,688
	B) Denominator - weighted average number of equity shares		
	Basic and diluted (in Numbers)		1,060,020
	C) Nominal value of shares (in ruppes)		10
	Earning per share (in rupees)		
	Basic		41.34
	Diluted		41.34

WEST PALM DEVELOPMENTS PRIVATE LIMITED

The Falcon House, #1, Main Guard Cross Road, Bangalore-560 001

Notes forming part of the Financial Statements for the half year ended September 30, 2012

Note No.		Half year ended 30-Sep-12 Rs.
23	**Operating Leases** The Company has let out Commercial Properties. The lease rental income recognized during the half year is Rs.56,647,656/- The lease rental income and future minimum lease receipts under non-cancelable operating leases in the aggregate and for each of the periods: Not later than one year but not later than five years Later than one year but not later than five years Later than five year	 Nil Nil Nil
24	The Company is not engaged in trading/manufacturing activity and hence the disclosure of information as required under paragraph 5(ii) of general instruction of Schedule VI of the Companies Act, 1956 for preparation of Statement of Profit & Loss is not applicable.	
25	The Company has only one employee and the Company is in the process of finalizing its policies for employee benefits. The provisions of the payment of Gratuity Act and the Provident Fund Act are not applicable to the company. Accordingly there are no liabilities on account of employee benefits for the period.	
26	The previous year figures have been regrouped/reclassified wherever necessary to correspond to the current period classification/disclosures.	

WEST PALM DEVELOPMENTS PRIVATE LIMITED
Notes forming part of the Financial Statements for the half year ended September 30, 2012

Note 27 - Related party disclosure

a) List of Related Parties and Relationships

Relationship	Related Parties
Controlling enterprises	Prestige Estates Projects Limited (PEPL)
Other Related parties with whom the Company had transactions :-	
Entities under common control	Prestige Valley View Estates Pvt. Ltd (PVVEPL) Valdel Xtent Outsourcing Solutions Pvt LTd (VXOSPL)
Key Management Personnel	Mr. Irfan Razack, Director Mr.Rezwan Razack, Director Mr.Noaman Razack, Director

b) Related parties disclosure as per Accounting Standard (AS) - 18:

Transactions	Controlling Enterprise	Entity under common control	Key Management Personnel	Total
Interest earned on Inter Corporate Deposit PVVEPL	Nil	804,662	Nil	804,662
Interest earned on Intercorporate Deposit Valdel Xtent Outsourcing Solutions Pvt Ltd	Nil	466,251	Nil	466,251
Interest earned on Loans given to directors				
Irfan Razack	Nil	Nil	3,926,750	3,926,750
Rezwan Razack	Nil	Nil	3,701,445	3,701,445
Noaman Razack	Nil	Nil	3,701,445	3,701,445
Amounts outstanding as at Balance Sheet Date				
Loan due from Directors				
Irfan Razack	Nil (Nil)	Nil (Nil)	61,000,000 (61,000,000)	61,000,000 (61,000,000)
Rezwan Razack	Nil (Nil)	Nil (Nil)	57,500,000 (57,500,000)	57,500,000 (57,500,000)
Noaman Razack	Nil (Nil)	Nil (Nil)	57,500,000 (57,500,000)	57,500,000 (57,500,000)
Amount receivable towards interest from loans given				
Irfan Razack	Nil (Nil)	Nil (Nil)	21,561,742 (17,634,992)	21,561,742 (17,634,992)

Transactions	Controlling Enterprise	Entity under common control	Key Management Personnel	Total
Rezwan Razack	Nil (Nil)	Nil (Nil)	20,324,593 (16,623,148)	20,324,593 (16,623,148)
Noaman Razack	Nil (Nil)	Nil (Nil)	20,324,593 (16,623,148)	20,324,593 (16,623,148)
Amount receivable towards Intercorporate Deposit - PVVEPL	Nil (Nil)	12,500,000 (12,500,000)	Nil (Nil)	12,500,000 (12,500,000)
Amount receivable towards interest on intercorporate deposit Prestige Valley View Estates Pvt.Ltd	Nil (Nil)	4,056,956 (3,156,366)	Nil (Nil)	4,056,956 (3,156,366)
Amount receivable towards Intercorporate Deposit - VXOSPL	Nil (Nil)	16,000,000 (Nil)	Nil (Nil)	16,000,000 (Nil)
Amount receivable towards interest on intercorporate deposit VXOSPL	Nil (Nil)	419,626 (Nil)	Nil (Nil)	419,626 (Nil)

a) Related party relationships are as identified by the Company on the basis of information available with them and accepted by the auditors.

b) The above amount excludes reimbursement of expenses.

c) No amount is/has been written back during the year in respect of debts due from or to related party.

d) Figures in brackets relate to the previous year ended March 31, 2012 in the case of outstanding balances.

Auditors' Report on the Interim Financial Statements

To The Management of
Prestige Property Management & Services

(1) We have examined the Balance Sheet as at 30th September 2012, and the Statement of Profit and Loss for the period ended on that date, attached herewith, of M/s PRESTIGE PROPERTY MANAGEMENT AND SERVICES having its office at THE FALCON HOUSE, NO.1, MAIN GUARD CROSS ROAD, BANGALORE-560001 (Permanent Account Number AABFP2734P). These Financial Statements are the responsibility of the Firm's management. Our responsibility is to express an opinion on these Financial Statements, based on our audit.

(2) We conducted audit in accordance with 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 amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall Financial Statements presentation. We believe that our audit provides a reasonable basis for our opinion.

(3) We certify that the Balance Sheet and the Statement of Profit and Loss are in agreement with the books of account maintained at the head office at THE FALCON HOUSE, NO.1, MAIN GUARD CROSS ROAD, BANGALORE-560001

(4) We report that:

(a) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

(b) In our opinion, proper books of account have been kept by the Firm so far as appears from our examination of the books.

(5) In our opinion and to the best of our information and according to the explanations given to us, give a true and fair view in conformity with the accounting principals generally accepted in India :-

(i) in the case of the Balance Sheet, of the state of the affairs of the Firm as at 30th September, 2012; and

(ii) in the case of the Statement of Profit and Loss of the Profit of the Firm for the period ended on that date.

For K KOTRESH & CO.,
Chartered Accountants
Firm Reg No 001426s

(CA SUNIL KUMAR GARG)
Partner
Membership No. 052589

Place: Bangalore
Date: 05/12/2012

PRESTIGE PROPERTY MANAGEMENT & SERVICES

The Falcon House, No.1, Main Guard Cross Road, Bangalore

Balance Sheet as at 30th September 2012

Particulars	Note No	As At 30-Sept-2012	As At 31-Mar-2012
		Rs.	Rs.
I. Equity & Liabilities			
(1) Partners Fund:			
(a) Partners Capital Account	2	10,000,000	10,000,000
(b) Partners Current Account	3	100,010,354	124,775,829
(2) Non-Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)			
(c) Other Long term liabilities	4	78,441,375	74,409,973
(d) Long term provisions		-	-
(3) Current Liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables	5	73,620,169	122,755,117
(c) Other current liabilities	6	192,935,642	131,047,577
(d) Short-term provisions	7	21,160,764	21,798,207
TOTAL		**476,168,304**	**484,786,703**
II.Assets			
(1) Non-current assets			
(a) Fixed assets	8		
- Tangible assets		8,017,274	8,449,719
(b) Non-current investments	9	29,588,125	29,288,125
(c) Deferred tax assets (net)	10	2,579,304	764,130
(d) Long term loans and advances	11	30,493,086	30,460,336
(e) Other non-current assets		-	-
(2) Current assets			
(a) Current investments	12	31,650,199	71,455,327
(b) Inventories	13	11,218,651	7,304,624
(c) Trade receivables	14	317,432,260	298,137,369
(d) Cash and cash equivalents	15	25,500,463	25,490,925
(e) Short-term loans and advances	16	11,007,507	4,146,479
(f) Other current assets	17	8,681,435	9,289,669
TOTAL		**476,168,304**	**484,786,703**
Significant Accounting Policies	1		

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.
For K Kotresh & Co.,
Chartered Accountants
Firm Regn No 001426S

(CA Sunil Kumar Garg)
Partner
Membership No. 052589

Place : Bangalore
Date : 5th December 2012

For PRESTIGE PROPERTY MANAGEMENT & SERVICES

Prestige Estates Projects Ltd
Managing Partner
(Represented by IRFAN RAZACK)

PRESTIGE PROPERTY MANAGEMENT & SERVICES

The Falcon House, No.1, Main Guard Cross Road, Bangalore

Statement of Profit and Loss for the period ended 30th September 2012

Particulars	Note No	Period Ending 30-Sep-2012
		Rs.
I. Revenue from operations	18	889,877,446
II. Other Income	19	3,726,571
III Total Revenue (I +II)		**893,604,017**
IV Expenses:		
Employee benefit expenses	20	154,198,400
Property and Facilities Operating Expenses	21	617,079,649
Finance costs	22	2,177,526
Depreciation		744,321
Other expenses	23	7,432,371
Total Expenses		**781,632,267**
V. Profit before exceptional and extraordinary items and tax (III-IV)		111,971,750
VI. Exceptional Items		-
VII. Profit before extraordinary items and tax (V - VI)		111,971,750
VIII. Extraordinary Items		-
IX. Profit before tax (VII - VIII)		111,971,750
X. Tax expense:		
(1) Current tax		37,428,000
(2) Deferred tax		(1,815,173)
XI. Profit(Loss) from the period from continuing operations (IX - X)		**76,358,923**
XII. Profit/(Loss) from discontinuing operations		-
XIII. Tax expense of discounting operations		-
XIV. Profit/(Loss) from Discontinuing operations (XII-XIII)		-
XV. Profit/(Loss) for the period (XII+XIV)		**76,358,923**
XVI Excess Income Tax Provision of earlier year written back		-
XVII Distributable Profits		**76,358,923**
Significant Accounting Policies	1	

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.

For K Kotresh & Co.,

Chartered Accountants

Firm Regn No 001426s

(CA Sunil Kumar Garg)

Partner

Membership No 052589

For PRESTIGE PROPERTY MANAGEMENT & SERVICES

Prestige Estates Projects Ltd

Managing Partner

(Represented by IRFAN RAZACK)

Place : Bangalore

Date : 5th December 2012

PRESTIGE PROPERTY MANAGEMENT & SERVICES
"The Falcon House" No. 1, Main Guard Cross Road, Bangalore.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis for preparation of Financial Statements:

The financial statements are prepared under the historical cost convention, on the basis of a going concern and as per applicable accounting standards. The firm follows mercantile system of accounting and recognises income and expenditure on accrual basis.

1.2 Revenue Recognition :

a) Revenue for Maintenance of Properties and Club Operations are recognised on accrual basis.
b) Brokerage on Rentals are recognised as and when the deal gets completed.
c) Dividend Income is recognised on the basis of right to receive is established.
d) Interest Income is recognised on accrual basis.

1.3 Fixed Assets:

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation till date of Balance sheet. Direct costs are capitalised until the assets are ready for use.

1.4 Depreciation:

Depreciation on Fixed Assets is provided on written down value method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

Depreciation on assets acquired/disposed off during the year is provided from / upto the dates on which such assets have been acquired / disposed off. Individual assets costing less than Rs. 5,000/- are depreciated in full in the year of acquisition.

1.5 Retirement Benefits

a) The provident fund contributions are made to a recognized provident fund under the Employees Providend Fund and Miscellaneous Provision Act, 1952.

b) The firm has provided for gratuity and earned leave on the basis of actuarial valuations carried out by an independent actuary at each balance sheet date.

1.6 Taxes on Income

Income tax comprises current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised and only if there is a virtual certainty of realisation of such assets . Deferred Tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised. The firm offsets, on a year on year basis, the current tax assets and liabilities, where is has a legally enforceable right and where it intends to settle such assets and liabilities on net basis.

1.7 Cash Flow Statement

The Cash Flow Statement is prepared under the "indirect method" set out in Accounting Standard 3 on "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.

Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks.

1.8 Provision and Contingent Liabilities

The Firm recognizes a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosures for a Contingent Liabilities are 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 relation to which the likelihood of outflow of resources is remote, no provision or disclosure is made. All known liabilities wherever material are provided for.

Prestige Property Management & Services

The Falcon House, No.1, Main Guard Cross Road, Bangalore

Notes forming part of Financial Statements for the period ended 30th September 2012

Note No		As At 30-Sept-2012	As At 31-Mar-2012
		Rs.	Rs.
2	**Partners Capital Account**		
	Irfan Razack	100,000	100,000
	Rezwan Razack	100,000	100,000
	Noaman Razack	100,000	100,000
	Prestige Estates Projects Ltd.	9,700,000	9,700,000
	TOTAL	**10,000,000**	**10,000,000**

	3 Partners Current Account:	**Opening Balance 01-Apr-2012**	**Debits**	**Share of Profit**	**Closing Balance 30-Sept-2012**
	Irfan Razack	(752,143)	-	763,589	11,446
	Rezwan Razack	5,586,490	20,000	763,589	6,330,079
	Noaman Razack	4,657,623	-	763,589	5,421,212
	Prestige Estates Projects Ltd.	115,283,859	101,104,398	74,068,156	88,247,617
	TOTAL	**124,775,829**	**101,124,398**	**76,358,923**	**100,010,354**

		As At 30-Sept-2012	As At 31-Mar-2012
4	**Other long term liabilities**		
	Deposits Received	78,441,375	74,409,973
	TOTAL	**78,441,375**	**74,409,973**
5	**Trade Payables**		
	Sundry Creditors	73,620,169	122,755,117
	TOTAL	**73,620,169**	**122,755,117**

The disclosure as per the Micro, Small & Medium enterprises Development Act 2006, is based on the information received and available with the management . On the above basis credit balance of such enterprises is Rs.67,38,446/- (As at 31-Mar-2012 Rs..43,33,712/-).

6	**Other Current Liabilities**		
	Other payables		
	(i) Statutory remittances (Contributions to PF and ESIC, withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	13,443,037	7,974,769

		As At 30-Sept-2012	As At 31-Mar-2012
	(ii) Refundable Deposits	2,540,564	1,390,564
	(iii) Advances from customers	68,298,733	62,181,194
	(iv) Others	108,653,308	59,501,050
	TOTAL	**192,935,642**	**131,047,577**
7	**Short term provisions**		
	a. Provisions for employee benefits		
	i) Provision for bonus	6,957,846	20,001,267
	ii) Provision for gratuity *	4,918,704	-
	iii) Provision for other defined benefit plans **	3,351,716	1,796,940
	b. Others (Specify)		
	i) Provision for Income Tax	5,932,498	-
	TOTAL	**21,160,764**	**21,798,207**

* The firm has ascertained the liability in respect of Gratuity of its employees as on 30-Sept-2012 on the basis of actuarial valuation carried out by an independent actuary and has provided a sum of Rs. 49,18,704/- (As at 31-Mar-2012 advance Rs.13,477/-).

** The firm has ascertained the liability in respect of Earned Leave of its employees as on 30-Sept-2012 on the basis of actuarial valuation carried out by an independent actuary and has provided a sum of Rs.33,51,716/- (As At 31-Mar-2012 Rs.17,96,940/-).

Note No. 8 **FIXED ASSETS :**

Rs.

	Description	Gross Block (at Cost)				Depreciation				Net Block	
		As at 01-Apr-2012	Additions	Deletions	Total 30-Sept-2012	Upto 31-Mar-2012	Additions	Adjustments	Upto 30-Sept-2012	As At 30-Sept-2012	As At 31-Mar-2012
1	**Tangible Assets:**										
a	Land - Club House	1,664,535	-	-	1,664,535	-	-	-	-	1,664,535	1,664,535
b	Plant & Machinery	20,984,209	264,172	-	21,248,381	17,738,023	229,684	-	17,967,707	3,280,674	3,246,186
c	Furniture & Fixtures	1,311,594	18,320	-	1,329,914	919,315	35,440	-	954,755	375,159	392,279
d	Vehicles	27,524,046	-	862,014	26,662,032	25,046,305	305,870	529,330	24,822,845	1,839,187	2,477,741
e	Office Equipments	4,647,312	362,070	-	5,009,382	3,978,336	173,327	-	4,151,663	857,719	668,976
	Total	**56,131,696**	**644,562**	**862,014**	**55,914,244**	**47,681,979**	**744,321**	**529,330**	**47,896,970**	**8,017,274**	**8,449,717**
	Previous year 31-Mar-12	56,991,484	333,544	1,193,332	56,131,696	46,662,030	1,903,477	883,528	47,681,979	8,449,717	

Note No		As At 30-Sept-2012 Rs.	As At 31-Mar-2012 Rs.
9	**Non-current investments**		
	Other Non Current Investments - Other than Trade*	29,588,125	29,288,125
	TOTAL	**29,588,125**	**29,288,125**
	* Investments with M/s.Prestige Estates Projects Ltd.		
10	**Deferred Tax Assets (net)**		
	Difference between book to Tax depreciation	827,821	380,254
	Disallowance U/s 40(a) (7) of the Income Tax Act – Gratuity	1,524,044	282,885

Note No			As At 30-Sept-2012	As At 31-Mar-2012
		Disallowance U/s 40(a) (1a) of the Income Tax Act – Leave Encashment	227,439	100,991
		Net Deferred Tax Assets / (Liabilities)	**2,579,304**	**764,130**
11	**Long term loans and advances**			
		Deposits Paid	30,493,086	30,460,336
		TOTAL	**30,493,086**	**30,460,336**
12	**Current investments**			
	a	Investment in Mutual funds *	4,000,000	4,000,000
	b	Fixed Deposit Receipts - HDFC LTD	27,650,199	25,378,226
	c	Other Current Investments **	-	42,077,101
		TOTAL	**31,650,199**	**71,455,327**
	*	Templeton India Income Opp Fund - Growth		
		4,00,000 units @ Rs..10/- each Market value Rs.50,89,200/-		
		(Prev Year 4,00,000 units @ Rs..10/- each Market Value Rs..47,92,360/-)		
	**	Investments with M/s.Prestige Estates Projects Ltd.		
13	**Inventories**			
		Stock of Fuel / Spares	11,218,651	7,304,624
		(Inventories are stated at cost or net realisable value whichever is lower)		
		TOTAL	**11,218,651**	**7,304,624**
14	**Trade receivables**			
		Sundry Debtors :		
		Unsecured considered good	317,432,260	298,137,369
		TOTAL	**317,432,260**	**298,137,369**
15	**Cash and Cash Equivalents**			
		(a) Cash on hand	95,217	-
		(b) Balances with banks		
		In current accounts	25,405,246	25,490,925
		TOTAL	**25,500,463**	**25,490,925**
16	**Short-term loans and advances (Unsecured considered good)**			
		(a) Loans and advances to employees	841,515	718,285
		(b) Prepaid expenses	5,547,586	1,709,600
		(c) Advance for Gratuity	-	13,477
		(c) Others	4,618,406	1,705,117
		TOTAL	**11,007,507**	**4,146,479**

Note No		As At 30-Sept-2012	As At 31-Mar-2012
17	**Other current assets**		
	(a) Interest accrued on Investments	1,027,665	2,135,162
	(b) Income tax refund receivable	7,653,770	7,154,507
	TOTAL	**8,681,435**	**9,289,669**

Note No			Period Ending 30-Sep-2012
			Rs.
18	**Revenue from operations**		
	Sale of Services:		
	Facility & Maintenance Income	18 a	874,754,300
	Other operating revenue	18 b	15,123,146
			889,877,446
18 a	**Facility Maintenance Income :**		
	Maintenance Charges		329,328,911
	Electricity & AC / DG Charges		540,371,305
	Water Charges		2,194,921
	Periodical Maintenance Income		-
	Others		2,859,163
			874,754,300
18 b	**Other operating revenue:**		
	Club House Income		6,347,862
	Space Usage Charges		5,221,557
	Commission / Brokerage		1,389,633
	Parking Charges		1,885,134
	Miscellaneous Income		278,960
			15,123,146
19	**Other Income**		
	Interest Income	19 a	3,429,928
	Other non operating income	19 b	296,643
			3,726,571
19 a	**Interest income:**		
	Interest income from current investments		1,232,405
	Interest income from Non-current investments from M/s. Prestige Estates Projects Ltd		2,197,523
			3,429,928

Note No		Period Ending 30-Sep-2012
		Rs.
19 b	**Other non-operating income:**	
	Profit on sale of fixed assets (Net)	15,574
	Others	281,069
		296,643

		Period Ending 30-Sep-2012
		Rs.
20	**Employee Benefit Expenses**	
	Salaries & Wages	118,915,451
	Bonus	8,935,110
	Gratuity	6,994,115
	Leave Encashment	1,703,241
	Providend fund & Superannuation fund	9,976,696
	Welfare expenses	7,673,787
	Total	**154,198,400**
21	**Property & Facility Operating Expenses**	
	Security /H.Keeping Expenses Out Source	26,434,636
	Annual Maintenance Charges	23,680,680
	Fuel / Oil Consumption	42,297,799
	Electricity / Water Charges	486,674,175
	Consumables - Housekeeping / Electricals	2,818,745
	Repairs and Mainteanance - Buildings	3,562,485
	Repairs and Mainteanance - Machinery	4,783,128
	Landscape Maintenance	771,762
	Waste Hauling Charges	1,016,880
	KSPCB Consent fee	381,711
	Building Insurance	2,282,287
	Periodical Inspection & Liasioning Charges	523,100
	Rent - Club House	3,000,000
	Pooja / Festival Celebrations	-
	Telephone / Mobile Expenses	1,260,118
	Generator Hire Charges	-
	Other Maintenance Expenses	2,814,525
	Provision for Expenses	14,777,618
	Total	**617,079,649**

		Period Ending 30-Sep-2012 Rs.
22	**Finance Costs**	
	Interest Expenses - Others	2,175,332
	Bank charges	2,194
	Total	**2,177,526**
23	**Other Expenses**	
	Rent.	1,476,600
	Audit fees	
	a) Statutory Auditor	100,000
	b) Other Services	51,000
	Telephone & Postage Expenses	382,495
	Printing & Stationery	170,173
	Legal & professional charges	200,900
	Electricity Charges	431,401
	Office Maintenance	215,793
	Amounts Written Off	-
	Other Administration Expenses	3,998,055
	Provision for Admin Expenses	405,954
	Total	**7,432,371**

24 **Contingent Liabilities:**

Claims against the firm, not acknowledged as Debts	NIL
Corporate Guarantees given by the firm on behalf of a company in which partners are interested	NIL
Capital Commitments net of advances	NIL
Other Contingent Liabilities	NIL

25 In opinion of the Management, current assets, Loans and Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated.

26 The balances of sundry debtors, creditors and advances are subject to confirmations / reconciliation and adjustments, if any & the management does not expect any material impact on the current year's financial statements.

27 The Interest earned on corpus funds deployed, is treated as business income as the interest earned is used to meet the property maintenance expenses, which is the core activity of the firm.

28 As per the Accounting Standard (AS) 18, `Related Party Disclosures', the details are as under :

List of Related Parties and Relationships –

Relationship	**Related Parties**
Controlling Enterprise	Prestige Estates Projects Ltd.
Other related parties with whom the Firm had transactions –	

Relationship	Related Parties
Company in which the Firms Partner(s) are Directors	Prestige Fashions Pvt Ltd Prestige Leisure Resorts Pvt Ltd Prestige Garden Resorts Pvt Ltd ICBI (India) Pvt Ltd Cessna Garden Developers Pvt Ltd Exora Business Parks Pvt Ltd
Partnership Firms in which the Firm's Partner(s) are Partners	Prestige Constructions Prestige Notting Hill Investments Prestige Ozone Properties Morph Castlewood Investments Silver Line Estates RRR Investments Nebula Investments 23 Carat Silver Oak Projects Inventure Academy
Key Management Personnel	Mr. Irfan Razack Mr. Rezwan Razack Mr. Noaman Razack
Relative of Key Management Personnel	Rabia Razack Badrunissa Irfan Almas Rezwan Sameera Noaman Anjum Jung Uzma Irfan Faiz Rezwan Sana Rezwan Zaid Noaman Danya Noaman

(i) Transactions with Related Party during the period –

Particulars	Controlling Enterprise	Company in which the Firms Partner(s) are Directors	Partnership firms in which Firm's Partner(s) are Partners	Key Management Personnel	Relative of Key Management Personnel	Total
Rendering of Services						
Prestige Estates Projects Ltd	45,635,288	-	-	-	-	45,635,288
Prestige Fashions Pvt Ltd	-	18,198	-	-	-	18,198
Prestige Leisure Resorts Pvt Ltd	-	296,632	-	-	-	296,632
Prestige Garden Resorts Pvt Ltd	-	548,877	-	-	-	548,877
ICBI India Pvt Ltd	-	7,587	-	-	-	7,587

Particulars	Controlling Enterprise	Company in which the Firms Partner(s) are Directors	Partnership firms in which Firm's Partner(s) are Partners	Key Management Personnel	Relative of Key Management Personnel	Total
Cessna Garden Developers Pvt Ltd	-	316,659	-	-	-	316,659
EXORA Business parks Ltd	-	549,854	-	-	-	549,854
Prestige Constructions	-	-	100,676	-	-	100,676
Prestige Notting Hill Investments	-	-	27,449	-	-	27,449
Morph	-	-	461,419	-	-	461,419
Castlewood Investments	-	-	115,281	-	-	115,281
Silverline Estates	-	-	806,060	-	-	806,060
RRR Investments	-	-	138,540	-	-	138,540
23 Carat	-	-	371,910	-	-	371,910
Silver Oak Projects	-	-	177,078	-	-	177,078
Inventure Academy	-	-	1,534,520	-	-	1,534,520
Irfan Razack	-	-	-	553,040	-	553,040
Rezwan Razack	-	-	-	492,342	-	492,342
Noaman Razack	-	-	-	337,279	-	337,279
Rabia Razack	-	-	-	-	210,112	210,112
Badrunissa Irfan	-	-	-	-	29,214	29,214
Anjum Jung	-	-	-	-	128,091	128,091
Uzma Irfan	-	-	-	-	290,448	290,448
Faiz Rezwan	-	-	-	-	214,608	214,608
Sana Rezwan	-	-	-	-	36,046	36,046
Zaid Noaman	-	-	-	-	8,496	8,496
Danya Noaman	-	-	-	-	29,935	29,935
Interest Income						
Prestige Estates Projects Ltd	2,197,523	-	-	-	-	2,197,523
Rental Income						
Prestige Leisure Resorts Pvt Ltd	-	168,000	-	-	-	168,000
Rental Expense						
Prestige Estates Projects Ltd	1,659,106	-	-	-	-	1,659,106
Prestige Ozone Properties	-	-	3,370,800	-	-	3,370,800
Purchase of Goods						
Prestige Fashions Private Ltd	-	748,935	-	-	-	748,935
Receiving of Services						
Prestige Fashions Private Ltd	-	132,880	-	-	-	132,880
Movement in Partners Current Account :						
Mr. Irfan Razack						
a) Share of Profit	-	-	-	763,589	-	763,589
Mr. Rezwan Razack						
a) Share of Profit	-	-	-	763,589	-	763,589
b) Payments	-	-	-	20,000	-	20,000
Mr. Noaman Razack						
a) Share of Profit	-	-	-	763,589	-	763,589
b) Other adjustments	-	-	-	-	-	-
Prestige Estates Projects Ltd						
a) Share of Profit	74,068,156	-	-	-	-	74,068,156

Particulars	Controlling Enterprise	Company in which the Firms Partner(s) are Directors	Partnership firms in which Firm's Partner(s) are Partners	Key Management Personnel	Relative of Key Management Personnel	Total
b) Other adjustments	101,104,398	-	-	-	-	101,104,398
(ii) Amounts Outstanding as at the Balance Sheet date						
(a) AMOUNTS DUE TO:						
Partners Capital Account						
Mr. Irfan Razack	-	-	-	100,000	-	100,000
	-	-	-	(100,000)	-	(100,000)
Mr. Rezwan Razack	-	-	-	100,000	-	100,000
	-	-	-	(100,000)	-	(100,000)
Mr. Noaman Razack	-	-	-	100,000	-	100,000
	-	-	-	(100,000)	-	(100,000)
Prestige Estates Projects Ltd	9,700,000	-	-	-	-	9,700,000
	(9,700,000)	-	-	-	-	(9,700,000)
Partners Current Account						
Mr. Irfan Razack	-	-	-	11,446	-	11,446
	-	-	-	(752,143)	-	(752,143)
Mr. Rezwan Razack	-	-	-	6,330,079	-	6,330,079
	-	-	-	(5,586,490)	-	(5,586,490)
Mr. Noaman Razack	-	-	-	5,421,212	-	5,421,212
	-	-	-	(4,657,623)	-	(4,657,623)
Prestige Estates Projects Ltd	88,247,617	-	-	-	-	88,247,617
	(115,283,859)	-	-	-	-	(115,283,859)
(b) AMOUNTS DUE FROM						
Rent Deposit						
Prestige Estates Projects Ltd	2,310,500	-	-	-	-	2,310,500
	(2,310,500)	-	-	-	-	(2,310,500)
Prestige Ozone Properties	-	-	1,800,000	-	-	1,800,000
	-	-	(1,800,000)	-	-	(1,800,000)
Inter Unit Investments						
Prestige Estates Projects Ltd	29,588,125	-	-	-	-	29,588,125
	(71,365,226)	-	-	-	-	(71,365,226)
Sundry Debtors						
Prestige Estates Projects Ltd	45,910,918	-	-	-	-	45,910,918
	(122,911,194)	-	-	-	-	(122,911,194)
Prestige Leisure Resorts Private Ltd	-	2,461,507	-	-	-	2,461,507
	-	(2,628,393)	-	-	-	(2,628,393)
Prestige Garden Resorts Private Ltd	-	537,899	-	-	-	537,899
	-	(501,555)	-	-	-	(501,555)
ICBI India Private Ltd	-	-	-	-	-	-
	-	(5,402)	-	-	-	(5,402)
Cessna Garden Developers Pvt ltd	-	331,004	-	-	-	331,004
	-	(3,459,974)	-	-	-	(3,459,974)
EXORA Business parks Pvt Ltd	-	538,857	-	-	-	538,857
	-	(3,612,480)	-	-	-	(3,612,480)
Prestige Notting Hill Investments	-	-	26,925	-	-	26,925

Particulars	Controlling Enterprise	Company in which the Firms Partner(s) are Directors	Partnership firms in which Firm's Partner(s) are Partners	Key Management Personnel	Relative of Key Management Personnel	Total
	-	-	(3,509,722)	-	-	(3,509,722)
Morph	-	-	379,437	-	-	379,437
	-	-	(132,269)	-	-	(132,269)
Castlewood Investments	-	-	-	-	-	-
	-	-	(766,494)	-	-	(766,494)
Silverline Estates	-	-	880,722	-	-	880,722
	-	-	(1,203,901)	-	-	(1,203,901)
Inventure Academy	-	-	314,362	-	-	314,362
	-	-	(247,726)	-	-	(247,726)
RRR Investments	-	-	-	-	-	-
	-	-	(452,909)	-	-	(452,909)
Nebulla Investments	-	-	(NIL)	-	-	(NIL)
	-	-	(594)	-	-	(594)
23 Carat	-	-	(NIL)	-	-	(NIL)
	-	-	(614,579)	-	-	(614,579)
Silver Oak Projects	-	-	(NIL)	-	-	(NIL)
	-	-	(650,988)	-	-	(650,988)
Irfan Razack	-	-	-	(NIL)	-	(NIL)
	-	-	-	(1,773,959)	-	(1,773,959)
Rezwan Razack	-	-	-	(NIL)	-	(NIL)
	-	-	-	(1,583,439)	-	(1,583,439)
Noaman Razack	-	-	-	(NIL)	-	(NIL)
	-	-	-	(389,709)	-	(389,709)
Badrunissa Irfan	-	-	-	-	14,607	14,607
	-	-	-	-	(757,663)	(757,663)
Rabia Razack	-	-	-	-	(NIL)	(NIL)
	-	-	-	-	(228,321)	(228,321)
Uzma Irfan	-	-	-	-	(NIL)	(NIL)
	-	-	-	-	(549,744)	(549,744)
Faiz Rezwan	-	-	-	-	(NIL)	(NIL)
	-	-	-	-	(1,355,909)	(1,355,909)
Sana Rezwan	-	-	-	-	136,198	136,198
	-	-	-	-	(101,686)	(101,686)
Zaid Noaman	-	-	-	-	(NIL)	(NIL)
	-	-	-	-	(24,943)	(24,943)
Danya Noaman	-	-	-	-	(42,620)	(42,620)
	-	-	-	-	(6,950)	(6,950)

Prestige Property Management & Services
The Falcon House, No.1, Main Guard Cross Road, Bangalore
Notes forming part of Financial Statements for the period ended 30th September 2012

Notes:

(a) Related Party relationships are as identified by the firm on the basis of information available with them and accepted by the auditors.

(b) The above amounts exclude reimbursement of expenses.

(c) No amount is / has been written off or written back during the period in respect of debts due from or to related party

(d) Respective comparative figures have been indicated in ( ).

29. Segment Reporting:

The Firm is engaged in only one segment i.e. Facility Management. The Firm has no other Business segments to be reported as per Accounting standard 17 on "Segment Reporting".

30 The comparative figures provided in these Interim Financial Statements are pertaining to the periods as specified in AS-25 "Interim Financial Reporting" issued by the Institute of Chartered Accountants of India. These have been regrouped / recasted wherever required in order to present them as per the requisite legal requirements.

for PRESTIGE PROPERTY MANAGEMENT & SERVICES

Prestige Estates Projects Ltd.,
Managing Partner
(Represented by IRFAN RAZACK)

Place: Bangalore.
Date : 5th December, 2012

AUDITORS' REPORT

To,

The Members of Downhills Holiday Resorts Private Limited,

1. We have audited the attached Balance Sheet of **Downhills Holiday Resorts Private Limited,** as at **September 30, 2012**, the Profit and Loss Statement and the Cash Flow Statement of the Company for the period ended on that date annexed thereto. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. These 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. Further to our comments referred to above, we report that:

   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books.

   c) The Balance Sheet, the Profit and Loss Statement and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

   d) The Balance Sheet, the Profit and Loss Statement and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;

   e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      i) in the case of the Balance Sheet, of the state of affairs of the Company as at **September 30, 2012**;

      ii) in the case of the Profit and Loss Statement, of the loss for the period ended on that date; and

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

for **M.S.B.Rao & Co.**
Chartered Accountants

M.S.Babu Rao
Proprietor
M. No. 201467

Place : Bangalore
Date : 11/12/2012

DOWNHILLS HOLIDAY RESORTS PRIVATE LIMITED

BALANCE SHEET AS AT SEPTEMBER 30, 2012

Particulars	Note no.	As at 30 September 2012 Rs	As at 31 March 2012 Rs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	41,500,000	41,500,000
Reserves and surplus	3	51,841,836	51,843,846
		93,341,836	93,343,846
Current liabilities			
Other current liabilities	4	10,979	30,915
		10,979	**30,915**
Total		**93,352,815**	**93,374,761**
ASSETS			
Non-current assets			
Non-current Investments	5	10,798,560	10,798,560
		10,798,560	**10,798,560**
Current assets			
Cash and cash equivalents	6	865,766	887,712
Short-term loans and advances	7	81,688,489	81,688,489
		82,554,255	**82,576,201**
Total		**93,352,815**	**93,374,761**

Significant accounting policies & Notes to the accounts 1 to 19

The notes referred to above form an integral part of the Balance Sheet

In terms of our report attached

For M.S.B. Rao & Co **For and on behalf of the Board**

*Chartered Accountant*s

M.S. Babu Rao **Badrunissa Irfan** **Sameera Noaman**

Proprietor Director Director

Place: Bangalore

Date: 11/12/2012

DOWNHILLS HOLIDAY RESORTS PRIVATE LIMITED

PROFIT AND LOSS STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2012

Particulars	Note no.	Half year ended 30 September 2012 Rs
Revenue from operations		-
Other income		-
Total Revenue		-
Expenses		
Other Expenses	8	2,010
Total Expenses		**2,010**
Profit / (loss) before tax		**(2,010)**
Tax expense:		
- Current tax		-
- Deferred tax charge/ (credit)		-
Profit / (loss) after tax		**(2,010)**
Earning per Equity share (equity shares, par value Rs 10 each)		
- basic and diluted	12	(0.00)

Significant accounting policies & Notes to the accounts 1 to 19

The notes referred to above form an integral part of the statement of profit and loss

In terms of our report attached

For M.S.B. Rao & Co **For and on behalf of the Board**

*Chartered Accountant*s

M.S. Babu Rao **Badrunissa Irfan** **Sameera Noaman**

Proprietor Director Director

Place: Bangalore

Date: 11/12/2012

DOWNHILLS HOLIDAY RESORTS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2012

Particulars	Note no.	Half year ended 30 September 2012 Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before taxation		**(2,010)**
Adjustments for non cash & non operating items:		
Profit on sale of Land		-
Depreciation		-
Interest Earned		-
Financial Expenses		-
Operating profit before working capital changes		**(2,010)**
Adjustments for		
Increase / (Decrease) in Current and Non Current Liabilities		(19,936)
Cash generated from operations		**(21,946)**
Income tax refund / (payment) – Net		-
Net Cash from operating activities – A		**(21,946)**
CASH FLOW FROM INVESTING ACTIVITIES		
Net Cash From / used in Investing Activities –B		**-**
CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash From / used in Financing Activities –C		**-**
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)		**(21,946)**
Cash & Cash equivalents opening balance		887,712
Cash & Cash equivalents closing balance		**865,766**

1. The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statement, issued under the Companies (Accounting Standard) Rules, 2006.

2. Cash and cash equivalents does not include any balances which are not available for use by the company.

Significant accounting policies & Notes to the accounts 1 to 19

The notes referred to above form an integral part of the Cash flow statement

In terms of our report attached

For M.S.B. Rao & Co **For and on behalf of the Board**

*Chartered Accountant*s

Badrunissa Irfan Director

Sameera Noaman Director

M.S. Babu Rao
Proprietor

Place: Bangalore

Date: 11/12/2012

DOWNHILLS HOLIDAY RESORTS PRIVATE LIMITED
NOTES FORMING PART OF ACCOUNTS

1 Significant accounting policies

1. Corporate Information

M/s. Downhills Holiday Resorts Pvt Ltd ("the Company") was incorporated on December 5, 1995 as a private limited company under the Companies Act, 1956 (the "Act"). The registered office of the Company is inThe Falcon House, No.1, Main Guard Cross Road, Bangalore - 560 001, India. The Company is engaged in the business of Real Estate Development

2. Basis for preparation of financial statements

These interim unconsolidated financial statements have been prepared under the historical cost convention on accrual basis and in accordance with the requirements of Accounting Standard 25 "Interim Financial Reporting" notified under the Companies Accounting Standards rules 2006. The accounting policies followed in the preparation of these financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended and as at March 31, 2012 and should be read in conjunction with those financial statements. The significant accounting policies are given in the following paragraphs.

The Company has prepared these interim unconsolidated financial statements for the first time at half year ended September 30, 2012. Accordingly, the corresponding figures for the half year ended September 30, 2011 are not available.

3. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

4. Cash flow statement

Cash flow statement is prepared under the 'Indirect Method' Prescribed under Accounting standard 3 'Cash Flow Statements' issued under Companies (Accounting Standard) Rules, 2006..

5. Investments

Long term investments are carried at cost, and provision is made to recognize any decline, other than temporary, in the value of such investment.

Current investments are stated at lower of cost or net realizable value.

6. Earning Per Share

The basic and diluted earning per share is computed by dividing the net profit / loss attributable to equity share holders for the year by the weighted average number of equity shares outstanding during the year.

7. Provisions and contingent liabilities

A provision is recognized when the Company has present obligations as a result of past events; it is probable that an outflow of resources will be required to settle the obligations, in respect of which reliable estimates can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligations at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect a current best estimate.

All known liabilities wherever material are provided for. Liabilities which are material and whose future amount cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.

2 Share capital

Rs.

Particulars	**As at 30 September 2012**	**As at 31 March 2012**
Authorised capital 4,152,000 (P.Y. 4,152,000) equity shares of Rs 10 each	41,520,000	41,520,000
Issued, subscribed and paid up capital 4,150,000 (P.Y. 4,150,000) Equity shares of Rs 10 each, fully paid up (for cash)	41,500,000	41,500,000
	41,500,000	**41,500,000**

Of the above 4,149,999 equity shares (P.Y 4,149,999) of Rs. 10 each are held by the Holding Company M/s. Prestige Estates Projects Limited

List of persons holding more than 5 percent shares in the Company

	As at 30 September 2012		**As at 31 March 2012**	
Name of the share holder	**No of shares**	**% holding**	**No of shares**	**% holding**
Prestige Estates Projects Limited	4,149,999	99.99%	4,149,999	99.99%
	4,149,999	**99.99%**	**4,149,999**	**99.99%**

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	As at 30 September 2012		**As at 31 March 2012**	
Particulars	**No of shares**	**Amount**	**No of shares**	**Amount**
Equity Shares				
Number of shares at the beginning of the period	4,150,000	41,500,000	4,150,000	41,500,000
Number of shares issued during the period	-	-	-	-
Number of shares outstanding at the end of the period	**4,150,000**	**41,500,000**	**4,150,000**	**41,500,000**

There have been no buy back of shares, issue of shares by way of bonus shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the balance sheet date.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3 Reserves and surplus

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Statement of profit and loss		
Opening balance	(656,154)	(594,481)
Add: Net loss for the period	(2,010)	(61,673)
	(658,164)	**(656,154)**
Share Premium		
Opening balance	52,500,000	52,500,000
Add: Additions during the period	-	-
	52,500,000	**52,500,000**
	51,841,836	**51,843,846**

4 Other current liabilities

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Other payables	10,979	30,915
	10,979	**30,915**

Other Payables are due to be settled within 12 months from the reporting date.

5 Non-Current Investments

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Trade Investments (Unquoted, At cost fully paid up)		
Equity Instruments in Associate Company		
North Land Holding Company Private Limited -1,079,856 (P.Y. - 1,079,856) Equity Shares of Rs. 10 each	10,798,560	10,798,560
	10,798,560	**10,798,560**

Particulars	As at 30 September 2012	As at 31 March 2012

6 Cash and bank balances

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Cash and cash equivalents		
Balances with banks		
- in current accounts	865,766	887,712
	865,766	**887,712**

7 Short-term loans and advances

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Unsecured, considered good		
Advance paid to related parties	81,688,489	81,688,489
	81,688,489	**81,688,489**

Advance paid to related parties include Rs. 8,16,88,489/- (P.Y. ending 31/03/2012 Rs.8,16,88,489) advances paid to M/s. Northland Holding Company Private Limited.

8 Other Expenses

Rs.

Particulars	Note No.	For the half year ended 30 September 2012
Rates and taxes		510
Audit Fee	13	1,500
		2,010

9 Contingent liabilities and capital commitments

Rs

Particulars	As at 30 September 2012	As at 31 March 2012
Contingent liabilities		
Claims against the Company not acknowledged as debts	-	
Corporate guarantee given on behalf of companies under the same management	92,401,205	189,669,472
On convertion of immovable property into inventory	-	
	-	

Particulars	As at 30 September 2012	As at 31 March 2012
Capital commitment		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for		-

10 In the opinion of the Management all the current assets have value of realization in the ordinary course of business which is at least equal to the amount at which they are stated in the balance sheet.

11 Related party disclosure :

i) List of related parties

Relationship	**Related Parties**
Holding company	Prestige Estates Projects Ltd.
Other Related parties with whom the Company had transactions : -	
Enterprises with significant influence and common management	Northland Holding Company Pvt. Ltd
Key Management Personnel	Mrs. Badrunissa Irfan Mrs. Almas Rezwan Mrs. Sameera Noaman

ii) Transactions with Related Parties during the period-

Transactions	**Controlling Entity**	**Enterprises with significant influence and common management**	**Key Management Personnel**	**Total**
Nil				

iii) Balance Outstanding

Advance paid to Associate Company	**Controlling Entity**	**Enterprises with significant influence and common management**	**Key Management Personnel**	**Total**
Northland Holding Company Pvt. Ltd	Nil	81,688,489	Nil	81,688,489
	(Nil)	(81,688,489)	(Nil)	(81,688,489)
Corporate guarantee offered to a third party for Loan taken by				
Prestige Estates Projects Ltd.	92,401,205	Nil	Nil	92,401,205
	(189,669,472)	(Nil)	(Nil)	(189,669,472)

a) Related party relationships are as identified by the company on the basis of information available with them and accepted by the auditors.

b) No amount is / has been written back during the period in respect of debts due from or to related party.

c) Reimbursement of actual expenses is not considered in the above disclosure.

d) Figures shown in brackets pertain to balances as at March 31, 2012.

Particulars	As at 30 September 2012	As at 31 March 2012

12 Earnings per share

Figures in rupees except number of shares

Particulars	Half year ended 30 September 2012
Net profit/ (loss) for the year available to equity shareholders	(2,010)
Weighted average number of equity shares outstanding	
- Basic	415,0000
- Diluted	415,0000
Nominal Value of shares	10
Basic Earnings per Share	(0.00)
Diluted Earnings per Share	(0.00)

13 Auditors' Remuneration

Rs

Particulars	Half year ended 30 September 2012
Payment to Auditors as :	
Auditors	1,500
	1,500

14 There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding at the Balance Sheet date, computed on unit wise basis, determined to the extent such parties identified on the basis of information available with the company. This has been relied upon by the auditors.

15 There are no employees employed by the company and accordingly there are no employee costs and provision for employee benefits.

16 There are no foreign currency exposure as at September 30, 2012 and March 31, 2012 therefore no disclosures have been given thereof.

17 Segment Reporting

The operations of the company include real estate development constituting a single segment and has restricted to one geographical area. Hence the disclosure of segment information as per Accounting standard 17 prescribed by the Companies (Accounting Standards) Rules, is not applicable.

18 Foreign Exchange Transactions

Rs

Particulars	Half year ended 30 September 2012
Earnings in foreign currency	Nil
Expenditure in foreign currency	Nil
Imports on CIF basis	Nil

Particulars	As at 30 September 2012	As at 31 March 2012

19 Previous period's figures have been re-grouped / re-classified wherever necessary to facilitate comparison with those for the current period.

Signatures to Notes 1 to 19

In terms of our report attached

For M.S.B. Rao & Co	**For and on behalf of the Board**	
*Chartered Accountant*s		
M.S. Babu Rao	**Badrunissa Irfan**	**Sameera Noaman**
Proprietor	Director	Director

Place: Bangalore

Date: 11/12/2012

AUDITORS' REPORT

To,

The Members of Foothills Resorts Private Limited,

1. We have audited the attached Balance Sheet of **Foothills Resorts Private Limited,** as at **September 30, 2012** the Profit and Loss Statement and the Cash Flow Statement of the Company for the period ended on that date annexed thereto. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. These 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. Further to our comments referred to above, we report that:

   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books.

   c) The Balance Sheet, the Profit and Loss Statement and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

   d) The Balance Sheet, the Profit and Loss Statement and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;

   e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      i) in the case of the Balance Sheet, of the state of affairs of the Company as at **September 30, 2012;**

      ii) in the case of the Profit and Loss Statement, of the loss for the period ended on that date; and

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

for **M.S.B.Rao & Co.**
Chartered Accountants

M.S.Babu Rao
Proprietor
M. No. 201467

Place : Bangalore
Date : 11/12/2012

FOOTHILLS RESORTS PRIVATE LIMITED

BALANCE SHEET AS AT SEPTEMBER 30, 2012

Particulars	Note no.	As at 30 September 2012 Rs.	As at 31 March 2012 Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	56,206,940	56,206,940
Reserves and surplus	3	41,585,662	41,587,162
		97,792,602	97,794,102
Current liabilities			
Other current liabilities	4	10,979	24,415
		10,979	**24,415**
Total		**97,803,581**	**97,818,517**
ASSETS			
Non-current assets			
Non-current Investments	5	11,398,480	11,398,480
		11,398,480	11,398,480
Current assets			
Cash and cash equivalents	6	833,105	848,041
Short-term loans and advances	7	85,571,996	85,571,996
		86,405,101	86,420,037
Total		**97,803,581**	**97,818,517**

Significant accounting policies & Notes to the accounts 1 to 19

The notes referred to above form an integral part of the Balance Sheet

In terms of our report attached

For M.S.B. Rao & Co **For and on behalf of the Board**

*Chartered Accountant*s

M.S. Babu Rao **Badrunissa Irfan** **Sameera Noaman**

Proprietor Managing Director Director

Place: Bangalore

Date: 11/12/2012

FOOTHILLS RESORTS PRIVATE LIMITED

PROFIT AND LOSS STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2012

Particulars	Note no.	Half year ended 30 September 2012 Rs
Revenue from operations		-
Other income		-
Total Revenue		-
Expenses		
Other Expenses	8	1,500
Total Expenses		**1,500**
Profit / (loss) before tax		**(1,500)**
Tax expense:		
- Current tax		-
- Deferred tax charge/ (credit)		-
Profit / (loss) after tax		**(1,500)**
Earning per share (equity shares, par value Rs 10 each)		
- basic and diluted	12	(0.00)

Significant accounting policies & Notes to the accounts 1 to 19

The notes referred to above form an integral part of the statement of profit and loss

In terms of our report attached

For M.S.B. Rao & Co **For and on behalf of the Board**

*Chartered Accountant*s

M.S. Babu Rao **Badrunissa Irfan** **Sameera Noaman**

Proprietor Managing Director Director

Place: Bangalore

Date: 11/12/2012

FOOTHILLS RESORTS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2012

Particulars	Note no.	Half year ended 30 September 2012 Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before taxation		**(1,500)**
Adjustments for non cash & non operating items:		
Depreciation		-
Interest Earned		-
Financial Expenses		-
Operating profit before working capital changes		**(1,500)**
Adjustments for		
Increase / (Decrease) in Current and Non Current Liabilities		(13,436)
Cash generated from operations		**(14,936)**
Income tax refund / (payment) - Net		-
Net Cash from operating activities - A		**(14,936)**
CASH FLOW FROM INVESTING ACTIVITIES		
Net Cash From / used in Investing Activities -B		**-**
CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash From / used in Financing Activities -C		**-**
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)		**(14,936)**
Cash & Cash equivalents opening balance		848,041
Cash & Cash equivalents closing balance		**833,105**

1. The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statement, issued under the Companies (Accounting Standard) Rules, 2006

2. Cash and cash equivalents does not include any balances which are not available for use by the company.

Significant accounting policies & Notes to the accounts 1 to 19

The notes referred to above form an integral part of the Cash flow statement

In terms of our report attached

For M.S.B. Rao & Co **For and on behalf of the Board**

*Chartered Accountant*s

M.S. Babu Rao **Badrunissa Irfan** **Sameera Noaman**

Proprietor Managing Director Director

Place: Bangalore

Date: 11/12/2012

FOOTHILLS RESORTS PRIVATE LIMITED
NOTES FORMING PART OF ACCOUNTS

1 Significant accounting policies

1. Corporate Information

M/s. FoothillResorts Private Limited ("the Company") was incorporated on September 15, 1994 as a private limited company under the Companies Act, 1956 (the "Act"). The registered office of the Company is inThe Falcon House, No.1, Main Guard Cross Road, Bangalore. The Company is engaged in the business of Real Estate Development

2. Basis for preparation of financial statements

These interim unconsolidated financial statements have been prepared under the historical cost convention on accrual basis and in accordance with the requirements of Accounting Standard 25 “Interim Financial Reporting” notified under the Companies Accounting Standards rules 2006. The accounting policies followed in the preparation of these financial statements are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended and as at March 31, 2012 and should be read in conjunction with those financial statements. The significant accounting policies are given in the following paragraphs.

The Company has prepared these interim unconsolidated financial statements for the first time at half year ended September 30, 2012. Accordingly, the corresponding figures for the half year ended September 30, 2011 are not available.

3. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

4. Cash flow statement

Cash flow statement is prepared under the ‘Indirect Method’ Prescribed under Accounting standard 3 ‘Cash Flow Statements’ as issued under the Companies (Accounting Standard) Rules, 2006.

5. Investments

Long term investments are carried at cost, and provision is made to recognize any decline, other than temporary, in the value of such investment.

Current investments are stated at lower of cost or net realizable value.

6. Earning Per Share

The basic and diluted earning per share is computed by dividing the net profit / loss attributable to equity share holders for the year by the weighted average number of equity shares outstanding during the year.

7. Provisions and contingent liabilities

A provision is recognized when the Company has present obligations as a result of past events; it is probable that an outflow of resources will be required to settle the obligations, in respect of which reliable estimates can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligations at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect a current best estimate.

All known liabilities wherever material are provided for. Liabilities which are material and whose future amount cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.

2 Share capital

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Authorised capital		
5,622,000 (P.Y. 5,622,000) equity shares of Rs 10 each	56,220,000	56,220,000
Issued, subscribed and paid up capital		
5,620,694 (P.Y. 5,620,694) Equity shares of Rs 10 each, fully paid up (for cash)	56,206,940	56,206,940
	56,206,940	**56,206,940**

Of the above 5,620,694 equity shares (P.Y. 5,620,694) of Rs. 10 each are held by the Holding Company M/s. Prestige Estates Projects Limited

List of persons holding more than 5 percent shares in the Company

	As at 30 September 2012		As at 31 March 2012	
Name of the share holder	**No of shares**	**% holding**	**No of shares**	**% holding**
Prestige Estates Projects Limited	5,620,693	99.99%	5,620,693	99.99%
	5,620,693	99.99%	5,620,693	99.99%

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	As at 30 September 2012		As at 31 March 2012	
Particulars	**No of shares**	**Amount**	**No of shares**	**Amount**
Equity Shares				
Number of shares at the beginning of the period	5,620,694	56,206,940	5,620,694	56,206,940
Number of shares issued during the period	-	-	-	-
Number of shares outstanding at the end of the period	**5,620,694**	**56,206,940**	**5,620,694**	**56,206,940**

There have been no buy back of shares, issue of shares by way of bonus shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the balance sheet date.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3 Reserves and surplus

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Statement of profit and loss		
Opening balance	(655,738)	(595,595)
Add: Net loss for the period	(1,500)	(60,143)
	(657,238)	**(655,738)**
Share Premium		
Opening balance	42,242,900	42,242,900
Add: Additions during the period	-	-
	42,242,900	**42,242,900**
	41,585,662	**41,587,162**

4 Other current liabilities

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Other payable	10,979	24,415
	10,979	**24,415**

Other Payables are due to be settled within 12 months from the reporting date.

5 Non-Current Investments

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Trade Investments (Unquoted, At cost fully paid up)		
Equity Instruments in Associate Company		
North Land Holding Company Private Limited	11,398,480	11,398,480
-1,139,848 (P.Y. - 1,139,848) Equity Shares of Rs. 10 each		
	11,398,480	**11,398,480**

6 Cash and bank balances

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Cash and cash equivalents		
Balances with banks		
- in current accounts	833,105	848,041
	833,105	**848,041**

7 Short-term loans and advances

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Unsecured, considered good		
Advance paid to related parties	85,571,996	85,571,996
	85,571,996	**85,571,996**

Advance paid to related parties include Rs. 85,571,996/- (P.Y. Rs.85,571,996/-) advances paid to M/s. Northland Holding Company Private Limited.

8 Other Expenses

Rs.

Particulars	Note no.	For the half year ended 30 September 2012
Rates and taxes		-
Audit Fee	13	1,500
		1,500

9 Contingent liabilities and capital commitments

Rs

Particulars	As at 30 September 2012	As at 31 March 2012
Contingent liabilities		
Claims against the Company not acknowledged as debts	-	-
Corporate guarantee given on behalf of companies under the same management	92,401,205	189,669,472
On conversion of immovable property into inventory	-	-
Capital commitment	-	-
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	-

10 In the opinion of the Management all the current assets have value of realization in the ordinary course of business which is at least equal to the amount at which they are stated in the balance sheet.

11 Related party disclosure :

(i) List of related parties

Relationship	Related Parties
Holding company	Prestige Estates Projects Ltd.
Other Related parties with whom the Company had transactions : -	
Enterprises with significant influence and common management	Northland Holding Company Pvt. Ltd
Key Management Personnel	Mrs. Badrunissa Irfan Mrs. Almas Rezwan Mrs. Sameera Noaman

ii) Transactions with Related Parties during the period-

Transactions	Controlling Entity	Enterprises with significant influence and common management	Key Management Personnel	Total
Nil				

iii) Balance Outstanding

Advance paid to Associate Company				
Northland Holding Company Pvt. Ltd	Nil	85,571,996	Nil	85,571,996
	(Nil)	(85,571,996)	(Nil)	(85,571,996)
Corporate guarantee offered to a third party for Loan taken by				
Prestige Estates Projects Ltd.	92,401,205	Nil	Nil	92,401,205
	(189,669,472)	Nil	Nil	(189,669,472)

a) Related party relationships are as identified by the company on the basis of information available with them and accepted by the auditors.

Transactions	Controlling Entity	Enterprises with significant influence and common management	Key Management Personnel	Total

b) No amount is / has been written back during the period in respect of debts due from or to related party.

c) Reimbursement of actual expenses in not considered in the above disclosure.

d) Figures shown in brackets pertain to balances outstanding on at March 31, 2012.

12 Earnings per share

Particulars	Figures in rupees except number of shares Half year ended 30 September 2012
Net profit/ (loss) for the period available to equity shareholders	(1,500)
Weighted average number of equity shares outstanding	
- Basic	5,620,694
- Diluted	5,620,694
Nominal Value of shares	10
Basic Earnings per Share	(0.00)
Diluted Earnings per Share	(0.00)

13 Auditors' Remuneration

Particulars	Rs Half year ended 30 September 2012
Payment to Auditors as :	
Auditors	1,500
	1,500

14 There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding at the Balance Sheet date, computed on unit wise basis, determined to the extent such parties identified on the basis of information available with the company. This has been relied upon by the auditors.

15 There are no employees employed by the company and accordingly there are no employee costs and provision for employee benefits.

16 There are no foreign currency exposure as at September 30, 2012 and March 31, 2012 therefore no disclosures have been given thereof.

17 Segment Reporting

The operations of the company include real estate development constituting a single segment and has restricted to one geographical area. Hence the disclosure of segment information as per Accounting standard 17 prescribed by the Companies (Accounting Standards) Rules, is not applicable.

18 Foreign Exchange Transactions

Rs

Particulars	**Half year ended 30 September 2012**
Earnings in foreign currency	Nil
Expenditure in foreign currency	Nil
Imports on CIF basis	Nil

19 Previous period's figures have been re-grouped / re-classified wherever necessary to facilitate comparison with those for the current period.

Signatures to Notes 1 to 19

In terms of our report attached

For M.S.B. Rao & Co **For and on behalf of the Board**

*Chartered Accountant*s

M.S. Babu Rao **Badrunissa Irfan** **Sameera Noaman**

Proprietor Managing Director Director

Place: Bangalore

Date: 11/12/2012

AUDITORS' REPORT

To,

The Members of Northland Holding Company Private Limited,

1. We have audited the attached Balance Sheet of **Northland Holding Company Private Limited,** as at **September 30, 2012**, the Profit and Loss Statement and the Cash Flow Statement of the Company for the period ended on that date annexed thereto. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We have conducted our audit in accordance with auditing standards generally accepted in India. These 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. Further to our comments referred to above, We report that:

   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books.

   c) The Balance Sheet, the Profit and Loss Statement and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

   d) The Balance Sheet, the Profit and Loss Statement and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;

   e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      i) in the case of the Balance Sheet, of the state of affairs of the Company as at **September 30, 2012**;

      ii) in the case of the Profit and Loss Statement, of the loss for the period ended on that date; and

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

for **M.S.B.Rao & Co.**
Chartered Accountants

M.S.Babu Rao
Proprietor
M. No. 201467

Place : Bangalore
Date : 10/12/2012

NORTHLAND HOLDING COMPANY PRIVATE LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER, 2012

Particulars	Note no.	As at 30 September 2012 Rs	As at 31 March 2012 Rs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	30,000,000	30,000,000
Reserves and surplus	3	(31,046,842)	(7,967,312)
		(1,046,842)	**22,032,688**
Non-current liabilities			
Other long-term liabilities	4	170,200,000	99,000,000
		170,200,000	**99,000,000**
Current liabilities			
Short-term borrowings	5	224,203,503	224,203,503
Trade Payables	6	26,891,132	32,670,961
Other current liabilities	7	13,773,441	10,924,808
		264,868,077	**267,799,272**
Total		**434,021,235**	**388,831,961**
ASSETS			
Non-current assets			
Fixed assets			
- Tangible assets	8	271,233,776	267,248,713
- Capital work-in-progress		107,533,518	72,050,842
		378,767,295	**339,299,555**
Long-term loans and advances	9	29,599,913	29,806,408
		408,367,208	**369,105,963**
Current assets			
Inventories	10	2,396,884	2,101,827
Trade receivables	11	503,903	444,632
Cash and Bank Balances	12	1,132,825	2,144,294
Short-term loans and advances	13	21,620,415	15,035,245
		25,654,027	**19,725,997**
Total		**434,021,235**	**388,831,961**
Significant accounting policies & Notes to the accounts	1 to 30		

The notes referred to above form an integral part of the Balance Sheet

In terms of our report attached

For M.S.B. Rao & Co
Chartered Accountants

For and on behalf of the Board

M.S. Babu Rao
Proprietor

Irfan Razack
Director

Rezwan Razack
Director

Place: Bangalore
Date: 10/12/2012

NORTHLAND HOLDING COMPANY PRIVATE LIMITED

PROFIT AND LOSS STATEMENT FOR THE HALF YEAR ENDED 30 SEPTEMBER, 2012

Particulars	Note no.	Half Year ended 30 September 2012 Rs
Revenue from operations	14	12,792,544
Other income	15	150,116
Total Revenue		**12,942,660**
Expenses		
Cost of Sales	16	8,703,912
Salary and Staff Welfare	17	22,092,797
Finance costs	18	157,618
Depreciation and amortization expense	8	447,473
Other Expenses	19	4,620,390
Total Expenses		**36,022,189**
Profit / (loss) before tax		**(23,079,530)**
Tax expense:		
- current tax/ minimum alternate tax		-
- deferred tax charge pertaining to previous years		-
- deferred tax charge/ (credit)		-
Profit / (loss) after tax		**(23,079,530)**
Earnings per share (equity shares, par value Rs 10 each)		
- basic and diluted	23	(7.69)
Weighted average number of equity shares considered for computing earnings per share		3,000,000

Significant accounting policies & Notes to the accounts 1 to 30

The notes referred to above form an integral part of the statement of profit and loss

In terms of our report attached

For M.S.B. Rao & Co **For and on behalf of the Board**

*Chartered Accountant*s

M.S. Babu Rao **Irfan Razack** **Rezwan Razack**

Proprietor Director Director

Place: Bangalore

Date: 10/12/2012

NORTHLAND HOLDING COMPANY PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30 SEPTEMBER, 2012

Particulars	Note no.	Half Year ended 30 September 2012 Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before taxation		**(23,079,530)**
Adjustments for non cash & non operating items:		
Profit on sale of Land		-
Depreciation		-
Interest Earned		-
Financial Expenses		-
Operating profit before working capital changes		**(23,079,530)**
Adjustments for		
Increase / (Decrease) in Current Liabilities		(2,931,196)
(Increase) / Decrease in Inventories		(295,057)
(Increase) / Decrease in Sundry Debtors		(59,271)
(Increase) / Decrease in Loans & Advances		(6,585,170)
Cash generated from operations		**(32,950,224)**
Income tax refund / (payment) - Net		-
Net Cash from operating activities - A		**(32,950,224)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets		(3,985,063)
Sale of Fixed Assets		-
Expenditure towards Capital Work in Progress		(35,276,181)
Inter corporate Deposit paid		-
Net Cash From / used in Investing Activities -B		**(39,261,244)**
CASH FLOW FROM FINANCING ACTIVITIES		
Share application money received		-
Proceeds from issue of equity shares including premium		-
Proceeds from borrowings (Unsecured loans)		71,200,000
Repayment of borrowings (Secured loans)		-
Proceeds from/ (Repayment of) short term borrowings (Net)		-
Financial Expenses		-
Net Cash From / used in Financing Activities -C		**71,200,000**
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)		**(1,011,468)**
Cash & Cash equivalents opening balance		2,144,294
Cash & Cash equivalents closing balance		**1,132,825**

1. The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statement, issued under the Companies (Accounting Standard) Rules, 2006

2. Cash and cash equivalents does not include any balances which are not available for use by the company.

Significant accounting policies & Notes to the accounts	1 to 30

The notes referred to above form an integral part of the Cash flow statement

In terms of our report attached

For M.S.B. Rao & Co
*Chartered Accountant*s

For and on behalf of the Board

M.S. Babu Rao	**Irfan Razack**	**Rezwan Razack**
Proprietor	Director	Director

Place: Bangalore
Date: 10/12/2012

NORTHLAND HOLDING COMPANY PRIVATE LIMITED
NOTES FORMING PART OF ACCOUNTS

1. Corporate Information

M/s. Northland Holding Company Private Limited ("the Company") was incorporated on December 3, 2009 as a private limited company under the Companies Act, 1956 (the "Act"). The registered office of the Company is in The Falcon House, No.1, Main Guard Cross Road, Bangalore - 560 001, India.

2. Basis for preparation of financial statements

These interim unconsolidated financial statements have been prepared under the historical cost convention on accrual basis and in accordance with the requirements of Accounting Standard 25 "Interim Financial Reporting" notified under the Companies Accounting Standards rules 2006. The accounting policies followed in the preparation of these financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended and as at March 31, 2012 and should be read in conjunction with those financial statements. The significant accounting policies are given in the following paragraphs.

The Company has prepared these interim unconsolidated financial statements for the first time at half year ended September 30, 2012. Accordingly, the corresponding figures for the half year ended September 30, 2011 are not available.

2. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

3. Cash flow statement

Cash flow statement is prepared under the 'Indirect Method' Prescribed under Accounting standard 3 'Cash Flow Statements' issued under the Companies (Accounting Standard) Rules, 2006.

4. Investments

Long term investments are carried at cost, and provision is made to recognize any decline, other than temporary, in the value of such investment.

Current investments are stated at lower of cost or net realizable value.

5. Earnings Per Share

The basic and diluted earning per share is computed by dividing the net profit / loss attributable to equity share holders for the year by the weighted average number of equity shares outstanding during the year.

6. Provisions and contingent liabilities

A provision is recognized when the Company has present obligations as a result of past events; it is probable that an outflow of resources will be required to settle the obligations, in respect of which reliable estimates can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligations at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect a current best estimate.

All known liabilities wherever material are provided for. Liabilities which are material and whose future amount cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.

7. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying asset are capitalized as part of the cost of such asset. A qualifying asset is one that takes necessarily substantial period to get ready for its intended use. All other borrowing costs are charged to revenue.

8. Fixed Assets

Fixed assets are stated at cost, including expenses incurred to bring the asset to present condition. Cost includes all costs relating to the acquisition and installation of fixed assets including interest on borrowing for the project / fixed asset up to the date asset is put to use. Any cost incurred relating to settlement of claims regarding titles to the properties is accounted for and capitalized as incurred, wherever the asset is held.

As at balance sheet date, assets are reviewed for impairment of their carrying value, if any indications exists and are identified as impaired then they are carried at lower of net realizable value or value in use and the provision for impairment loss is recognized in the profit and loss statement. Reversal of impairment loss is recognized immediately as income in the profit and loss statement.

9. Depreciation and amortization

Depreciation on fixed assets is provided on written down value method in accordance with the rates specified in Schedule XIV to the Companies Act, 1956.

10. Taxes On Income

Income tax comprise of the current tax provision under the tax payable method and the net change in the deferred tax asset or liability during the year.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of the assets and liabilities and their respective tax basis. Deferred tax assets are recognized subject to managements' judgment that realization is reasonably certain. Deferred Tax assets and liabilities are measured using enacted tax rates to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change.

11. Foreign Currency transactions

All transactions in foreign currency are recorded on the basis of the exchange rate prevailing as on the date of transaction. The difference, if any, on actual payment / realization is recorded to the profit & loss statement. Monetary assets and liabilities denominated in foreign currency are restated at rates prevailing at the year end. The net loss or gain arising out of such conversion is dealt with in the profit & loss statement.

Gain or loss on forward contracts / options which are not entered into to hedge the foreign currency risk of existing assets or liabilities but entered into to hedge the foreign currency risks of future transaction in respect of which firm commitments are made or which are highly probable forecast transaction, is recognized on settlement of such forward contracts / options and adjusted against the borrowing cost to the extent eligible for capitalization and the balance is charged to Profit and loss account.

2 Share capital

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Authorised capital		
3,000,000 (P.Y. 3,000,000) equity shares of Rs 10 each	30,000,000	30,000,000
Issued, subscribed and paid up capital 3,000,000 (P.Y. 3,000,000) Equity shares of Rs 10 each, fully paid up (for cash)	30,000,000	30,000,000
	30,000,000	**30,000,000**

List of persons holding more than 5 percent shares in the Company

	As at 30 September 2012		As at 31 March 2012	
Name of the share holder	**No of shares**	**% holding**	**No of shares**	**% holding**
Downhills Holiday Resorts Private Limited	1,079,856	36.00%	1,079,856	36.00%
Foothills Resorts Private Limited	1,139,848	37.99%	1,139,848	37.99%
Pennar Hotels and Resorts Private Limited	779,896	26.00%	779,896	26.00%
	2,999,600	99.99%	2,999,600	99.99%

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	As at 30 September 2012		As at 31 March 2012	
Particulars	**No of shares**	**Amount**	**No of shares**	**Amount**
Equity Shares				
Number of shares at the beginning of the period	3,000,000	30,000,000	3,000,000	30,000,000
Number of shares issued during the period	-	-	-	-
Number of shares outstanding at the end of the period	**3,000,000**	**30,000,000**	**3,000,000**	**30,000,000**

There have been no buy back of shares, issue of shares by way of bonus shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the balance sheet date.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3 Reserves and surplus

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Statement of profit and loss		
Opening balance	(7,967,312)	(358,628)
Add: net loss for the period	(23,079,530)	(7,608,684)
	(31,046,842)	**(7,967,312)**

4 Other long-term liabilities

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Loans and advances from related parties (unsecured)	170,200,000	99,000,000
	170,200,000	**99,000,000**

5 Short-term borrowings

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Loans and advances from related parties (unsecured)	224,203,503	224,203,503
	224,203,503	**224,203,503**

There are no defaults in repayment of principal and interest existing as on the balance sheet date.

6 Trade Payables

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Retention Creditors	2,521,416	1,239,921
Others	24,369,716	31,431,040
	26,891,132	**32,670,961**

Trade payables other than retention creditors are expected to be settled within 12 months from the reporting date. However, retention creditors are expected to be settled in the normal operating cycle of 2-3 years from the date of completion of the scope of work.

7 Other current liabilities

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Withholding and other taxes and duties payable	814,914	987,872
Other payable	6,424,906	5,971,774
Other liabilities	388,850	-
Income received in advance	6,144,771	3,965,162
	13,773,441	**10,924,808**

Other Payables are due to be settled within 12 months from the reporting date.

8 Tangible Assets

Rs.

Asset Catogory	Gross Block			Depreciation Block				Net Block	
	Opening Balance	Addition during the period	Closing Balance	Opening Balance	Addition during the Period	Deletion during the period	Closing Balance	As on 30-09-2012	As on 31-03-2012
Plant and Machinery	49,993	2,468,234	2,518,227	858	41,735	-	42,593	2,475,634	49,135
Computer equipments	267,444	63,607	331,051	32,987	48,921	-	81,908	249,143	234,457
Vehicles	2,059,719	1,344,860	3,404,579	116,491	328,819	-	445,310	2,959,269	1,943,228
Furniture & Fixtures	-	555,835	555,835	-	27,997	-	27,997	527,838	-
Land	265,021,893	-	265,021,893	-	-	-	-	265,021,893	265,021,893
TOTAL	**267,399,049**	**4,432,536**	**271,831,585**	**150,336**	**447,473**	**-**	**597,809**	**271,233,776**	**267,248,713**

9 Long-term loans and advances

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Unsecured, considered good		
Capital Advances	28,979,913	29,261,408
Security deposits	620,000	545,000
	29,599,913	**29,806,408**

10 Inventories (lower of cost or net realizable value)

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Raw materials		
Stock in trade (others)	2,396,884	2,101,827
	2,396,884	**2,101,827**

11 Trade Receivables

Rs.

Particulars	As at 30 Sept 2012	As at 31 March 2012
Unsecured, considered good		
Trade Receivables	503,903	444,632
	503,903	**444,632**

12 Cash and bank balances

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Cash and cash equivalents		
Cash on hand	215,153	21,783
Balances with banks		
- in current accounts	917,672	2,122,511
	1,132,825	**2,144,294**

13 Short-term loans and advances

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Unsecured, considered good		
Others		
- Advance for purchase of land	17,161,075	14,078,500
- Other Advances	3,931,863	172,937
- Advance Income Tax / TDS	101,804	30,857
- Prepaid Expenses	425,673	752,951
	21,620,415	**15,035,245**

14 Revenue from Operations

Rs.

Particulars	For the half year ended 30 September 2012
Sale of services	8,425,579
Sale of goods	4,366,965
	12,792,544

15 Other Income

Particulars	Rs. For the half year ended 30 September 2012
Miscellaneous income	150,116
	150,116

16 Cost of Sales

Particulars	Rs. For the half year ended 30 September 2012
Opening Stock	2,101,827
Add : Purchases and Direct Costs	8,998,969
Less : Closing Stock	2,396,884
	8,703,912

17 Salary and Staff Welfare

Particulars	Rs. For the half year ended 30 September 2012
Salary & Staff Welfare	22,092,797
	22,092,797

18 Finance Costs

Particulars	Rs. For the half year ended 30 September 2012
Interest Expense	-
Others	157,618
	157,618

19 Other Expenses

Rs.

Particulars	For the half year ended 30 September 2012
Rates and taxes	925,988
Audit Fee	5,000
Legal, Professional & Management Fees	1,517,234
General and Administration Expenses	2,062,672
Selling Expenses	109,496
	4,620,390

20 Contingent liabilities and capital commitments

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Contingent liabilities		
Claims against the Company not acknowledged as debts	-	-
Corporate guarantee/Equitable mortgage given on behalf of companies under the same management	2,146,399,794	2,239,630,134
On conversion of immovable property into inventory	-	-
Capital commitment	-	-
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	-

21 Related party disclosure

i) List of related parties

Relationship	Related Parties
Ultimate Holding company	Prestige Estates Projects Ltd.
Other Related parties with whom the Company had transactions : -	
Enterprises with significant influence and common management	Pennar Hotels and Resorts Private Limited Foothills Resorts Private Limited Downthills Holiday Resorts Private Limited
Key Management Personnel	Mr. Irfan Razack, Director Mr. Rezwan Razack, Director Mr. Noaman Razack, Director

ii) Transactions with Related Parties during the period- **Rs**

Transactions	Holding Company	Enterprises with significant influence and common management	Key Management Personnel	Total
Purchase of goods				
Prestige Fashions Pvt Ltd	-	583,315	-	583,315
Refundable Deposit received				
Prestige Estates Projects Ltd.	86,200,000	-	-	86,200,000
Sale of services				
Prestige Estates Projects Ltd.	1,793,905	-	-	1,793,905
Prestige Leisure Resorts Pvt Ltd.	-	170,532	-	170,532
Noaman Razack	-	-	232,121	232,121
Faiz Rezwan	-	-	1,925,869	1,925,869
Rezwan Razack	-	-	264,186	264,186

iii) Balance Outstanding **Rs**

Trade Payable				
Prestige Estates Projects Ltd.	3,926,178	-	-	3,926,178
	(2,312,525)	-	-	(2,312,525)
Prestige Fasions Private Ltd.	-	23,700	-	23,700
	-	-	-	-
Prestige Leisure Resorts Private Ltd.	-	61,887	-	61,887
	-	-	-	-
Refundable Deposit received				
Prestige Estates Projects Ltd.	170,200,000	-	-	170,200,000
	(99,000,000)	-	-	(99,000,000)
Unsecured Loan received				
Downthills Holiday Resorts Private Limited	-	81,688,489	-	81,688,489
	-	(81,688,489)	-	(81,688,489)
Foothills Resorts Private Limited	-	85,571,996	-	85,571,996
	-	(85,571,996)	-	(85,571,996)
Pennar Hotels and Resorts Private Limited	-	56,943,018	-	56,943,018
	-	(56,943,018)	-	(56,943,018)
Trade Receivables				
Faiz Rezwan	-	-	93,539	93,539
	-	-	(21,244)	(21,244)
Noaman Razack	-	-	13,552	13,552
	-	-	-	-

Transactions	Holding Company	Enterprises with significant influence and common management	Key Management Personnel	Total
Rezwan Razack	-	-	740	740
	-	-	-	-
Corporate guarantee/ Equitable mortgage offered to a third party for Loan taken by				
Prestige Estates Projects Ltd.	2,123,174,992	-	-	2,123,174,992
	(2,239,630,134)	-	-	(2,239,630,134)

a) Related party relationships are as identified by the company on the basis of information available with them and accepted by the auditors.

b) No amount is / has been written back during the period in respect of debts due from or to related party.

c) Reimbursement of actual expenses in not considered in the above disclosure.

d) Figures shown in brackets pertains to the balances outstanding as at March 31, 2012.

22 In the opinion of the Management all the current assets have value of realization in the ordinary course of business which is at least equal to the amount at which they are stated in the balance sheet.

23 Earnings per share

Particulars	For the half year ended 30 September 2012
Net profit/ (loss) for the year available to equity shareholders	(23,079,530)
Weighted average number of equity shares outstanding	
- Basic	3,000,000
- Diluted	3,000,000
Nominal Value of shares	10
Basic Earnings per Share	(7.69)
Diluted Earnings per Share	(7.69)

24 Auditors' Remuneration

Rs.

Particulars	For the half year ended 30 September 2012
Payment to Auditors as :	
Auditors	5,000
	5,000

25 There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding at the Balance Sheet date, computed on unit wise basis, determined to the extent such parties identified on the basis of information available with the company. This has been relied upon by the auditors.

26 As at September 30, 2012 the company has employed 212 (PY ended 31.03.2012 - 122) employees and is in the process of finalizing its policies on Employee Benefits. The provisions of the Payment of Gratuity Act is not applicable to the company as the employees have not attained the eligibility prescribed under the said Act. Accordingly there are no liabilities on account of employee benefits for the period.

27 There are no foreign currency exposure as at September 30, 2012 and March 31, 2012 therefore no disclosures have been given thereof.

28 Segment Reporting

The operations of the company include real estate development constituting a single segment and has restricted to one geographical area. Hence the disclosure of segment information as per Accounting standard 17 prescribed by the Companies (Accounting Standards) Rules, is not applicable.

29 Foreign Exchange Transactions

Rs.

Particulars	**For the half year ended 30 September 2012**
Earnings in foreign currency	-
Expenditure in foreign currency	6,002,515
Imports on CIF basis	-

30 Previous period's figures have been re-grouped / re-classified wherever necessary to facilitate comparison with those for the current period.

Signatures to Notes 1 to 30

In terms of our report attached

For M.S.B. Rao & Co **For and on behalf of the Board**

*Chartered Accountant*s

M.S. Babu Rao	**Irfan Razack**	**Rezwan Razack**
Proprietor	Director	Director

Place: Bangalore

Date: 10/12/2012

AUDITORS' REPORT

To,
The Members of Pennar Hotels and Resorts Private Limited,

1. We have audited the attached Balance Sheet of **Pennar Hotels and Resorts Private Limited,** as at **September 30, 2012** the Profit and Loss Statement and the Cash Flow Statement of the Company for the period ended on that date annexed thereto. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. These 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. Further to our comments referred to above, we report that:

   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books.

   c) The Balance Sheet, the Profit and Loss Statement and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

   d) The Balance Sheet, the Profit and Loss Statement and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;

   e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      i) in the case of the Balance Sheet, of the state of affairs of the Company as at September 30, 2012;

      ii) in the case of the Profit and Loss Statement, of the loss for the period ended on that date; and

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

for **M.S.B.Rao & Co.**
Chartered Accountants

M.S.Babu Rao
Proprietor
M. No. 201467

Place : Bangalore
Date : 11/12/2012

PENNAR HOTELS AND RESORTS PRIVATE LIMITED
BALANCE SHEET AS AT SEPTEMBER 30, 2012

Particulars	Note no.	As at 30 September 2012 Rs	As at 31 March 2012 Rs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	35,857,780	35,857,780
Reserves and surplus	3	29,632,697	29,634,197
		65,490,477	**65,491,977**
Current liabilities			
Other current liabilities	4	10,979	30,915
		10,979	**30,915**
Total		**65,501,456**	**65,522,892**
ASSETS			
Non-current assets			
Non-current Investments	5	7,798,960	7,798,960
		7,798,960	**7,798,960**
Current assets			
Cash and cash equivalents	6	759,478	780,914
Short-term loans and advances	7	56,943,018	56,943,018
		57,702,496	**57,723,932**
Total		**65,501,456**	**65,522,892**

Significant accounting policies & Notes to the accounts 1 to 19

The notes referred to above form an integral part of the Balance Sheet

In terms of our report attached

For M.S.B. Rao & Co **For and on behalf of the Board**

*Chartered Accountant*s

M.S. Babu Rao **Badrunissa Irfan** **Sameera Noaman**

Proprietor Director Director

Place: Bangalore

Date: 11/12/2012

PENNAR HOTELS AND RESORTS PRIVATE LIMITED

PROFIT AND LOSS STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2012

Particulars	Note no.	Half year ended 30 September 2012 Rs
Revenue from operations		-
Other income		-
Total Revenue		-
Expenses		
Other Expenses	8	1,500
Total Expenses		**1,500**
Profit / (loss) before tax		**(1,500)**
Tax expense:		
- Current tax		-
- Deferred tax charge/ (credit)		-
Profit / (loss) after tax		**(1,500)**
Earnings per equity share (equity shares, par value Rs 10 each)		
- basic and diluted	12	(0.00)

Significant accounting policies & Notes to the accounts 1 to 19

The notes referred to above form an integral part of the statement of profit and loss

In terms of our report attached

For M.S.B. Rao & Co **For and on behalf of the Board**

*Chartered Accountant*s

M.S. Babu Rao **Badrunissa Irfan** **Sameera Noaman**

Proprietor Director Director

Place: Bangalore

Date: 11/12/2012

PENNAR HOTELS AND RESORTS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2012

Particulars	Note no.	Half year ended 30 September 2012 Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before taxation		**(1,500)**
Adjustments for non cash & non operating items:		
Depreciation		-
Interest Earned		-
Financial Expenses		-
Operating profit before working capital changes		**(1,500)**
Adjustments for		
Increase / (Decrease) in Current and Non Current Liabilities		(19,936)
Cash generated from operations		**(21,436)**
Income tax refund / (payment) - Net		-
Net Cash from operating activities - A		**(21,436)**
CASH FLOW FROM INVESTING ACTIVITIES		
Net Cash From / used in Investing Activities -B		**-**
CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash From / used in Financing Activities -C		**-**
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)		**(21,436)**
Cash & Cash equivalents opening balance		780,914
Cash & Cash equivalents closing balance		**759,478**

1. The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statement, issued under the Companies (Accounting Standard) Rules, 2006.

2. Cash and cash equivalents does not include any balances which are not available for use by the company.

Significant accounting policies & Notes to the accounts 1 to 19

The notes referred to above form an integral part of the Cash flow statement

In terms of our report attached

For M.S.B. Rao & Co **For and on behalf of the Board**

Chartered Accountants

M.S. Babu Rao **Badrunissa Irfan** **Sameera Noaman**

Proprietor Director Director

Place: Bangalore

Date: 11/12/2012

PENNAR HOTELS AND RESORTS PRIVATE LIMITED
NOTES FORMING PART OF ACCOUNTS

1 Significant accounting policies

1. Corporate Information

M/s. Pennar Hotels and Resorts Pvt Ltd ("the Company") was incorporated on September 15, 1994 as a private limited company under the Companies Act, 1956 (the "Act"). The registered office of the Company is inThe Falcon House, No.1, Main Guard Cross Road, Bangalore - 560 001, India.

2. Basis for preparation of financial statements

These interim unconsolidated financial statements have been prepared under the historical cost convention on accrual basis and in accordance with the requirements of Accounting Standard 25 “Interim Financial Reporting” notified under the Companies Accounting Standards rules 2006. The accounting policies followed in the preparation of these financial statements are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended and as at March 31, 2012 and should be read in conjunction with those financial statements. The significant accounting policies are given in the following paragraphs.

The Company has prepared these interim unconsolidated financial statements for the first time at half year ended September 30, 2012. Accordingly, the corresponding figures for the half year ended September 30, 2011 are not available.

3. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

4. Cash flow statement

Cash flow statement is prepared under the ‘Indirect Method’ Prescribed under Accounting standard 3 ‘Cash Flow Statements’ issued under the Companies (Accounting Standard) Rules, 2006.

5. Investments

Long term investments are carried at cost, and provision is made to recognize any decline, other than temporary, in the value of such investment.

Current investments are stated at lower of cost or net realizable value.

6. Earning Per Share

The basic and diluted earning per share is computed by dividing the net profit / loss attributable to equity share holders for the year by the weighted average number of equity shares outstanding during the year.

7. Provisions and contingent liabilities

A provision is recognized when the Company has present obligations as a result of past events; it is probable that an outflow of resources will be required to settle the obligations, in respect of which reliable estimates can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligations at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect a current best estimate.

All known liabilities wherever material are provided for. Liabilities which are material and whose future amount cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.

2 Share capital

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Authorised capital		
3,586,000 (P.Y. 3,586,000) equity shares of Rs 10 each	35,860,000	35,860,000
Issued, subscribed and paid up capital		
3,585,778 (P.Y. 3,585,778) Equity shares of Rs 10 each, fully paid up (for cash)	35,857,780	35,857,780
	35,857,780	**35,857,780**

Of the above 3,585,777 equity shares (P.Y 3,585,777) of Rs. 10 each are held by the Holding Company M/s. Prestige Estates Projects Limited

List of persons holding more than 5 percent shares in the Company

Name of the share holder	As at 30 September 2012		As at 31 March 2012	
	No of shares	% holding	No of shares	% holding
Prestige Estates Projects Limited	3,585,777	99.99%	3,585,777	99.99%
	3,585,777	99.99%	3,585,777	99.99%

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 30 September 2012		As at 31 March 2012	
	No of shares	Amount	No of shares	Amount
Equity Shares				
Number of shares at the beginning of the period	3,585,778	35,857,780	3,585,778	35,857,780
Number of shares issued during the period	-	-	-	-
Number of shares outstanding at the end of the period	**3,585,778**	**35,857,780**	**3,585,778**	**35,857,780**

There have been no buy back of shares, issue of shares by way of bonus shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the balance sheet date.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3 Reserves and surplus

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Statement of profit and loss		
Opening balance	(388,103)	(326,430)
Add: Net loss for the period	(1,500)	(61,673)
	(389,603)	**(388,103)**
Share Premium		
Opening balance	30,022,300	30,022,300
Add: additions during the period	-	-
	30,022,300	**30,022,300**
	29,632,697	**29,634,197**

4 Other current liabilities

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Other payables	10,979	30,915
	10,979	**30,915**

Other Payables are due to be settled within 12 months from the reporting date.

5 Non-Current Investments

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Trade Investments (Unquoted, At cost fully paid up)		
Equity Instruments in Associate Company		
North Land Holding Company Private Limited -779,896 (P.Y. - 779,896) Equity Shares of Rs. 10 each	7,798,960	7,798,960
	7,798,960	**7,798,960**

6 Cash and bank balances

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Cash and cash equivalents		
Balances with banks		
- in current accounts	759,478	780,914
	759,478	**780,914**

7 Short-term loans and advances

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Unsecured, considered good		
Advance paid to related parties	56,943,018	56,943,018
	56,943,018	**56,943,018**

Advance paid to related parties includes Rs. 56,943,018/- (P.Y. Rs.56,943,018/-) advances paid to M/s. Northland Holding Company Private Limited.

8 Other Expenses

Rs.

Particulars	Note no.	For the half year ended 30 September 2012
Rates and taxes		-
Audit Fee	13	1,500
		1,500

9 Contingent liabilities and capital commitments

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Contingent liabilities		
Claims against the Company not acknowledged as debts	-	-
Corporate guarantee given on behalf of companies under the same management	92,401,205	189,669,472
On convertion of immovable property into inventory	-	-
Capital commitment	-	-
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	-

10 In the opinion of the Management all the current assets have on value of realization in the ordinary course of business which is at least equal to the amount at which they are stated in the balance sheet.

11 Related party disclosure :

i) List of related parties

Relationship	**Related Parties**
Holding company	Prestige Estates Projects Ltd.
Other Related parties with whom the Company had transactions : -	
Enterprises with significant influence and common management	Northland Holding Company Pvt. Ltd
Key Management Personnel	Mrs. Badrunissa Irfan Mrs. Almas Rezwan Mrs. Sameera Noaman

ii) Transactions with Related Parties during the period-

Transactions	**Controlling Entity**	**Enterprises with significant influence and common management**	**Key Management Personnel**	**Total**
Nil				

iii) Balance Outstanding

Advance paid to Associate Company				
Northland Holding Company Pvt. Ltd	-	56,943,018	-	56,943,018
	-	(56,943,018)	-	(56,943,018)
Corporate guarantee offered to a third party for Loan taken by				
Prestige Estates Projects Ltd.	92,401,205	-	-	92,401,205
	(189,669,472)	-	-	(189,669,472)

a) Related party relationships are as identified by the company on the basis of information available with them and accepted by the auditors.

b) No amount is / has been written back during the period in respect of debts due from or to related party.

c) Reimbursement of actual expenses in not considered in the above disclosure.

d) Figures shown in brackets pertain to the balances outstanding as at March 31, 2012.

12 Earnings per share

Particulars	Figures in rupees except number of shares Half year ended 30 September 2012
Net profit/ (loss) for the period available to equity shareholders	(1,500)
Weighted average number of equity shares outstanding	
- Basic	3,585,778
- Diluted	3,585,778
Nominal Value of shares	10
Basic Earnings per Share	(0.00)
Diluted Earnings per Share	(0.00)

13 Auditors' Remuneration

Particulars	Rs. Half year ended 30 September 2012
Payment to Auditors as :	
Auditors	1,500
	1,500

14 There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding at the Balance Sheet date, computed on unit wise basis, determined to the extent such parties identified on the basis of information available with the company. This has been relied upon by the auditors.

15 There are no employees employed by the company and accordingly there are no employee costs and provision for employee benefits.

16 There are no foreign currency exposure as at September 30, 2012 and March 31, 2012 therefore no disclosures have been given thereof.

17 Segment Reporting

The operations of the company include real estate development constituting a single segment and has restricted to one geographical area. Hence the disclosure of segment information as per Accounting standard 17 prescribed by the Companies (Accounting Standards) Rules, is not applicable.

18 Foreign Exchange Transactions

Particulars	Rs Half year ended 30 September 2012
Earnings in foreign currency	Nil
Expenditure in foreign currency	Nil
Imports on CIF basis	Nil

19 Previous period's figures have been re-grouped / re-classified wherever necessary to facilitate comparison with those for the current period.

Signatures to Notes 1 to 19

In terms of our report attached

For M.S.B. Rao & Co
Chartered Accountants

For and on behalf of the Board

M.S. Babu Rao
Proprietor

Badrunissa Irfan
Director

Sameera Noaman
Director

Place: Bangalore
Date: 11/12/2012

AUDITORS' REPORT

To,
The Members of Village-De-Nandi Private Limited,

1. We have audited the attached Balance Sheet of **Village-De-Nandi Private Limited,** as at **September 30, 2012**, the Profit and Loss Statement and the Cash Flow Statement of the Company for the period ended on that date annexed thereto. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. These 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. Further to our comments referred to above, we report that:

   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books.

   c) The Balance Sheet, the Profit and Loss Statement and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

   d) The Balance Sheet, the Profit and Loss Statement and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;

   e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      i) in the case of the Balance Sheet, of the state of affairs of the Company as at **September 30, 2012**;

      ii) in the case of the Profit and Loss Statement, of the loss for the period ended on that date; and

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

for **M.S.B.Rao & Co.**
Chartered Accountants

M.S.Babu Rao
Proprietor
M. No. 201467

Place : Bangalore
Date : 11/12/2012

VILLAGE-DE-NANDI PRIVATE LIMITED

BALANCE SHEET AS AT SEPTEMBER 30, 2012

Particulars	Note no.	As at 30 September 2012 Rs.	As at 31 March 2012 Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	10,000,000	10,000,000
Reserves and surplus	3	(1,644,833)	(937,071)
		8,355,167	**9,062,929**
Current liabilities			
Short-term Borrowings	4	9,400,000	9,375,000
Other current liabilities	5	1,000,731	385,035
		10,400,731	**9,760,035**
Total		**18,755,898**	**18,822,964**
ASSETS			
Non-current assets			
Fixed assets			
- Tangible assets	5	18,713,203	18,713,203
		18,713,203	**18,713,203**
Current assets			
Cash and bank balances	7	42,695	109,761
		42,695	**109,761**
Total		**18,755,898**	**18,822,964**

Significant accounting policies & Notes to the accounts 1 to 19

The notes referred to above form an integral part of the Balance Sheet

In terms of our report attached

For M.S.B. Rao & Co **For and on behalf of the Board**

*Chartered Accountant*s

M.S. Babu Rao **Badrunissa Irfan** **Sameera Noaman**

Proprietor Director Director

Place: Bangalore

Date: 11/12/2012

VILLAGE-DE-NANDI PRIVATE LIMITED

PROFIT AND LOSS STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2012

Particulars	Note no.	Half year ended 30 September 2012 Rs
Revenue from operations		-
Other income		-
Total Revenue		-
Expenses		
Finance Cost	8	705,546
Other Expenses	9	2,216
Total Expenses		**707,762**
Profit / (loss) before tax		**(707,762)**
Tax expense:		
- Current tax		-
- Deferred tax charge/ (credit)		-
Profit / (loss) after tax		**(707,762)**
Earnings per equity share (equity shares, par value Rs 10 each)		
- basic and diluted	12	(0.71)
Weighted average number of equity shares considered for computing earnings per share		1,000,000

Significant accounting policies & Notes to the accounts 1 to 19

The notes referred to above form an integral part of the statement of profit and loss
In terms of our report attached

For M.S.B. Rao & Co **For and on behalf of the Board**
*Chartered Accountant*s

M.S. Babu Rao **Badrunissa Irfan** **Sameera Noaman**
Proprietor Director Director
Place: Bangalore
Date: 11/12/2012

VILLAGE-DE-NANDI PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2012

Particulars	Note no.	Half year ended 30 September 2012 Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before taxation		**(707,762)**
Financial Expenses		705,546
Operating profit before working capital changes		**(2,216)**
Adjustments for		
Increase / (Decrease) in Current and Non Current Liabilities		(19,294)
(Increase) / Decrease in Sundry Debtors		-
(Increase) / Decrease in Loans & Advances		-
Cash generated from operations		**(21,510)**
Income tax refund / (payment) - Net		-
Net Cash from operating activities - A		**(21,510)**
CASH FLOW FROM FINANCING ACTIVITIES		
Share application money received		-
Proceeds from/ (Repayment of) short term borrowings (Net)		25,000
Financial Expenses		(70,556)
Net Cash From / used in Financing Activities -C		**(45,556)**
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)		**(67,066)**
Cash & Cash equivalents opening balance		109,761
Cash & Cash equivalents closing balance		**42,695**

1. The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statement, issued under the Companies (Accounting Standard) Rules, 2006.

2. Cash and cash equivalents does not include any balances which are not available for use by the company.

Significant accounting policies & Notes to the accounts 1 to 19

The notes referred to above form an integral part of the Cash flow statement

In terms of our report attached

For M.S.B. Rao & Co **For and on behalf of the Board**

*Chartered Accountant*s

M.S. Babu Rao **Badrunissa Irfan** **Sameera Noaman**

Proprietor Director Director

Place: Bangalore

Date: 11/12/2012

VILLAGE-DE-NANDI PRIVATE LIMITED
NOTES FORMING PART OF ACCOUNTS

1 Significant accounting policies

1. Corporate Information

M/s. Village De Nandi Private Limited ("the Company") was incorporated on September 15, 1994 as a private limited company under the Companies Act, 1956 (the "Act"). The registered office of the Company is in The Falcon House, No.1, Main Guard Cross Road, Bangalore - 560 001, India.

2. Basis for preparation of financial statements

These interim unconsolidated financial statements have been prepared under the historical cost convention on accrual basis and in accordance with the requirements of Accounting Standard 25 “Interim Financial Reporting” notified under the Companies Accounting Standards rules 2006. The accounting policies followed in the preparation of these financial statements are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended and as at March 31, 2012 and should be read in conjunction with those financial statements. The significant accounting policies are given in the following paragraphs.

The Company has prepared these interim unconsolidated financial statements for the first time at half year ended September 30, 2012. Accordingly, the corresponding figures for the half year ended September 30, 2011 are not available.

3. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

4. Cash flow statement

Cash flow statement is prepared under the ‘Indirect Method’ Prescribed under Accounting standard 3 ‘Cash Flow Statements’ issued under the Companies (Accounting Standard) Rules, 2006.

5. Investments

Long term investments are carried at cost, and provision is made to recognize any decline, other than temporary, in the value of such investment.

Current investments are stated at lower of cost or net realizable value.

6. Earning Per Share

The basic and diluted earning per share is computed by dividing the net profit / loss attributable to equity share holders for the year by the weighted average number of equity shares outstanding during the year.

7. Provisions and contingent liabilities

A provision is recognized when the Company has present obligations as a result of past events; it is probable that an outflow of resources will be required to settle the obligations, in respect of which reliable estimates can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligations at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect a current best estimate.

All known liabilities wherever material are provided for. Liabilities which are material and whose future amount cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.

2 Share capital

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Authorised capital		
1,000,000 (P.Y. 1,000,000) equity shares of Rs 10 each	10,000,000	10,000,000
Issued, subscribed and paid up capital 1,000,000 (P.Y. 1,000,000) Equity shares of Rs 10 each, fully paid up (for cash)	10,000,000	10,000,000
	10,000,000	**10,000,000**

Of the above 999,999 equity shares (P.Y 999,999) of Rs. 10 each are held by the Holding Company M/s. Prestige Estates Projects Limited

List of persons holding more than 5 percent shares in the Company

	As at 30 September 2012		As at 31 March 2012	
Name of the share holder	**No of shares**	**% holding**	**No of shares**	**% holding**
Prestige Estates Projects Limited	999,999	99.99%	999,999	99.99%
	999,999	99.99%	999,999	99.99%

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 30 September 2012		As at 31 March 2012	
	No of shares	**Amount**	**No of shares**	**Amount**
Equity Shares				
Number of shares at the beginning of the period	1,000,000	10,000,000	1,000,000	10,000,000
Number of shares issued during the period	-	-	-	-
Number of shares outstanding at the end of the period	**1,000,000**	**10,000,000**	**1,000,000**	**10,000,000**

There have been no buy back of shares, issue of shares by way of bonus shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the balance sheet date.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3 Reserves and surplus

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Statement of profit and loss		
Opening balance	(937,071)	(524,289)
Add: Net loss for the period	(707,762)	(412,782)
	(1,644,833)	**(937,071)**

4 Short-term Borrowings

Rs.

Particulars	Note No.	As at 30 September 2012	As at 31 March 2012
Inter Corporate Deposits from related parties (unsecured)	4a	9,400,000	9,375,000
		9,400,000	**9,375,000**

4a Loans & Advances from related parties include Inter Corporate Deposits received from holding company M/s. Prestige Estates Projects Limited which are repayable on demand

There are no continuing defaults in repayment of principal and interest existing as on the balance sheet date.

5 Other current liabilities

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Interest accrued but not due on borrowings	950,529	315,539
Withholding and other taxes and duties payable	35,496	35,060
Other payable	14,706	34,436
	1,000,731	**385,035**

Other Payables are due to be settled within 12 months from the reporting date.

6 Tangible assets

Rs

Description	Gross block				Accumulated depreciation				Net block	
	As at 1 April 2012	Additions	Adjustments/Deletions	As at 30 September 2012	As at 1 April 2012	Charge for the period	Deletion	As at 30 September 2012	As at 30 September 2012	As at 31 March 2012
Land	18,713,203	-	-	18,713,203	-	-	-	-	18,713,203	18,713,203
Total	**18,713,203**	**-**	**-**	**18,713,203**	**-**	**-**	**-**	**-**	**18,713,203**	**18,713,203**
Previous year	*18,713,203*			*18,713,203*	-	-	-	-	*18,713,203*	

7 Cash and bank balances

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Cash and cash equivalents		
Balances with banks		
- in current accounts	42,695	109,761
	42,695	**109,761**

8 Finance Cost

Rs.

Particulars	For the half year ended 30 September 2012
Interest Expense	705,546
	705,546

9 Other Expenses

Rs.

Particulars	Note no.	For the half year ended 30 September 2012
Rates and taxes		510
Audit Fee	17	1,500
Legal and professional Charges		206
		2,216

10 Contingent liabilities and capital commitments

Rs

Particulars	As at 30 September 2012	As at 31 March 2012
Contingent liabilities		
Claims against the Company not acknowledged as debts	-	-
Corporate guarantee given on behalf of companies under the same management	-	-
On conversion of immovable property into inventory	-	-
Capital commitment	-	-
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	-

11 Related party disclosure :

i) List of related parties

Relationship	Related Parties
Holding company	Prestige Estates Projects Ltd.
Other Related parties with whom the Company had transactions : -	
Enterprises with significant influence and common management	Northland Holding Company Pvt. Ltd
Key Management Personnel	Mrs. Badrunissa Irfan Mrs. Almas Rezwan Mrs. Sameera Noaman

ii) Transactions with Related Parties during the period- Rs

Transactions	Controlling Entity	Enterprises with significant influence and common management	Key Management Personnel	Total
Inter Corporate Deposits received				
Prestige Estates Projects Ltd.	25,000	-	-	25,000
Interest on Inter Corporate Deposits				
Prestige Estates Projects Ltd.	634,990	-	-	634,990

iii) Balance Outstanding Rs

Inter Corporate Deposits including interest accrued and not due				
Prestige Estates Projects Ltd.	10,350,529	-	-	10,350,529
	(9,690,539)	-	-	(9,690,539)

a) Related party relationships are as identified by the company on the basis of information available with them and accepted by the auditors.

b) No amount is / has been written back during the period in respect of debts due from or to related party.

c) Reimbursement of actual expenses in not considered in the above disclosure.

d) Figures shown in brackets pertain to balances outstanding as at March 31, 2012.

12 Earnings per share

Particulars	Figures in rupees except number of shares Half year ended 30 September 2012
Net profit/ (loss) for the period available to equity shareholders	(707,762)
Weighted average number of equity shares outstanding	
- Basic	1,000,000
- Diluted	1,000,000
Nominal Value of shares	10
Basic Earnings per Share	(0.71)
Diluted Earnings per Share	(0.71)

13 There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding at the Balance Sheet date, computed on unit wise basis, determined to the extent such parties identified on the basis of information available with the company. This has been relied upon by the auditors.

14 There are no employees employed by the company and accordingly there are no employee costs and provision for employee benefits.

15 There are no foreign currency exposure as at September 30, 2012 and March 31, 2012 therefore no disclosures have been given thereof.

16 Segment Reporting

The operations of the company include real estate development constituting a single segment and has restricted to one geographical area. Hence the disclosure of segment information as per Accounting standard 17 prescribed by the Companies (Accounting Standards) Rules, is not applicable.

17 Auditors' Remuneration

Particulars	Rs Half year ended 30 September 2012
Payment to Auditors as :	
Auditors	1,500
	1,500

18 Foreign Exchange Transactions

Particulars	Rs Half year ended 30 September 2012
Earnings in foreign currency	Nil
Expenditure in foreign currency	Nil
Imports on CIF basis	Nil

19 Previous period's figures have been re-grouped / re-classified wherever necessary to facilitate comparison with those for the current period.

Signatures to Notes 1 to 19

In terms of our report attached

For M.S.B. Rao & Co	**For and on behalf of the Board**
Chartered Accountants	

M.S. Babu Rao	**Badrunissa Irfan**	**Sameera Noaman**
Proprietor	Director	Director

Place: Bangalore
Date: 11/12/2012

AUDITORS' REPORT

To,

The Members of Villaland Developers Private Limited,

1. We have audited the attached Balance Sheet of **Villaland Developers Private Limited,** as at **September 30, 2012**, the Profit and Loss Statement and the Cash Flow Statement of the Company for the period ended on that date annexed thereto. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. These 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. Further to our comments referred to above, we report that:

   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books.

   c) The Balance Sheet, the Profit and Loss Statement and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

   d) The Balance Sheet, the Profit and Loss Statement and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;

   e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      i) in the case of the Balance Sheet, of the state of affairs of the Company as at **September 30, 2012**;

      ii) in the case of the Profit and Loss Statement, of the loss for the period ended on that date; and

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

for **M.S.B.Rao & Co.**
Chartered Accountants

M.S.Babu Rao
Proprietor
M. No. 201467

Place : Bangalore
Date : 10/12/2012

VILLALAND DEVELOPERS PRIVATE LIMITED
BALANCE SHEET AS AT SEPTEMBER 30, 2012

Particulars	Note no.	As at 30 September 2012 Rs	As at 31 March 2012 Rs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	100,000	100,000
Reserves and surplus	3	(234,506)	(175,093)
		(134,506)	**(75,093)**
Current liabilities			
Short-term borrowings	4	299,900,000	324,900,000
Trade Payables	5	480,658	3,145,800
Other current liabilities	6	103,655,209	12,098,987
		404,035,867	**340,144,787**
Total		**403,901,361**	**340,069,694**
ASSETS			
Long-term loans and advances	7	10,000	-
		10,000	**-**
Current assets			
Inventories	8	339,025,994	278,880,654
Cash and Bank Balances	9	6,716,026	1,439,895
Short-term loans and advances	10	58,149,341	59,749,145
		403,891,361	**340,069,694**
Total		**403,901,361**	**340,069,694**

Significant accounting policies & Notes to the accounts 1 to 22
The notes referred to above form an integral part of the Balance Sheet

In terms of our report attached

For M.S.B. Rao & Co **For and on behalf of the Board**
*Chartered Accountant*s

M.S. Babu Rao **Irfan Razack** **Rezwan Razack**
Proprietor Director Director

Place: Bangalore
Date: 10/12/2012

VILLALAND DEVELOPERS PRIVATE LIMITED

PROFIT AND LOSS STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2012

Particulars	Note no.	Half year ended 30 September 2012 Rs
Revenue from operations		-
Other income		-
Total Revenue		-
Expenses		
Finance Cost	11	54,413
Other Expenses	12	5,000
Total Expenses		**59,413**
Profit / (loss) before tax		**(59,413)**
Tax expense:		
- current tax/ minimum alternate tax		-
- deferred tax charge/ (credit)		-
Profit / (loss) after tax		**(59,413)**
Earnings per share (equity shares, par value Rs 10 each)		
- basic and diluted	16	(5.94)
Weighted average number of equity shares considered for computing earnings per share		10,000

Significant accounting policies & Notes to the accounts 1 to 22

The notes referred to above form an integral part of the statement of profit and loss

In terms of our report attached

For M.S.B. Rao & Co **For and on behalf of the Board**

*Chartered Accountant*s

Irfan Razack **Rezwan Razack**

Director Director

M.S. Babu Rao

Proprietor

Place: Bangalore

Date: 10/12/2012

VILLALAND DEVELOPERS PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2012

Particulars	Note no.	Half year ended 30 September 2012 Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before taxation		**(59,413)**
Financial Expenses		-
Operating profit before working capital changes		**(59,413)**
Adjustments for		
Increase / (Decrease) in Current and Non Current Liabilities		67,381,068
(Increase) / Decrease in Inventories		(38,635,328)
(Increase) / Decrease in Short term and Long term Loans & advances		1,589,804
Cash generated from operations		**30,276,131**
Income tax refund / (payment) - Net		-
Net Cash from operating activities - A		**30,276,131**
CASH FLOW FROM FINANCING ACTIVITIES		
Share application money received		-
Proceeds from/ (Repayment of) short term borrowings (Net)		(25,000,000)
Financial Expenses		-
Net Cash From / used in Financing Activities -C		**(25,000,000)**
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)		**5,276,131**
Cash & Cash equivalents opening balance		1,439,895
Cash & Cash equivalents closing balance		**6,716,026**

1. The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statement, issued under the Companies (Accounting Standard) Rules, 2006.

2. Cash and cash equivalents does not include any balances which are not available for use by the company.

Significant accounting policies & Notes to the accounts 1 to 22

The notes referred to above form an integral part of the Cash flow statement

In terms of our report attached

For M.S.B. Rao & Co **For and on behalf of the Board**

*Chartered Accountant*s

M.S. Babu Rao **Irfan Razack** **Rezwan Razack**

Proprietor Director Director

Place: Bangalore

Date: 10/12/2012

VILLALAND DEVELOPERS PRIVATE LIMITED
NOTES FORMING PART OF ACCOUNTS

1 Significant accounting policies

1. Corporate Information

M/s. Villaland Developers Private Limited ("the Company") was incorporated on July 28, 2010 as a private limited company under the Companies Act, 1956 (the "Act"). The registered office of the Company is in The Falcon House, No.1, Main Guard Cross Road, Bangalore - 560 001, India. The Company is engaged in the business of Real Estate Development.

2. Basis for preparation of financial statements

These interim unconsolidated financial statements have been prepared under the historical cost convention on accrual basis and in accordance with the requirements of Accounting Standard 25 "Interim Financial Reporting" notified under the Companies Accounting Standards rules 2006. The accounting policies followed in the preparation of these financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended and as at March 31, 2012 and should be read in conjunction with those financial statements. The significant accounting policies are given in the following paragraphs.

The Company has prepared these interim unconsolidated financial statements for the first time at half year ended September 30, 2012. Accordingly, the corresponding figures for the half year ended September 30, 2011 are not available.

3. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

4. Cash flow statement

Cash flow statement is prepared under the 'Indirect Method' Prescribed under Accounting standard 3 'Cash Flow Statements' issued under the Companies (Accounting Standard) Rules, 2006.

5. Investments

Long term investments are carried at cost, and provision is made to recognize any decline, other than temporary, in the value of such investment.

Current investments are stated at lower of cost or net realizable value.

6. Earnings Per Share

The basic and diluted earning per share is computed by dividing the net profit / loss attributable to equity share holders for the year by the weighted average number of equity shares outstanding during the year.

7. Provisions and contingent liabilities

A provision is recognized when the Company has present obligations as a result of past events; it is probable that an outflow of resources will be required to settle the obligations, in respect of which reliable estimates can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligations at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect a current best estimate.

All known liabilities wherever material are provided for. Liabilities which are material and whose future amount cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.

2 Share capital

Particulars	As at 30 September 2012	As at 31 March 2012
Authorised capital		
10,000 (P.Y. 10,000) equity shares of Rs 10 each	100,000	100,000
Issued, subscribed and paid up capital 10,000 (P.Y. 10,000) Equity shares of Rs 10 each, fully paid up (for cash)	100,000	100,000
	100,000	**100,000**

Of the above 5,100 equity shares (P.Y 5,100) of Rs. 10 each are held by the Holding Company M/s. Prestige Estates Projects Limited

List of persons holding more than 5 percent shares in the Company

	As at 30 September 2012		As at 31 March 2012	
Name of the share holder	**No of shares**	**% holding**	**No of shares**	**% holding**
Prestige Estates Projects Limited	5,100	51.00%	5,100	51.00%
Sumanth Kumar Reddy	2,450	24.50%	2,450	24.50%
Sreenadha Reddy	2,450	24.50%	2,450	24.50%
	10,000	100.00%	10,000	100.00%

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	As at 30 September 2012		As at 31 March 2012	
Particulars	**No of shares**	**Amount**	**No of shares**	**Amount**
Equity Shares				
Number of shares at the beginning of the period	10,000	100,000	10,000	1,000,000
Number of shares issued during the period	-	-	-	-
Number of shares outstanding at the end of the period	**10,000**	**100,000**	**10,000**	**1,000,000**

There have been no buy back of shares, issue of shares by way of bonus shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the balance sheet date.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3 Reserves and surplus

Particulars	As at 30 September 2012	As at 31 March 2012
Statement of profit and loss		
Opening balance	(175,093)	(52,087)
Add: Net loss for the period	(59,413)	(123,006)
	(234,506)	**(175,093)**

4 Short-term borrowings (Unsecured)

Particulars	As at 30 September 2012	As at 31 March 2012
Loans & Advances from Related Parties	299,900,000	324,900,000
	299,900,000	**324,900,000**

5 Trade Payables

Particulars	As at 30 September 2012	As at 31 March 2012
Retention Creditors	151,244	151,244
Others	329,414	2,997,786
	480,658	**3,149,030**

Trade payables other than retention creditors are expected to be settled within 12 months from the reporting date. However, retention creditors are expected to be settled in the normal operating cycle of 2-3 years from the date of completion of the scope of work

There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding at the Balance Sheet date, computed on unit wise basis, determined to the extent such parties identified on the basis of information available with the company. This has been relied upon by the auditors.

6 Other current liabilities

Particulars	As at 30 September 2012	As at 31 March 2012
Interest accrued but not due	32,323,289	10,813,277
Advance received on projects	69,827,328	-
Advance received on behalf of Land Owners	500,000	-
Withholding and other taxes and duties payable	1,004,592	1,282,480
	103,655,209	**12,095,757**

Other Payables are due to be settled within 12 months from the reporting date.

7 Long-term loans and advances

Particulars	As at 30 September 2012	As at 31 March 2012
Unsecured, considered good		
Security Deposits	10,000	-
	10,000	**-**

8 Inventories (lower of cost or net realizable value)

Particulars	As at 30 September 2012	As at 31 March 2012
Work in progress - projects	339,025,994	278,880,654
	339,025,994	**278,880,654**

9 Cash and cash equivalents

Particulars	As at 30 September 2012	As at 31 March 2012
Cash and cash equivalents		
Cash on hand	-	-
Balances with banks		
- in current accounts	6,716,026	1,439,895
	6,716,026	**1,439,895**

10 Short-term loans and advances

Particulars	As at 30 September 2012	As at 31 March 2012
Unsecured, considered good		
Others		
- Advance Service Tax & VAT	790,782	-
- Other Advances	57,358,559	59,749,145
	58,149,341	**59,749,145**

11 Finance Costs

Particulars	Rs. For the half year ended 30 September 2012
Others	54,413
	54,413

12 Other Expenses

Particulars	For the half year ended 30 September 2012
Rates and taxes	2,500
Audit Fee	1,500
Legal and professional Charges	1,000
	5,000

13 Contingent liabilities and capital commitments

Particulars	As at 30 September 2012	Rs As at 31 March 2012
Contingent liabilities		
Claims against the Company not acknowledged as debts	-	-
Corporate guarantee given on behalf of companies under the same management	-	-
On conversion of immovable property into inventory	-	-
Capital commitment	-	-
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	-

14 In the opinion of the Management all the current assets have on value of realization in the ordinary course of business which is at least equal to the amount at which they are stated in the balance sheet.

15 Related party disclosure :

(i) List of related parties

Relationship	Related Parties
Holding company	Prestige Estates Projects Ltd.
Other Related parties with whom the Company had transactions : -	
Key Management Personnel	Mr. Irfan Razack, Director Mr. Rezwan Razack, Director Mr. Noaman Razack, Director Mr. Sumanth Kumar Reddy. B Mr. Sreenadha Reddy. B

ii) Transactions with Related Parties during the period-

Transactions	Controlling Entity	Enterprises with significant influence and common management	Key Management Personnel	Total
Inter Corporate Deposits refunded				
Prestige Estates Projects Ltd.	25,000,000	-	-	25,000,000

iii) Balance Outstanding

Share application money received				
Prestige Estates Projects Ltd.	-	-	-	-
	(295,90,000)	-	-	(295,90,000)
Inter Corporate Deposits received				
Prestige Estates Projects Ltd.	299,900,000	-	-	299,900,000
	(304,900,000)			(304,900,000)
Interest payable on Inter Corporate Deposit received				
Prestige Estates Projects Ltd.	32,323,289	-	-	32,323,289
	(10,813,277)			(10,813,277)

a) Related party relationships are as identified by the company on the basis of information available with them and accepted by the auditors.

b) No amount is / has been written back during the period in respect of debts due from or to related party.

c) Reimbursement of actual expenses in not considered in the above disclosure.

d) Figures shown in brackets pertain to previous period ended on March 31, 2012.

16 Earnings per share

Figures in rupees except number of shares

Particulars	Half year ended 30 September 2012
Net profit/ (loss) for the period available to equity shareholders	(59,413)
Weighted average number of equity shares outstanding	
- Basic	10000
- Diluted	10000
Nominal Value of shares	10
Basic Earnings per Share	(5.94)
Diluted Earnings per Share	(5.94)

17 Auditors' Remuneration

Particulars	Rs Half year ended 30 September 2012
Payment to Auditors as :	
Auditors	1,500
	1,500

18 There are no employees employed by the company and accordingly there are no employee costs and provision for employee benefits.

19 There are no foreign currency exposure as at September 30, 2012 and March 31, 2012 therefore no disclosures have been given thereof.

20 Segment Reporting

The operations of the company include real estate development constituting a single segment and has restricted to one geographical area. Hence the disclosure of segment information as per Accounting standard 17 prescribed by the Companies (Accounting Standards) Rules, is not applicable.

21 Foreign Exchange Transactions

Particulars	Rs Half year ended 30 September 2012
Earnings in foreign currency	Nil
Expenditure in foreign currency	Nil
Imports on CIF basis	Nil

22 Previous period's figures have been re-grouped / re-classified wherever necessary to facilitate comparison with those for the current period.

Signatures to Notes 1 to 22

In terms of our report attached

For M.S.B. Rao & Co **For and on behalf of the Board**

*Chartered Accountant*s

M.S. Babu Rao	**Irfan Razack**	**Rezwan Razack**
Proprietor	Director	Director

Place: Bangalore

Date: 10/12/2012

AUDITORS' REPORT

To the members of M/S. **PRESTIGE SHANTINIKETAN LEISURES PRIVATE LIMITED**.

We have audited the attached Balance Sheet of M/s. **PRESTIGE SHANTINIKETAN LEISURES PRIVATE LIMITED** as at September 30, 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of audit.

2. In our opinion, proper books of account have been kept by the Company as required by law, so far as it appears from our examination of those books.

3. The Balance Sheet, Statement of Profit and Loss and Cash flow statement dealt with by this report are in agreement with the books of account.

4. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report complies with the accounting standards referred to in Companies (Accounting Standards) Rules, 2006.

5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts and notes attached thereto give the information as required under the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

    a. In the case of the Balance Sheet of the state of the company's affairs as at 30th September 2012,

    And

    b. In the case of Statement of Profit and Loss, the loss for the period ended on that date.

    And

    c. In so far as it relates to the Cash Flow Statement, the Cash Flow for the period ending on that date.

Place : Bangalore
Date : 10.12.2012.

For **G.S.A.KUMAR & ASSOCIATES**,
Chartered Accountants,

(**G.S.ARUN KUMAR**)
Proprietor.

Prestige Shantiniketan Leisures Private Limited
Balance sheet

	Note no.	As at 30 September 2012	As at 31 March 2012
		Rs	Rs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	6,300,000	6,300,000
Reserves and surplus	3	(1,408,279)	(1,114,318)
		4,891,721	**5,185,682**
Non-current liabilities			
Other long-term liabilities	4	1,500,000	1,000,000
		1,500,000	**1,000,000**
Current liabilities			
Short-term borrowings	5	387,000,000	277,000,000
Trade payables	6	9,396,571	7,436,021
Other current liabilities	7	58,196,327	66,796,093
		454,592,898	**351,232,114**
		460,984,619	**357,417,796**
ASSETS			
Non-current assets			
Fixed assets			
- Tangible assets	8	14,734	18,430
- Capital work-in-progress		429,604,586	326,025,926
		429,619,321	**326,044,357**
Long-term loans and advances	9	26,283,865	28,339,915
		26,283,865	**28,339,915**
Current assets			
Cash and bank balances	10	5,081,433	3,033,524
		5,081,433	**3,033,524**
		460,984,619	**357,417,796**
Significant accounting policies		1	
Notes on accounts		2 to 22	

The notes referred to above form an integral part of the balance sheet

As per our report attached

for **G.S.A.Kumar & Associates**

Chartered Accountants

Firm registration number: 005804S

for **Prestige Shantiniketan Leisures Private Limited**

G.S. Arun Kumar
Proprietor
Membership No. 201503

Irfan Razack
Director

Rezwan Razack
Director

Place: Bangalore

Date: 10/12/2012

Prestige Shantiniketan Leisures Private Limited
Statement of profit and loss

	Note no.	For the period ended 30 September 2012
		Rs
Expenses		
Operating and administrative expenses	11	290,264
Depreciation	8	3,696
		293,960
Profit / (loss) before tax		**(293,960)**
Tax expense:		
- current tax/ minimum alternate tax		-
- deferred tax charge/ (credit)		-
Profit / (loss) after tax		**(293,960)**
Earnings per share (equity shares, par value Rs 10 each)		
- basic and diluted	14	(0.05)
Significant accounting policies	1	
Notes on accounts	2 to 22	

The notes referred to above form an integral part of the statement of profit and loss account

As per our report attached

***for* G.S.A.Kumar & Associates**
Chartered Accountants
Firm registration number: 005804S

for **Prestige Shantiniketan Leisures Private Limited**

G.S. Arun Kumar
Proprietor
Membership No. 201503

Irfan Razack
Director

Rezwan Razack
Director

Place: Bangalore

Date: 10/12/2012

Prestige Shantiniketan Leisures Private Limited
Cash flow statement

(Amount in Rs)

	For the period ended 30 September 2012
Cash flow from operating activities	
Profit/ (loss) before tax	(293,960)
Adjustments:	
Depreciation	3,696
Operating profit before working capital changes	**(290,264)**
(Increase) in loans and advances and other current assets	-
(Decrease) / increase in current liabilities	(28,830,681)
Cash generated from operations	**(29,120,945)**
Income taxes refund / (paid), net	-
Net cash generated from operating activities	**(29,120,945)**
Cash flow from investing activities	
Purchase of fixed assets, including capital work in progress	(78,831,145)
Net cash used in investing activities	**(78,831,145)**
Cash flow from financing activities	
Share Application Money	-
Inter corporate deposit	110,000,000
Net cash provided by/(used in) financing activities	**110,000,000**
Net decrease in cash and cash equivalents	2,047,910
Cash and cash equivalents at the begining of the period	3,033,524
Cash and cash equivalents at the end of the period	**5,081,433**
Cash and cash equivalents comprise of:	5,081,433
Cash and bank balance (refer note 10)	**5,081,433**

This is the cash flow statement referred to in our report attached

As per our report attached.
for **G.S.A.Kumar & Associates**
for **Prestige Shantiniketan Leisures Private Limited**
Chartered Accountants

Firm registration number: 005804S

G.S. Arun Kumar	**Irfan Razack**	**Rezwan Razack**
Proprietor	*Director*	*Director*
Membership No. 201503		

Place: Bangalore

Date: 10/12/2012

Prestige Shantiniketan Leisures Private Limited

1 Significant accounting policies

1. Basis for preparation of financial statements

These interim unconsolidated financial statements have been prepared under the historical cost convention on accrual basis and in accordance with the requirements of Accounting Standard 25 "Interim Financial Reporting" notified under the Companies Accounting Standards rules 2006. The accounting policies followed in the preparation of these financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended and as at March 31, 2012 and should be read in conjunction with those financial statements. The significant accounting policies are given in the following paragraphs.

The Company has prepared these interim unconsolidated financial statements for the first time at half year ended September 30, 2012. Accordingly, the corresponding figures for the half year ended September 30, 2011 are not available.

2. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

3. Fixed Assets

Fixed assets are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes freight, duties, taxes and other incidental expenses related to the acquisition or construction of the respective assets.

The cost of the fixed assets not ready for their intended use on each balance sheet date, are disclosed as capital work-in-progress.

4. Depreciation

Depreciation on fixed assets provided on written down value method and at the rates prescribed in the Schedule XIV of the Companies Act, 1956.

5. Taxation

Income tax comprises the current tax provision under the tax payable method and the net change in the deferred tax asset or liability in the year.

Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences between the carrying values of the assets and liabilities and their respective tax basis. Deferred tax assets are recognized subject to managements' judgment that realization is reasonably certain. Deferred Tax assets and liabilities are measured using enacted tax rates to apply to taxable income in the years in which the timing differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change.

6. Provisions and contingent liabilities

A provision is recognized when the Company has present obligations as a result of past events; it is probable that an outflow of resources will be required to settle the obligations, in respect of which reliable estimates can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligations at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect a current best estimate.

All known liabilities wherever material are provided for. Liabilities which are material and whose future amount cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.

07. Cash flow statement

Cash flow statement is prepared under the 'Indirect Method' of accounting standard 3 'Cash Flow Statements' issued under the Companies (Accounting Standard) Rules, 2006.

08. Borrowing Costs

Borrowing cost attributable to the acquisition or construction of a qualifying asset is capitalized / inventoried as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Incomes earned on temporary deployment of funds have been credited to the borrowing costs.

09. Earning Per Share

The basic earning per share is computed by dividing the net profit / loss attributable to equity share holders for the year by the weighted average number of equity shares outstanding during the year.
For the purpose of calculating diluted earnings per share the net profit / loss for the period attributable to equity share holders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

10. 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 to 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 recognised in the profit and loss account. If at the balance sheet date, there is an indication that 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 its depreciable historical cost.

11. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 3-5 years for the purpose of current – noncurrent classification of assets and liabilities.

Prestige Shantiniketan Leisures Private Limited

Notes on accounts

2 Share capital

Particulars	As at 30 September 2012	As at 31 March 2012
Authorised		
10,00,000 Equity Shares of Rs. 10/- each	10,000,000	10,000,000
	10,000,000	**10,000,000**
Issued, subscribed and paid up		
6,30,000 Equity shares of Rs.10/- each fully paid up	6,300,000	6,300,000
(P.Y 6,30,000 equity Shares of Rs 10/- each fully paid up)		
	6,300,000	**6,300,000**

(a) List of persons holding more than 5 percent shares in the Company

	As at 30 September 2012		As at 31 March 2012	
Name of the share holder	**No of shares**	**% holding**	**No of shares**	**% holding**
Prestige Estates Projects Limited	620,000	98.41%	620,000	98.41%

(b) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	As at 30 September 2012		As at 31 March 2012	
Particulars	**No of shares**	**Value of shares**	**No of shares**	**Value of shares**
Number of shares at the beginning of the period	630,000	6,300,000	630,000	6,300,000
Number of shares issued during the period	-	-	-	-
Number of shares outstanding at the end of the period	**630,000**	**6,300,000**	**630,000**	**6,300,000**

(c) Equity share of Rs.10 each issued, no special rights or restrictions are attached with these shares

3 Reserves and surplus

Particulars	As at 30 September 2012	As at 31 March 2012
Statement of profit and loss		
Opening balance	(1,114,318)	(668,530)
Add: Net loss for the period	(293,960)	(445,788)
Closing Balance	**(1,408,279)**	**(1,114,318)**

4 Other long-term liabilities

Particulars	As at 30 September 2012	As at 31 March 2012
Lease deposits	1,500,000	1,000,000
	1,500,000	**1,000,000**

5 Short-term borrowings

Particulars	As at 30 September 2012	As at 31 March 2012
Loans repayable on demand		
Unsecured:		
- Inter Corporate Deposit	387,000,000	277,000,000
	387,000,000	**277,000,000**

Intercorporate deposit received from Prestige Estates Projects Limited having an outstanding balance of Rs.387,000,000 (previous year : Rs. 277,000,000) is repayable on demand.

6 Trade payables

Particulars	As at 30 September 2012	As at 31 March 2012
- Dues to micro and small enterprises	-	-
- Dues to Retention Creditors	9,389,071	7,411,335
- Others	7,500	24,686
	9,396,571	**7,436,021**

7 Other current liabilities

Particulars	As at 30 September 2012	As at 31 March 2012
Withholding and other taxes and duties payable	1,368,658	913,438
Capital creditors	25,915,258	57,661,709
Interest accrued but not due on short term borrowings	30,912,411	8,220,946
	58,196,327	**66,796,093**

Prestige Shantiniketan Leisures Private Limited
Schedules to the financial statements

08. Fixed assets

(Amount in Rupees)

Description	Gross block			Accumulated depreciation			Net block	
	As at 1 April 2012	Additions during the period	As at 30 September 2012	As at 1 April 2012	Charge for the period	As at 30 September 2012	As at 30 September 2012	As at 31 March 2012
Tangible assets								
Computer	-	28,723	28,723	10,293	3,696	13,989	14,734	18,430
Total	**-**	**28,723**	**28,723**	**10,293**	**3,696**	**13,989**	**14,734**	**18,430**
Previous year	-	*28,723*	*28,723*		*10,293*	*10,293*		*18,430*

Note:

1) Capital work in progress includes:	(Amount in Rs)	(Amount in Rs)
	30 September 2012	**31 March 2012**
Borrowing cost capitalised during the period	32,281,069	9,134,384

Prestige Shantiniketan Leisures Private Limited
Notes on accounts (continued)

9 Long-term loans and advances

Particulars	As at 30 September 2012	As at 31 March 2012
Unsecured, considered good		
Capital advance	20,283,865	22,339,915
Other loans and advances		
- Deposits towards joint development	6,000,000	6,000,000
	26,283,865	**28,339,915**

10 Cash and bank balances

Particulars	As at 30 September 2012	As at 31 March 2012
Cash and cash equivalents		
Balances with banks		
- in current accounts	5,081,433	3,033,524
	5,081,433	**3,033,524**

11 Operating and administrative expenses

Particulars	For the period ended 30 September 2012
Legal and professional charges	1,000
Auditor's remuneration	7,500
Advertisement	280,900
Miscellaneous expenses	112
Printing & Stationery	752
	290,264

12 Contingent liabilities and capital commitments

	As at 30 September 2012	As at 31 March 2012
Capital commitment		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	539,064,286	565,902,740

13 The Company is primarily engaged in the business of real estate development and leasing of commercial space, hence the requirement to disclose quantitative details of sales and other information as required under paragraph 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956 is not applicable to the Company.

14 Earnings/ (Loss) per share

The following table sets forth the computation of basic and diluted earnings per share:

Particulars	For the period ended 30 September 2012
Net (loss) for the year attributable to equity shareholders	(293,960)
Weighted average number of equity shares of Rs 10 each used for calculation of basic earnings per share	6,300,000
Earnings/ (loss) per share, basic and diluted	(0.05)

15 Auditors' remuneration

Particulars	For the period ended 30 September 2012
Statutory audit fees	7,500
Reimbursement of out-of-pocket expenses	-
Total	**7,500**

16 Related parties

(i) Names of related parties and description of relationship:

Enterprise where control exists

Prestige Estates Projects Limited

Key management personnel

Mr. Irfan Razack, Director

Mr. Rezwan Razack, Director

Mr. Noaman Razack, Director

(ii) Related party transactions

Particulars	For the period ended 30 September 2012
Share Application Money Refunded	
Prestige Estates Projects Limited	-

Intercorporate deposit taken	
Prestige Estates Projects Limited	387,000,000
Interest expense on intercorporate deposit	
Prestige Estates Projects Limited	30,912,411

(iii) Amount outstanding as at the balance sheet date

Particulars	**As at 30 September 2012**	**As at 31 March 2012**
Intercorporate deposit		
Prestige Estates Projects Limited	387,000,000	277,000,000
Interest accrued but not due		
Prestige Estates Projects Limited	30,912,411	8,220,946

17 The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 30 September 2012 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

18 The Company's sole business segment is 'real estate development and leasing of commercial space' and the only geographical segment is 'India'. Consequently, the requirement for a separate disclosure as required under AS 17- Segment Reporting is not applicable.

19 There are no employees employed by the Company and accordingly there are no employee costs and provision for employee benefits.

20 In view of the accumulated losses and in accordance with AS 22 - "Accounting for taxes on income" and Accounting Standards Interpretation 9 - "Virtual certainty supported by convincing evidence" issued by ICAI, the management believes that there is no virtual certainty supported by convincing evidence for recognising deferred tax asset on unabsorbed depreciation and carry forward losses.

21 There is no foreign currency denominated payables/receivable as at 30 September 2012 & 31 March 2012

22 The corresponding figures have been regrouped/ reclassified, wherever necessary, to conform to the current period's presentation.

***for* G.S.A.Kumar & Associates**
Chartered Accountants
Firm registration number: 005804S

***for* Prestige Shantiniketan Leisures Private Limited**

G.S. Arun Kumar
Proprietor
Membership No. 201503

Irfan Razack
Director

Rezwan Razack
Director

Place: Bangalore

Date: 10/12/2012

Auditors' Report to the Directors of Valdel Xtent Outsourcing Solutions Private Limited

We have the attached Balance Sheet of Valdel Xtent Outsourcing Solutions Private Limited, and Statement of Profit and Loss and Cash Flow Statement of the company for the period ending on 30th September 2012. The preparation of the financial statements is the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements.

We conducted our audit in accordance with auditing standards generally accepted in India. These 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.

We report that:

(i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

(ii) In our opinion, the company has maintained proper books of account as required by law have been kept by the company, so far as appears from our examination of these books.

(iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report is in agreement with the books of account.

(iv) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report complies with the accounting standards referred to in Companies (Accounting Standards) Rules, 2006.

(v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at 30th September 2012.

And

(b) In the case of the Statement of Profit and Loss, the Profit for the period ended on that date 30th September 2012.

And

(c) In so far as it relates to the Cash Flow Statement, the Cash Flow for the period ending on that date.

For Suresh & Co.,
Chartered Accountants
FRN - 004255 S

D L Suresh Babu
Partner
Membership No - 9451

Place: Bangalore
Date : 21.12.2012

VALDEL XTENT OUTSOURCING SOLUTIONS PVT. LTD.
BALANCE SHEET AS AT SEPTEMBER 30, 2012

Particulars	Note no.	As at 30 September 2012 Rs	As at 31 March 2012 Rs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	290,000,000	290,000,000
Reserves and surplus	3	(27,850,238)	(37,432,343)
		262,149,762	**252,567,657**
Non-current liabilities			
Long-term borrowings	4	850,000,000	-
Other long-term liabilities	5	250,000,000	250,000,000
		1,100,000,000	**250,000,000**
Current liabilities			
Short-term borrowings	6	16,231,227	728,007,781
Other current liabilities	7	38,350,430	53,287,265
		54,581,657	**781,295,046**
		1,416,731,419	**1,283,862,703**
Non-current assets			
Fixed assets			
- Tangible assets	8	34,554,110	-
- Capital work-in-progress		985,624,420	966,765,618
		1,020,178,529	**966,765,618**
Non-current Investments	9	1,000,000	1,000,000
Long-term loans and advances	10	5,200,000	2,000,000
		6,200,000	**3,000,000**
Current assets			
Inventories	11	154,911,470	154,911,470
Trade receivables	12	282,069	-
Cash and cash equivalents	13	4,824,510	107,607
Short-term loans and advances	14	230,334,841	159,078,008
		390,352,890	**314,097,085**
		1,416,731,419	**1,283,862,703**

Significant accounting policies **1**

Notes on accounts **2 to 31**

The notes referred to above form an integral part of the balance sheet

As per our report attached

***for* Suresh & Co** *for* **and on behalf of the Board**

Chartered Accountants

FRN - 004255S

D L Suresh Babu **Badrunissa Irfan** **Rezwan Razack**

Partner **Managing Director** **Director**
Membership No - 9451

Place: Bangalore

Date: 21.12.2012

VALDEL XTENT OUTSOURCING SOLUTIONS PVT. LTD.

PROFIT AND LOSS STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2012

Particulars	Note no.	Half year ended 30 September 2012 Rs
Revenue from operations	15	826,695
Other income	16	12,982,101
Total Revenue		**13,808,796**
Expenses		
Changes in inventories of finished goods, WIP and Stock of units	17	-
Finance Costs	18	3,240,096
Depreciation and amortization expense	8	445,890
Other Expenses	19	540,704
Total Expenses		**4,226,691**
Profit / (loss) before tax		**9,582,105**
Tax expense:		
- Current Tax		-
- Deferred tax charge/ (credit)		-
Profit / (loss) after tax		**9,582,105**
Earnings per share (equity shares, par value Rs 10 each)	22	
- basic and diluted		
Class A Equity Shares		0.33
Class B Equity Shares		0.33
Weighted average number of equity shares considered for computing earnings per share		
Class A Equity Shares		2,422,000
Class B Equity Shares		26,578,000

Significant accounting policies	**1**
Notes on accounts	**2 to 31**

The notes referred to above form an integral part of the statement of profit and loss account

As per our report attached

***for* Suresh & Co** *for* **and on behalf of the Board**

Chartered Accountants

FRN - 004255S

D L Suresh Babu	**Badrunissa Irfan**	**Rezwan Razack**
Partner	**Managing Director**	**Director**
Membership No - 9451		

Place: Bangalore

Date: 21.12.2012

VALDEL XTENT OUTSOURCING SOLUTIONS PVT. LTD.
CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2012

Particulars	Half year ended 30 September 2012 Rs
Cash flow from operating activities	
Profit/ (loss) before tax	9,582,105
Adjustments:	
Interest income	(12,982,101)
Dividend income	-
Operating profit before working capital changes	**(2,954,106)**
Decrease / (increase) in inventories	
Decrease / (increase) in sundry debtors	(282,069)
Decrease / (increase) in loans and advances and other current assets	(3,668,280)
Decrease/ (increase) in escrow accounts	-
(Decrease) / increase in current and non current liabilities	2,715,219
Cash generated from operations	**(4,189,236)**
Income taxes refund / (paid), net	(1,352,525)
Net cash generated from operating activities	**(5,541,761)**
Cash flow from investing activities	
Purchase of fixed assets, including capital work in progress	(60,905,370)
Less: Transfer to Loans&Advances	-
Less: Transfer to Inventories	-
Advance received/(refund) for sale of properties	-
Inter corporate deposits given	(57,723,782)
Advance paid for business venture	-
Advance towards purchase of shares	-
Sale of investments	-
Interest income	1,553,417
Dividends received	-
Net cash used in investing activities	**(117,075,735)**
Cash flow from financing activities	
Secured loans from banks and other institutions, net	850,000,000
Inter corporate deposit received / repaid (Net)	(711,776,554)
Interest paid	-
Net cash provided by/(used in) financing activities	**138,223,446**
Net increase in cash and cash equivalents	15,605,950
Cash and cash equivalents at the begining of the period	107,607
Cash and cash equivalents at the end of the period	**15,713,557**

Particulars	Half year ended 30 September 2012 Rs
Cash and cash equivalents comprise of:	
Cash and bank balance (refer note 13)	**4,824,510**

This is the cash flow statement referred to in our report attached

As per our report attached

for **Suresh & Co**

Chartered Accountants *for* **and on behalf of the Board**

FRN - 004255S

D L Suresh Babu **Badrunissa Irfan** **Rezwan Razack**

Partner **Managing Director** **Director**

Membership No - 9451

Place: Bangalore

Date: 21.12.2012

VALDEL XTENT OUTSOURCING SOLUTIONS PVT. LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

1. Significant accounting policies

1 Company Information and Basis for preparation of financial statements

M/s. Valdel Xtent Outsourcing Solutions Pvt Ltd ("the Company") was incorporated on November 14, 2000 as a private limited company under the Companies Act, 1956 (the "Act"). The registered office of the Company is in The Falcon House, No.1, Main Guard Cross Road, Bangalore - 560 001,India. The Company is engaged in the business of Owning and Leasing Commercial Space.

These interim unconsolidated financial statements have been prepared under the historical cost convention on accrual basis and in accordance with the requirements of Accounting Standard 25 “Interim Financial Reporting” notified under the Companies Accounting Standards rules 2006. The accounting policies followed in the preparation of these financial statements are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended and as at March 31, 2012 and should be read in conjunction with those financial statements. The significant accounting policies are given in the following paragraphs.

The Company has prepared these interim unconsolidated financial statements for the first time at half year ended September 30, 2012. Accordingly, the corresponding figures for the half year ended September 30, 2011 are not available.

2 Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Example of such estimates includes provision for doubtful debts, useful life of the fixed assets, future obligations under employee retirement benefit plans etc.

Accounting estimates could change from period to period. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future years and if material, their effects are disclosed in the notes to the financial statements.

3 Revenue recognition

Currently no revenue generating activities has been commenced. So revenue is not recognized during the period.

4 Inventories

Work-in-progress are valued at cost or net realizable value, which ever is lower. Cost is aggregate of land cost, materials, contract works, direct expenses, provisions and apportioned borrowing cost and net of material scrap receipts and income earned on temporary deployment of funds.

5 Fixed assets and Capital Work-in-progress

Fixed assets are stated at cost, including expenses incurred to bring the asset to present condition. Any cost incurred relating to settlement of claims regarding titles to the properties is accounted for and capitalized as incurred, wherever the asset is held.

Capital Work in Progress is stated at cost, including expenses relating to the preliminary costs incurred for the construction of commercial building.

6 Depreciation

Depreciation on fixed assets will be provided using the written down value method over the estimated useful lives of assets at the rates stipulated in Schedule XIV, of the Companies Act, 1956.

Depreciation on additions will be charged proportionately from the date of acquisition/ installation.

All the fixed assets individually costing less than 5000/- will be fully depreciated in the year of acquisition.

Assets taken on finance lease will be depreciated over their estimated useful lives or the lease term, which ever is lower.

7 Foreign Currency transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the profit and loss account for the year except that exchange differences relating to acquisition of fixed assets are adjusted in the carrying amount of fixed assets.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the exchange rates prevailing on that date. The resultant exchange differences except those relating to acquisition of fixed assets & Investments are recognized in the profit and loss account.

8 Taxes On Income

Income tax comprises the current tax provision under the tax payable method and the net change in the deferred tax asset.

Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period the related revenue and expenses arise. A provision is made for income tax annually based on the tax liability computed after considering tax allowances and exemptions.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of the assets and liabilities and their respective tax basis. Deferred tax assets are recognized subject to managements' judgment that realization is virtually certain. Deferred Tax assets and liabilities are measured using enacted tax rates to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change.

9 Provisions and contingent liabilities

A provision is recognized when the Company has present obligations as a result of past events; it is probable that an outflow of resources will be required to settle the obligations, in respect of which reliable estimates can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligations at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect a current best estimate.

All known liabilities wherever material are provided for. Liabilities which are material and whose future amount cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.

10 Earning Per Share

In determining earnings / (loss) per share, the company considers the net profit / (loss) after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

11 Cash Flow Statement

The cash flow statement has been prepared as per the "Indirect Method" whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

12 Borrowing Costs

Borrowing Costs that are attributable and exclusively relating to the acquisition, construction of the qualifying assets are capitalized as part of cost of such assets up to the date the assets are ready for its intended use. All other borrowing costs are recognized as an expense in the year in which they are incurred.

13 Impairment of Assets

The Company periodically assesses whether there is any indication that an asset may be impaired. If any indication exists, the Company estimates the recoverable amount of the asset and if such recoverable of the asset is less than carrying cost of the asset, then the carrying amount is reduced to its recoverable amount. The deduction is treated as an impairment loss and is recognised in profit and loss account.

If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exits, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined; if no impairment loss had been recognised.

Due consideration is given at the balance sheet date to determine whether there is any indication of impairment of the company's assets as defined in Accounting Standard 28 – "Impairment of Assets" issued by the Institute of Chartered Accountants of India and the management is of the opinion that none of the fixed assets were impaired as at the date of the Balance sheet.

VALDEL XTENT OUTSOURCING SOLUTIONS PVT. LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS

2 Share capital

Rs.

Particulars	As at 30 September 2012	As at 31 March 2012
Authorised capital		
29,000,000 (P.Y. 29,000,000) equity shares of Rs 10 each	290,000,000	290,000,000
1,000,000 (P.Y. 1,000,000) preference shares of Rs 10 each	10,000,000	10,000,000
	300,000,000	**300,000,000**
Issued, subscribed and paid up capital		
2,422,000 (P.Y. 2,422,000) Class A Equity shares of Rs 10 each, fully paid up (for cash)	24,220,000	24,220,000
26,578,000 (P.Y. 26,578,000) Class B Equity shares of Rs 10 each, fully paid up (for cash)	265,780,000	265,780,000
	290,000,000	**290,000,000**

List of persons holding more than 5 percent shares in the Company

Name of the share holder	As at 30 September 2012		As at 31 March 2012	
	No of shares	% holding	No of shares	% holding
Class A Equity Shares				
Prestige Estates Projects Limited	2,422,000	100%	2,422,000	100%
	2,422,000	**100%**	**2,422,000**	**100%**
Class B Equity Shares				
Prestige Estates Projects Limited [Includes 100 Shares (P.Y - Nil) held by Noaman Razack on behalf of Prestige Estates Projects Limited as a beneficiary]	26,578,000	100%	26,578,000	100%
	26,578,000	**100%**	**26,578,000**	**100%**

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 30 September 2012		As at 31 March 2012	
	No of shares	Amount	No of shares	Amount
Class A Equity Shares				
Number of shares at the beginning of the period	2,422,000	24,220,000	2,422,000	24,220,000
Number of shares issued during the period	-	-	-	-
Number of shares outstanding at the end of the period	2,422,000	24,220,000	2,422,000	24,220,000
Class B Equity Shares				
Number of shares at the beginning of the period	26,578,000	265,780,000	26,578,000	265,780,000
Number of shares issued during the period	-	-	-	-
Number of shares outstanding at the end of the period	26,578,000	265,780,000	26,578,000	265,780,000
Total Number of shares outstanding at the end of the period	**29,000,000**	**290,000,000**	**29,000,000**	**290,000,000**

The Company has two classes of shares referred to as Class A and Class B equity shares having par value of Rs 10.

Of the above 24,22,000 Class A Equity Shares (P.Y 24,22,000) of Rs. 10 each & 2,65,78,000 Class B Equity Shares (P.Y. 2,65,78,000) are held by the Holding Company M/s. Prestige Estates Projects Limited.

There have been no buy back of shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the balance sheet date.

During the preceding five years, The Company has issued 2,19,78,000 equity shares of Rs. 10 each by way of bonus shares.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3 Reserves and surplus

Particulars	As at 30 September 2012	As at 31 March 2012
Surplus / (Deficit) in Statement of profit and loss		
Opening balance	(37,432,343)	(38,409,735)
Add: Net profit / (loss) for the period	9,582,105	977,392
	(27,850,238)	**(37,432,343)**

4 Long-term borrowings

Particulars	As at 30 September 2012	As at 31 March 2012
Secured:		
Term loans		
- from banks	850,000,000	-
	850,000,000	**-**

Details of securities and repayment terms

a) Term loans from financial institutions and others are secured by:

(i) HDFC Ltd

- The Company has borrowed loan amounting to Rs.850,000,000 during the period towards construction of Prestige Tech Park. The Company has entered into a Joint Development Agreement with its holding company PEPL for development of the aforementioned Tech Park. However the loan borrowed has been utilised for the purpose of repayment of loan, which was originally borrowed from PEPL.
- Mortgage of property "Prestige Tech Park 3" bearing sy no 110/1, 110/2 and 110/3 situated at Amane Bellandur, Bangalore.
- Charge on receivables of both sold and unsold units of project "Prestige Tech Park 3".
- Corporate Guarantee of M/s Prestige Estates Projects Limited.
- Personal Guarantee of Mr. Irfan Razack, Mr. Rezwan Razack & Mr. Noaman Razack.
- Demand Promissory Note for the amount of the financial facility.

b) Repayment terms

- Loans are repayable at the end of 30th month of first date of disbursement i.e March 2015.

c) There are no continuing defaults in repayment of principal and interest existing as on the balance sheet date.

5 Other long-term liabilities

Particulars	As at 30 September 2012	As at 31 March 2012
Others		
-Refundable Deposits for Land	250,000,000	250,000,000

	250,000,000	**250,000,000**

6 Short-term borrowings

Particulars	As at 30 September 2012	As at 31 March 2012
Unsecured, repayable on demand:		
Loans and advances from related parties.		
- Inter Corporate Deposits from related parties	-	727,776,554
- loan from a director	231,227	231,227
- Others	16,000,000	-
	16,231,227	**728,007,781**

6a The above loans and advances are repayable on demand

There are no continuing defaults in repayment of principal and interest existing as on the balance sheet date.

7 Other current liabilities

Particulars	As at 30 September 2012	As at 31 March 2012
Interest accrued but not due on borrowings	18,214,141	35,866,194
Withholding and other taxes and duties payable	2,021,532	2,253,707
Other payables	15,419,117	15,167,364
Deposits towards Lease	2,695,640	-
	38,350,430	**53,287,265**

Other Payables are due to be settled within 12 months from the reporting date.

VALDEL XTENT OUTSOURCING SOLUTIONS PVT. LTD.

Notes forming part of Financials Statements (continued)

Note 8 - Tangible assets

Rs

Description	Gross block				Accumulated depreciation				Net block	
	As at 1 April 2012	Additions	Adjustments / Deletions	As at 30 September 2012	As at 1 April 2012	Charge for the period	Deletion	As at 30 September 2012	As at 30 September 2012	As at 31 March 2012
Tangible Assets										
Building Atrium	-	35,000,000	-	35,000,000	-	445,890	-	445,890	34,554,110	-
	-	-	-	-	-	-	-	-	-	-
Total	-	**35,000,000**	-	**35,000,000**	-	**445,890**	-	**445,890**	**34,554,110**	-
Previous period	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	

9 Non-current Investments

Particulars	As at 30 September 2012	As at 31 March 2012
Trade Investments (Unquoted, at cost)		
Share application money in a group company in which the directors are interested		
Sai Chakra Hotels Private Limited	1,000,000	1,000,000
	1,000,000	**1,000,000**

10 Long-term loans and advances

Particulars	As at 30 September 2012	As at 31 March 2012
Unsecured, considered good		
Security deposits (refundable)	2,000,000	2,000,000
Other loans and advances		
- others	3,200,000	-
Unsecured, considered doubtful		
Loans & Advances to others	12,874,068	12,874,068
Less: Provision for doubtful recovery	12,874,068	12,874,068
	5,200,000	**2,000,000**

Loans & Advances to others includes an amount receivable of Rs 12,874,068/- (P.Y. Rs.12,874,068/-) from Valdel Xtent UK outstanding as at the date of balance sheet and the management is of the opinion that it may not be in a position to recover the same and thus entire amount has been provided for. Since the principal itself is doubtful, no interest has been recognised on these receivable.

11 Inventories (lower of cost or net realizable value)

Particulars	As at 30 September 2012	As at 31 March 2012
Work-in-progress	154,911,470	154,911,470
	154,911,470	**154,911,470**

12 Trade receivables

Particulars	As at 30 September 2012	As at 31 March 2012
Unsecured, considered doubtful		
Debts due for a period exceeding six months		
- considered doubtful	208,140	208,140
Less: Provision for doubtful debts	208,140	208,140
Others		
Considered good	282,069	-
	282,069	**-**

13 Cash and cash equivalents

Particulars	As at 30 September 2012	As at 31 March 2012
Cash and cash equivalents		
Balances with banks		
- in current accounts	4,824,510	107,607
	4,824,510	**107,607**

14 Short-term loans and advances

Particulars	As at 30 September 2012	As at 31 March 2012
Unsecured, considered good		
Advance paid to related parties	-	-
Other Advances	196,533,316	127,125,644
Advance paid for purchase of shares	30,044,000	30,044,000
Balances with government authorities		
- Advance Service Tax	473,795	-
- Advance Income Tax	3,283,730	1,902,849
Prepaid Expenses	-	5,515
	230,334,841	**159,078,008**

VALDEL XTENT OUTSOURCING SOLUTIONS PVT. LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS

15 Revenue from operations

Particulars	Half year ended 30 September 2012
Rental Income	826,695
	826,695

16 Other income

Particulars	Half year ended 30 September 2012
Interest on Inter Corporate Deposits	12,982,101
	12,982,101

17 Changes in Inventories of Finished goods, WIP & Stock of units)

Particulars	Half year ended 30 September 2012
Opening Stock of work in progress	154,911,470
Add: Cost for the period	-
Less : Closing Stock of work in progress	154,911,470
	-

18 Finance Costs

Particulars	Half year ended 30 September 2012
Interest Expense	3,239,534
Others	562
	3,240,096

19 Other Expenses

Particulars	Half year ended 30 September 2012
Rates and taxes	19,507
Commission Paid	275,565
Audit Fee	43,708
Legal and professional	201,924
	540,704

20. Contingent liabilities and capital commitments

Rs

	As at 30 September 2012	As at 31 March 2012
Contingent liabilities		
Claims against the Company not acknowledged as debts	-	-
Guarantees	-	-
On convertion of immovable property into inventory	-	-
Capital commitment *		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	313,211,600

***** Amount pertaining to the remaining number of instalments payable to share holders of Dollar Hotel and Resorts Private Limited

21. Auditors' remuneration excluding service tax

Rs

Particulars	Half year ended 30 September 2012
Payment to the auditors as :	
Auditor	43,708
For other services	-
Reimbursement of out-of-pocket expenses	-
Total	**43,708**

22. Earnings per share

Figures in rupees except number of shares

Particulars	Half year ended 30 September 2012
Net profit/ (loss) for the period attributable to equity shareholders	9,582,105
Weighted average number of equity shares of Rs 10 each used for calculation of basic earnings per share	
Class A Equity Shares	2,422,000
Class B Equity Shares	26,578,000
Earnings/ (loss) per share, basic	
Class A Equity Shares	0.33
Class B Equity Shares	0.33

The Company has no potentially dilutive equity shares.

23. Related parties

(i) Names of related parties and description of relationship with the Company:

1	**Controlling entity**	Prestige Estates Projects Limited
2	**Fellow Subsidiaries**	Westpalm Developers Private Limited
3	**Key managerial personnel**	Mr. Irfan Razack, Director
		Mr. Rezwan Razack, Director
		Smt. Badrunissa Irfan, Managing Director
		Mr. M.J Shantaram, Director

(ii) The following transactions were carried out with the related parties in the ordinary course of business, during the period ended September 30, 2012

Transactions	Controlling Entity	Fellow Subsidiaries	Key Management Personnel	Total
Intercorporate Deposit Received				
Prestige Estates Projects Ltd	197,223,446	-	-	197,223,446
West Palm Developments Pvt Ltd	-	16,000,000	-	16,000,000
Repayment of Intercorporate Deposit Received				
Prestige Estates Projects Ltd	925,000,000	-	-	925,000,000
Interest on Intercorporate Deposit Received				
Prestige Estates Projects Ltd	38,927,985	-	-	38,927,985

Transactions	Controlling Entity	Fellow Subsidiaries	Key Management Personnel	Total
West Palm Developments Pvt Ltd	-	419,626	-	419,626
Receiving of Services				
Prestige Estates Projects Ltd	275,565	-	-	275,565
Rent Income				
Prestige Estates Projects Ltd	826,695	-	-	826,695

(iii)Amounts outstanding as at the Balance Sheet date

Transactions	Controlling Entity	Enterprise with significant influence & Fellow Subsidiary	Key Management Personnel	Total
Advances received				
M J Shantharam	-	-	231,227	231,227
	-	-	(231,227)	(231,227)
Inter Corporate Deposit Received				
Prestige Estates Projects Ltd	-	-	-	-
	(727,776,554)	-	-	(727,776,554)
West Palm Developments Pvt Ltd	-	16,000,000	-	16,000,000
	-	-	-	-
Interest on Inter Corporate Deposit Received				
Prestige Estates Projects Ltd	17,794,515	-	-	17,794,515
	(35,866,194)	-	-	(35,866,194)
Trade Payable				
Prestige Estates Projects Ltd	278,662	-	-	278,662
	-	-	-	-
Trade Receivables				
Prestige Estates Projects Ltd	282,069	-	-	282,069
	-	-	-	-
Refundable Deposit Received				
Prestige Estates Projects Ltd	250,000,000	-	-	250,000,000
	(250,000,000)	-	-	(250,000,000)
Share Application Money				
Sai Chakra Hotels Pvt Ltd	-	1,000,000	-	1,000,000
	-	(1,000,000)	-	(1,000,000)

Notes

a) Related party relationships are as identified by the company on the basis of information available with them and accepted by the auditors.

b) No amount is / has been written back during the period in respect of debts due from or to related party.

c) Reimbursement of actual expenses.

d) Figures shown in brackets pertain to previous period ended on March 31, 2012.

24. Operating Leases

The Company lease out commercial property on lease. The lease rentals recognised during the period towards such leasing aggregates to Rs. 826,695/- (P.Y. Nil).

Particulars	Half year ended 30 September 2012
Future minimum lease rentals receivable in respect of non cancellable lease for property let out:-	
Not later than one year	3,306,780
Later than one year but not later than five years	12,992,895
Later than five year	-

25. Provision for Taxation

The Company has not made any profit during the period; so provision for current taxes was not made for the period ended September 30, 2012. There is no concluding and reasonable certainty as on date that the company will be able to realize the operating loss carry forwards. Consequently it has not created any deferred tax asset. This would be reviewed for appropriateness at each balance sheet date.

26. Foreign Exchange Transactions

Rs

Particulars	Half year ended 30 September 2012
Earnings in foreign currency	Nil
Expenditure in foreign currency	Nil
Imports on CIF basis	Nil

27. The activities and nature of the company would not require providing quantitative details. Hence, the requirement of quantitative details required under paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 are not applicable.

28. Dues to micro, small and medium enterprises

There are no dues from enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 and identified on the basis of information available with the Company.

29. There were no employees on the rolls of the company during the period and hence no provision has been made for Retirement benefits.

30. The company did not have a full time company secretary during the period.

31. The previous period's figures have been regrouped / reclassified wherever necessary, to confirm to current period's presentation.

The notes referred to above form an integral part of the balance sheet

As per our report attached

***for* Suresh & Co**
Chartered Accountants

***for* and on behalf of the Board**

FRN 004255S

D L Suresh Babu	**Badrunissa Irfan**	**Rezwan Razack**
Partner	**Managing Director**	**Director**
Membership No - 9451		

Place: Bangalore
Date: 21.12.2012

INDEPENDENT AUDITOR'S REPORT

To,

The Board of Directors of M/s K2K Infrastructure India Private Limited,

1 Report on the Financial Statements

We have audited the accompanying Financial Statements of M/s K2K Infrastructure India Private Limited which comprise the Balance Sheet as at 30th September, 2012, Statement of Profit and Loss and Cash Flow Statement for the period ended and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in Sub section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

3. Auditor's Responsibility

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

3.2 An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting principles used and reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of financial statements.

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

4. Emphasis of Matter

4.1 We bring to the notice of members for the fact that the company is in the process of identifying the parties which have provided the goods and services to the company and which qualify under the definition of medium and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006.

4.2 Attention of the members is invited to Note No 34 of financial statements of the company having been prepared on a going concern basis, notwithstanding the fact that its net worth is completely eroded. The appropriateness of the said basis is inter-alia dependent on the company's ability to infuse the requisite funds for meeting its obligations.

5. Opinion

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

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at September 30, 2012;

(b) in the case of the Statement of Profit and loss, of the Profit for the period ended on that date; and

(c) in the case of Cash Flow Statement, of the cash flows for the period ended on that date.

6. Report on other Legal and Regulatory requirements

(a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;

(d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;

(e) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Act nor has it issued any rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

for **MSSV & Co,**

Chartered Accountants

FRN: 001987S

D R Venkatesh

Partner **Place of Signature : Bangalore**

Membership No.25087 **Date : 09/01/2013**

K2K INFRASTRUCTURE INDIA PRIVATE LIMITED
Balance Sheet

(Amount in Rs)

Particulars	Note No	As At 30 September, 2012	As At 31 March, 2012
I EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	**1**	14,968,800	14,968,800
(b) Reserves and surplus	**2**	(59,123,517)	(61,104,299)
(c) Money Received against Share Warrants		-	-
(2) Share Application Money Pending Allotment		-	-
(3) Non-current Liabilities			
(a) Long-term borrowings	**3**	26,459,646	1,592,913
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities	**3(i)**	81,185,000	81,185,000
(d) Long-term provisions	**4**	1,126,152	660,380
(4) Current Liabilities			
(a) Short-term borrowings	**5**	2,432,806	-
(b) Trade payables	**6**	172,341,154	89,773,067
(c) Other Current Liabilities	**7**	297,898,112	115,783,729
(d) Short term provisions	**8**	1,197,447	1,064,748
		538,485,601	**243,924,338**
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	**9**	143,872,964	69,544,390
(ii) Intangible assets		-	-
(iii) Capital Work-in-Progress		-	-
(iv) Intangible assets under development		-	-
(b) Non- current investments		-	-
(c) Deferred Tax assets (Net)		-	-

Particulars	Note No	As At 30 September, 2012	As At 31 March, 2012
(d) long-term loans and advances		-	-
(e) Other non-current assets	**10**	3,879,298	3,553,398
(2) Current Assets			
(a) Current Investment		-	-
(b) Inventories	**11**	63,753,826	51,189,261
(c) Trade Receivables	**12**	238,916,555	54,436,411
(d) Cash and Bank Balances	**13**	586,848	478,675
(e) Short-term Loans and advances	**14**	87,476,110	64,722,203
(f) Other current assets			-
		538,485,601	**243,924,338**
Significant Accounting Policies and Notes form an integral part of the financial statements			

This is the Balance Sheet referred to in our report of even date

for MSSV & Co,
Chartered Accountants
FRN:001987S

For and on behalf of the Board of Directors

D.R. Venkatesh
Partner **Director** **Director**
Membership No. 25087

Place: Bangalore
Date :09/01/2013

K2K INFRASTRUCTURE INDIA PRIVATE LIMITED
Profit and Loss Account

Particulars	Note No	For the Period ended 30 September, 2012
I. Revenue From Operations	**15**	272,498,309
II. Other Income	**16**	545,100
III. Total Revenue (I + II)		**273,043,410**
IV Expenses		
Cost of Construction	**17**	239,797,386
Purchases of Stock in Trade		
Change in Inventories of Finished Goods, Work in progress and Stock in trade	**18**	(12,564,565)
Employee Cost	**19**	29,954,056
Financial Costs	**20**	2,329,717
Depreciation and Amortization Expense	**9**	7,019,349
Other Expenses	**21**	4,526,685
Total		**271,062,628**
V. Profit Before Exceptional and Extraordinary items and Tax (III - IV)		**1,980,782**
VI. Exceptional Items		-
VII . Profit Before Extraordinary items and Tax (VII - VIII)		**1,980,782**
VIII Extraordinary Items		
IX Profit Before Tax (VII - VIII)		**1,980,782**
X Tax Expense		
(1) Current Tax		-
(2) Deferred Tax		-
XI Profit (loss) for the period from continuing operations (VII - VIII)		**1,980,782**
XII Profit / Loss from Discontinuing Operatoions		-
XIII Tax Expense from Discontinuing Operatoions		-
XIV Profit (loss) for the period from discontinuing operations (After Tax) (XII - XIII)		-

Particulars	Note No	For the Period ended 30 September, 2012
XV Profit (loss) for the period (XI + XIV)		**1,980,782**
XVI Earnings per equity share		
(1) Basic		1.32
(2) Diluted		1.32
Significant Accounting Policies and Notes form an integral part of the financial statements		

This is the Profit and Loss Account referred to in our report of even date

for MSSV & Co,
Chartered Accountants
FRN:001987S

For and on behalf of the Board of Directors

D.R. Venkatesh
Partner
Membership No. 25087

Director **Director**

Place: Bangalore
Date :09/01/2013

K2K INFRASTRUCTURE INDIA PRIVATE LIMITED
Cash Flow Statement

Particulars	For the Period ended 30-Sep-12	
A. Cash from Operating Activities		
Net Profit After tax :		1,980,782
Adjustment for tax:		
Less:		
Defered Tax Expense		
Net Profit Before Tax		1,980,782
Adjustments for Non Cash and Non operating Items:		
Add:		
Depreciation	7,019,349	
Interest Expenses	2,329,717	
	9,349,066	
Less:		
Profit on sale of Assets		
Operating Profit before Working Capital Changes		11,329,848
Adjustments for Working Capital Changes:		
(Increase) / decrease in Sundry Debtors	(184,480,144)	
(Increase) / decrease in Inventory and Work In Progress	(12,564,565)	
(Increase) / decrease in Loans and advances and Other Assets	(23,079,807)	
Increase / (decrease) in Current Liabilities	264,682,470	
Increase / (decrease) in Provisions	598,471	
Cash Inflow (Outflow) from Operating Activities		**56,486,273**
B. Cash Flows from Investing Activities		
Add: Sale of Fixed Assets	27,300	
Less: Purchase of Fixed Assets	(81,375,225)	
Net Cash Inflow (Outflow) from Investing Activity		**(81,347,925)**
C. Cash Flows from Financing Activities		
Add:		
Share Application Money Colloected From Holding Company	-	
Proceeds (Repayment) from borrowing	27,299,542	
Less:		
Interest Paid	(2,329,717)	
Net Cash Inflow (Outflow) From Financing Activities		**24,969,825**
Net increase (Decrease) in Cash & Cash Equivalents (A+B+C)		**108,173**
Cash & Bank Balances at the beginning of the year		478,675
Cash & Bank Balances at the end of the year		586,848
Significant Accounting Policies and Notes form an integral part of the financial statements		

This is the Cash Flow Statement referred to in our report of even date

For MSSV & Co.,

Chartered Accountants

Firm Registration No.001987S **For and on Behalf of Board of Directors**

D R Venkatesh

Partner **Director** **Director**

Membership No. 25087

Place: Bangalore

Date: 09/01/2013

K2K INFRASTRUCTURE INDIA PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

1 Share capital

(Amount in Rs)

Particulars	As at 30 Sept 2012	As at 31 March 2012
Authorised capital		
1,500,000 (P.Y. 1,500,000) equity shares of Rs 10 each	15,000,000	15,000,000
Issued, subscribed and paid up capital		
1,496,880 (P.Y. 11,22,660) Equity shares of Rs 10 each, fully paid up (for cash) (Of the above 14,96,880 (P.Y 11,22,660) equity shares of Rs. 10 each are held by the Holding company Prestige Estates Projects Limited (PEPL)	14,968,800	14,968,800
	14,968,800	**14,968,800**

List of persons holding more than 5 percent shares in the Company

Name of the share holder	As at 30 Sept 2012		As at 31 March 2012	
	No of shares	% holding	No of shares	% holding
Equity Share Capital				
Prestige Estates Projects Limited	1,122,660	75%	1,122,660	75%
Ace Investments	374,220	25%	374,220	25%
	1,496,880	100%	1,496,880	100%

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 30 Sept 2012		As at 31 March 2012	
	No of shares	(Amount in Rs)	No of shares	(Amount in Rs)
Equity Shares				
Number of shares at the beginning of the year	1,496,880	14,968,800	1,496,880	14,968,800
Number of shares issued\ (Bought Back) during the year	-	-	-	-
Number of shares outstanding at the end of the year	**1,496,880**	**14,968,800**	**1,496,880**	**14,968,800**

There have been no **3**buy back of shares, issue of shares by way of bonus shares for the period of five years immediately preceding the balance sheet date.

Since Inception there are no equity shares allotted pursuant to contract(s) without payment being received in cash.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of th**3**e Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2 Reserves and surplus

Particulars	As at 30 Sept 2012	(Amount in Rs) As at 31 March 2012
Profit and loss A/c Dr Balance		
Opening balance	(61,104,299)	(23,512,755)
Add: Net loss for the year	1,980,782	(37,591,545)
	(59,123,517)	**(61,104,299)**

3 Long-term borrowings

Particulars	Note No.	As at 30 Sept 2012	(Amount in Rs) As at 31 March 2012
Long term maturities of finance lease obligations (Secured)	3a		
- from Others (L & T Finance Limited)		5,168,765	1,592,913
- from Banks (ICICI Bank)		21,290,881	
		26,459,646	**1,592,913**

3a. <u>Details of securities and repayment terms</u>

a) Long term maturities of finance lease obligations:

L & T Finance Limited:

Secured by:

-Hypothecation of Machinery (Ace Crane and Mixer)

-Corporate guarantee From Holding Company - PEPL

-Personal guarantee of certain directors

ICICI Bank Limited

-Hypothecation of Machinery

-Corporate guarantee From Holding Company – PEPL

b) Repayment terms

Name of the Lender	Repayment terms
L & T Finance Limited	Repayable in 35 monthly installments
L & T Finance Limited	Repayable in 18 monthly installments

ICICI Bank	Company has taken loans from ICICI Bank and the loan is repayable ranging from 29 months to 36 monthly installments.

Note:

i. Principal amount of Loan Outstanding as on 30.09.2012 but due for payment till 30.09.2013 has been classified as other Current Liabilities (Current Maturities of Finance Lease Obligations)

c) Default in repayment of principal, interest and other terms

There are no continuing defaults in repayment of principal and interest as on September 30, 2012.

3i Other Long Term Liabilities

Particulars	As at 30 Sept 2012	(Amount in Rs) As at 31 March 2012
Share Application Money Due to Holding Company	81,185,000	81,185,000
	81,185,000	**81,185,000**

In the earlier year, the company had received an amount of Rs 8,11,85,000 as Share Application money from its Holding Company (PEPL) for allotment of Shares and the company was due for allotment of Shares to the holding company.
Since, the company did not have requisite Authorised Share Capital, the same has been classified as Share application money due to the Holding Company under Other Long Term Liabilities.

Whenever the management increases the Authorised Share Capital, the same will be treated as Share Application money pending allotment.

4 Long-term provisions

Particulars	As at 30 Sept 2012	(Amount in Rs) As at 31 March 2012
Provision for Employee Benefits		
Gratuity	1,126,152	660,380
	1,126,152	**660,380**

5 Short-term borrowings

Particulars	As at 30 Sept 2012	As at 31 March 2012
Loans Repayable on Demand		
- Payable on Demand from Banks (Overdrawn)	2,432,806	-
	2,432,806	**-**

6 Trade Payables

(Amount in Rs)

Particulars	As at 30 Sept 2012	As at 31 March 2012
Sundry Creditors		
-For Materials	80,034,367	24,534,076
-For Expense	67,884,478	42,058,042
-For Capital Expenditure	877,518	877,518
-Retention Money	10,923,685	9,169,908
-With Held Money	394,494	394,494
-Others	12,226,612	12,739,029
	172,341,154	**89,773,067**

7 Other current liabilities

(Amount in Rs)

Particulars	Note No.	As at 30 Sept 2012	As at 31 March 2012
Current Maturities of Finance Lease Obligations			
- L and T Finance Limited	3a	3,678,657	1,510,245
- ICICI Bank	3a	20,863,256	-
Interest accrued and due on Borrowings			
Interest accrued and Due on Inter Corporate Deposit from Holding Company- PEPL		-	-
Income Received in advance :			
From Related Parties: (Holding Company- PEPL)			
Mobilisation Advance		73,916,079	51,659,111
Other Advance		84,186,259	20,897,669
From Other Parties:			
Mobilisation Advance		48,589,260	8,331,871

Other Advances	33,345,579	-
Other Payables		
Statutory Liabilities		
- Service Tax	27,966,191	25,233,891
- Commercial tax	931,287	3,590,603
-TDS Payable	3,905,347	4,194,625
- Provident Fund Payable	489,897	347,414
- Professional Tax Payable	26,300	18,300
	297,898,112	**115,783,729**

8 Short-term Provisions

(Amount in Rs)

Particulars	As at 30 Sept 2012	As at 31 March 2012
Provision for Employee Costs		
Gratuity	22,743	5,044
Leave Encashment	370,132	255,132
Other Provisions		
Taxation	804,572	804,572
	1,197,447	**1,064,748**

Note No 9 Summary of Fixed assets and Depreciation Schedule

Sl No	PARTICULARS	Gross Block				DEPRECIATION							Net Block	
		As at 01.4.2012	Addition	Retirement	As at 30.09.2012	UPTO 31.03.2012	Depn on Opening WDV	Depn on Fixed Assets Addition	For the period	ADJUSTMENTS Retirement	ADJUSTMENTS Impairment	UPTO 30.09.2012	As at 30.09.2012	As at 31.03.2012
	Tangible Assets													
a	Plant and Equipment	110,094,984	76,320,247	-	186,415,231	43,521,708	4,617,486	1,810,840	6,428,326	-	-	49,950,034	136,465,197	66,573,276
b	Furnitures and Fixtures	1,137,741	440,504	-	1,578,245	372,704	69,046	14,112	83,158	-	-	455,861	1,122,384	765,037
c	Vehicles	592,621	3,726,600	-	4,319,221	368,672	28,900	81,912	110,811	-	-	479,483	3,839,738	223,949
d	Office Equipment	3,366,807	881,890	27,300	4,221,397	1,384,679	297,571	99,483	397,054	5,984	-	1,775,749	2,445,648	1,982,128
	TOTAL	**115,192,153**	**81,369,241**	**27,300**	**196,534,094**	**45,647,763**	**5,013,003**	**2,006,346**	**7,019,349**	**5,984**	**-**	**52,661,128**	**143,872,964**	**69,544,390**
	Previous Year	**115,011,822**	**13,490,685**	**13,310,354**	**115,192,153**	**46,350,075**	**9,788,910**	**661,598**	**10,450,508**		**2,157,533**	**45,647,762**	**69,544,390**	

10 Other non-current assets

(Amount in Rs)

Particulars	As at 30 Sept 2012	As at 31 March 2012
Advance to Sanjay Agarwal	3,259,000	2,933,100
Retention Money receivable HO	620,298	620,298
	3,879,298	**3,553,398**

11 Inventories (lower of cost or net realizable value)

Particulars	Note No.	As at 30 Sept 2012	As at 31 March 2012
			(Amount in Rs)
Raw Materials		316,531	316,531
Work In Progress	**11a**	63,437,295	50,872,730
		63,753,826	**51,189,261**

11 a. Work in progress is valued at cost by "Percentage of completion method" of accounting, by considering unbilled portion of work completed.

12 Trade receivables

Particulars	As at 30 Sept 2012	As at 31 March 2012
		(Amount in Rs)
Unsecured, considered good		
-More than 6 Months Includes amount receivable from Holding Company- PEPL Rs.12,638,229/- (PY Rs.7,245,740/-)	22,829,993	7,294,394
-Less than 6 months Includes amount receivable from Holding Company- PEPL Rs. 17341362/- (PY Rs19888214/-)	25,908,220	30,682,358
Unbilled Debtors receivable Includes amount unbilled debtors receivable from Holding Company- PEPL Rs. 114,513,991/- (PY 16459659)	190,178,344	16,459,659
	238,916,557	**54,436,411**

13 Cash and Bank balances

Particulars	As at 30 Sept 2012	As at 31 March 2012
		(Amount in Rs)
Balances with banks		
- in current accounts	201,381	444,655
Cash on Hand	385,467	34,020
	586,848	**478,675**

14 Short-term loans and advances

(Amount in Rs)

Particulars	As at 30 Sept 2012	As at 31 March 2012
Unsecured, considered good		
Advance paid to related parties		
- Holding Company- PEPL	17,574,758	17,133,144
Others		
Short Term Loans and Advances		
- For Expenses	14,197,875	337,933
- For Materials	33,987,220	17,278,299
Advances To Employees	367,035	286,199
TDS and Advance Tax	13,054,811	23,162,098
Miscellaneous Advances	-	206,852
Deposits	8,084,727	5,347,237
Prepaid Expense	209,684	970,441
	87,476,110	**64,722,203**

15 Revenue From Operations

(Amount in Rs)

Particulars	For the Period ended 30 Sept, 2012
(a) Project Income	
- From Holding Company - PEPL	82,353,652
- From Others	15,625,974
- Unbilled Revenue	173,718,683
(b) Labour Charges	-
(c) Project Management Fees	800,000
	272,498,309

16 Other income

Particulars	For the Period ended 30 Sept, 2012
Miscellaneous income	545,100
Amount No Longer Payable	-
Discount Received	-
	545,100

17 Cost of Construction

Particulars	For the Period ended 30 Sept, 2012
Opening Stock of Materials	316,531
Add : Direct cost incurred	
Materials Consumed	145,875,849
Architect Expenses	912,906
Labour Charges	70,605,177
Site Expenses	239,199
Transportation Charges	712,689
Hire Charges	11,553,963
Lab Charges	387,914
Repairs and maintenance	117,248
Security Charges	2,658,356
Survey Expenses	30,500
Safety material	2,575,547
Mess Expenses	1,265,436
Rent - Labour Colony	1,018,000
Electricity charges	1,844,602
Other Direct Expenses	
	239,797,386
Less : Closing Stock of Materials	316,531
	239,797,386

18 Changes in Inventories of WIP

Particulars	For the Period ended 30 Sept, 2012
Opening Stock of work in progress	50,872,730
Less : Closing Stock of work in progress	63,437,295
	- 12,564,565

19 Employee Cost

Particulars	Note No.	For the Period ended 30 Sept, 2012
Salaries and Wages		25,352,924
Contribution to Provident and other funds		

-Provident funds		1,289,450
- Gratuity (Unfunded)	19a	483,471
- Leave Encashment Provided (Reversed)		115,000
Staff Welfare Expenses		2,713,211
		29,954,056

19a In accordance with Accounting Standard 15 actuarial valuation based on projected unit credit method as on 30th Sept 2012 has been carried out in respect of the aforesaid defined benefit plan of Gratuity, the details thereon is given below:

Amount in Rs.

Particulars	**For the Period ended 30 September, 2012**
Components of employer expense	
Current Service cost	216,351
Interest cost	28,183
Expected return on plan assets	
Past Service Cost - Vested/Non Vested Benefit	
Actuarial Losses/(Gains)	238,937
Total expense/(income) recognized in the Statement of Profit & Loss Account	**483,471**
Change in Fair Value of Assets	
Opening Fair Value of Plan Assets	-
Expected return on plan assets	-
Actuarial gains/(losses)	-
Assets Acquired on Acquisition/ (Distributed on Divestiture)	-
Contributions by Employer	-
Benefits paid	
Closing Fair Value of Plan Assets	**-**
Change in Defined Benefit Obligation (DBO)	
Present Value of DBO at the beginning of the year	665,424
Current service cost	216,351
Interest cost	28,183
Actuarial (gains)/losses	238,937
Past Service Cost - Vested/Non Vested Benefit	
Benefits paid	
Present value of DBO at the end of the year	**1,148,895**
Net asset/(liability) recognized in balance sheet	
Fair value of plan assets	-
Present Value of Defined Benefit Obligation	(1,148,895)
Net asset/(liability) recognized in balance sheet	**(1,148,895)**

Actuarial Assumptions

Discount Rate	8.25%
Expected Return on plan assets	N/A
Rate of increase in compensation	7.00%
Attrition rate	Table a
Retirement age	58 years

Table a Attrition Rate

Particulars	**30-Sep-12**
Age	**Rate**
Upto 30 years	10%
31 - 40 years	5%
41 - 50 years	3%
above 50 years	2%

20 Finance Costs

Particulars	**For the Period ended 30 Sept, 2012**
Commission Charges	1,435,137
Interest Expense	
- Holding Company - PEPL	-
-Others	894,580
	2,329,717

21 Other Expenses

Particulars	**Note No.**	**For the Period ended 30 Sept, 2012**
Postage, Telephone & Courier Charges		263,742
Miscellaneous Expenses		4
Traveling and Conveyance		980,755
Legal & Professional Charges		579,350
Audit Fee		75,000
Marketing Expenses		-
Power and Water Expenses		210,532
Information Technology Cost		140,099
Rent		554,240
Office Expenses		175,341

Printing & Stationery	430,735
Rates & Taxes	13,918
Other Expenses	77,777
Vehicle maintenance	19,684
Repair & Maintenance	156,580
Bank Charges	29,061
Insurance	819,867
	4,526,685

22 Contingent liabilities and capital commitments

(Amount in Rs)

Particulars	**For the Period ended 30 Sept, 2012**	**For the year ended 31 March 2012**
Contingent liabilities		
Claims against the Company not acknowledged as debts		
Corporate guarantee/Equitable mortgage given on behalf of companies under the same management	-	-
Capital commitment		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	-

23 Auditors' Remuneration

(Amount in Rs)

Particulars	**For the Period ended 30 Sept, 2012**
Payment to Auditors for :	
Statutory Audit	-
Interim Audit	75,000
Service Tax	9,270
	84,270

24 Operating Lease

The company has operating leases for office premises, guest houses and place of business / site offices located in different parts of India that are cancellable by giving notice period ranging from 1 month to 36 months.

- The amount of security deposit and rent escalation clauses vary from contract to contract.
- The details of lease rent paid against the above agreements during the period is as follows:

(Amount in Rs)

Particulars	For the Period ended 30 Sept, 2012
Rent expenses included in Profit and Loss Account towards operating Lease	554,240
Rent expenses included in Employee Benefit Expenses towards operating Lease	1,174,763
Rent expenses included in Labour Colony Expense towards operating Lease	1,018,000
	2,747,003

As at 30th Sept 2012, the future minimum lease rentals payable and receivable towards non-cancellable operating lease are

Particulars	For the Period ended 30 Sept, 2012
Not Later than 1 Year	769,430
Later than 1 Year but Not Later than 5 Years	2,603,082
	3,372,512

25 Related party disclosure :

(i) List of Related Parties and Relationships -

Relationship	Related Parties
Holding Company	Prestige Estates Projects Limited
Other Related parties with whom the Company had transactions : -	
Enterprise with significant influence.	Silveroak Projects
	Prestige Property Management Services
Key Management Personnel	Mr. Irfan Razack, Director
	Mr. Rezwan Razack, Director
	Mr. Noaman Razack, Director
	Mrs Uzma Irfan, Relative of Director

(ii) Transactions with Related Parties during the year- **(Amount in Rs)**

Transactions	Holding Company	Enterprise with significant influence	Key Management Personnel	Total
Advances & Mobilisation Received (Net)				
Prestige Estates Projects Ltd	85,545,558	-	-	85,545,558
Silveroak Projects		12,630,633		12,630,633

Transactions	Holding Company	Enterprise with significant influence	Key Management Personnel	Total
Advance Paid (Net)				
Prestige Estates Projects Ltd	441,614	-	-	441,614
Lease Deposit Paid				
Uzma irfan			360,000	360,000
Rent Payment				
Prestige Estates Projects Ltd	475,740	-	-	475,740
Purchase of Fixed Assets				
Prestige Estates Projects Ltd	5,579,546			5,579,546
Rendering of services Received				
Prestige Property Management & Services		138,880		138,880
Contract Income				
Prestige Estates Projects Ltd	82,353,652			82,353,652
Prestige Estates Projects Ltd (unbilled Revenue)	75,664,352			75,664,352
Silveroak Projects	-	5,652,213	-	5,652,213
Silveroak Projects (Unbilled Revenue)	-	16,445,824	-	16,445,824
Corporate Guarantees taken from				
Prestige Estates Projects Ltd	47,898,401		-	47,898,401
Personal Guarantees taken from				
Directors	-	-	5,744,264	5,744,264
	-	-	(1,241,362)	(1,241,362)
iii Amounts outstanding as at the balance sheet date -				
Share Application money due for refund				
Prestige Estates Projects Ltd	81,185,000			81,185,000
	(81,185,000)			(81,185,000)
Sundry Debtors				
Prestige Estates Projects Ltd	29,979,591	-	-	29,979,591
	(27,133,954)		-	(27,133,954)
Prestige Estates Projects Ltd (unbilled Revenue)	114,513,991			114,513,991
	(16,459,659)			
Silver Oak Projects		721,614	-	721,614
	-	(1,797,857)	-	(1,797,857)
Silver Oak Projects (Unbilled Revenue)		16,445,824	-	16,445,824
	-	-	-	-
Lease Deposit				
Prestige Estates Projects Ltd	475,740			475,740
	-			
Uzma Irfan			-	-
	-		(360,000)	(360,000)
Advance Paid				
Prestige Estates Projects Ltd	17,574,758	-	-	17,574,758
	(17,133,144)	-	-	(17,133,144)

Transactions	Holding Company	Enterprise with significant influence	Key Management Personnel	Total
Sundry Creditors				
Prestige Estates Projects Ltd	11,220,732	-	-	11,220,732
	(4,330,430)	-	-	(4,330,430)
Prestige Property Management & Services		52,954		52,954
		(79,201)	-	(79,201)
Advance/Mobilisation Received				
Prestige Estates Projects Ltd	158,102,338	-	-	158,102,338
	(72,556,780)	-	-	(72,556,780)
Silver Oak Projects		16,729,423	-	16,729,423
	-	(4,098,790)	-	(4,098,790)
Corporate Guarantees Outstanding				
Prestige Estates Projects Ltd	51,001,559		-	51,001,559
	(1,988,487)		-	(1,988,487)
Personal Guarantees Outstanding				
Directors	-	-	8,847,422	8,847,422
	-	-	(1,114,671)	(1,114,671)
a) Reimbursement of actual expenses is not considered in the above disclosure b) Figures shown in brackets pertain to outstanding balances as at March 31, 2012				

26 Earnings per share

Particulars	For the Period ended 30 Sept, 2012
a) Net profit/ (loss) for the year available to equity shareholders	1,980,782
b) Weighted average number of equity shares - Basic	1,496,880
c) Weighted Average Potential Equity shares on conversion of Preference shares	-
d) Weighted Average number of Equity shares-Diluted	1,496,880
e) Nominal Value of shares	10
f) Basic Earnings per Share	1.32
g) Diluted Earnings per Share	1.32

27 Change in Accounting Policy

For the financial year ended 31.03.2012, the company has followed the revenue recognition on "Percentage of Completion Method" of accounting in relation to Long-Term Contracts (Projects) under execution subject to Accumulated Actual cost **being 20%** or more of the total estimated cost of such project or Contractee's Acceptance whichever is earlier.

From Financial Year 2012-2013 onwards the company decided to recognise te revenue on "Percentage of Completion Method" of accounting in relation to Long-Term Contracts (Projects) under execution subject to Accumulated Actual cost **being 10%** or more of the total estimated cost of such project or Contractee's Acceptance whichever is earlier.

The effect of the above change in accounting policy will result in conversion of loss into profit.

28 Segment Reporting

The operations of the company include business of civil construction and development of flats, townships, commercial building,etc. constituting a single segment and has restricted to one geographical area. Hence the disclosure of segment informaton as per Accounting standard 17 issued under Companies (Accounting Standard) Rules, 2006 is not applicable.

29 The timing differences relating mainly to unabsorbed brought forward and current year business losses for the period ended September 30, 2012, resulted in a deferred tax credit as per accounting standard 22 "Accounting for taxes on Income". As a prudent measure the deferred tax asset has not been recognized in the accounts.

30 There are no foreign currency exposure as at September 30, 2012 therefore no disclosures have been given thereof.

31 Foreign Exchange Transactions

(Amount in Rs)

Particulars	**For the year ended 30 September 2012**	**For the year ended 31 March 2012**
Earnings in foreign currency	Nil	Nil
Expenditure in foreign currency	Nil	Nil
Imports on CIF basis	Nil	Nil

32 Sundry Debtors, sundry Creditors, Loans and Advances are subject to Confirmation, Reconciliation and adjustment if any

33 Previous year's figures have been re-grouped / re-classified wherever necessary to meet the requirement of revised Schedule VI of the Companies Act, 1961

Signatures to
Notes 1 to 32

for MSSV & Co,

FRN:001987S
Chartered Accountants

For and on behalf of the Board

D.R. Venkatesh **Director** **Director**

Partner
Membership No. 25087

Place: Bangalore

Date :09/01/2013

34 Note from Management

a The net worth of the Company has been completely eroded as at September 30, 2012. The Company however is able to operate uninterruptedly with continued financial support from its holding company M/s Prestige Estates Projects Limited. Based on the turnaround strategy adopted by the Company and the management projects that the company will generate profits in future. Accordingly, the management believes that the company will continue as a going concern and thereby realise its assets and discharge its liabilities in the normal course of its business. Thus, these financial statements do not include any adjustments relating to the recoverability of recorded assets amounts and in respect of liabilities as might be necessary for completion on an alternative basis.

b In the opinion of the Management all the current assets have a value of realization in the ordinary course of business which is at least equal to the amount at which they are stated in the balance sheet.

c Based on the information available with the company, there is no due to small scale undertaking in excess of Rs.1,00,000/- and outstanding for more than 30 days as at September 30, 2012 (Previous period Rs.NIL).

d The Management is in the process of identifying the parties which have provided the goods and services to the company and which qualify under the definition of medium and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly the disclosure in respect of amounts payable to such medium and small enterprises as at September 30, 2012 has not been made in the financial statements. However in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of this act is not expected to be material.

For and on behalf of the Board

Director **Director**

K2K INFRASTRUCTURE INDIA PRIVATE LIMITED
Notes forming part of the financial statements

1 **CORPORATE INFORMATION**

M/s K2K Infrastructure India Private Limited (Formerly Known as M/s Team United Engineers (India) Private Limited) was incorporated on June 19, 2007. The company is carrying on the business of civil construction and development of flats, townships, commercial building,etc.

1.1 These Interim Unconsolidated financial statements have been prepared under the historical cost convention on accrual basis and in accordance with the requirements of Accounting Standard 25 "Interim Finanical Reporting" notified under the Companies Accounting Standard Rules 2006. The accounting policies followed in the preparation of these financial statements are consistent with those followed in the preparation of Company's annual financial statements for the year ended as at March 31, 2012 **except as disclosed in para 27 to Notes** and should be read in conjunction with those financial statements. The Significant accounting policies are given in the following paragraphs. The Company has prepared these Interim Unconsolidated financial statements for the first time at Half year ended September 30, 2012. Accordingly, the corresponding figures for the Half year ended September 30, 2011 are not available.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 ***Basis for preparation of financial statements***

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

Where compliance with the requirements of the Act, including the accounting standards as applicable to Companies, requires any change in treatment or disclosure including addition, amendment, substitution or deletion in the head or sub head or any changes inter se, in the financial statements or statements forming part thereof, the same has been made and the requirements of Schedule VI stand modified accordingly.

2.2 ***Use of estimates***

The preparation of the financial statements in conformity with Indian GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenues and expenses during the reported period. Difference between the actual results and estimates are recognised in the period in which the results are known.

2.3 ***Inventories:***

a Material Stock unconsumed at site are taken as Work in Progress at cost.

b Material at Central stores are valued at cost.

c Closing work in progress is valued at cost by "Percentage of completion method"(POC) of accounting, by considering unbilled portion of work completed .

2.4 ***Cash flow statement:***

Cash flow statement is prepared under the 'Indirect Method' Prescribed under Accounting Standard - 3 'Cash Flow Statements' prescribed under the Companies (Accounting Standard) Rules, 2006.

2.5 ***Depreciation:***

a Depreciation on fixed assets is provided on the written down value method in accordance with the rates specified in Schedule XIV to the Companies Act, 1956. except in respect of the following asset:

-Shuttering plywood (Categorized as Plant and Equipments) at 25.89% instead of 13.91%

b In case of assets purchased during the year, individually costing less than Rs.5,000 have been depreciated 100% in the year of purchase.

2.6 ***Revenue recognition***

a Revenue from Contracts are recognised on the "Percentage of Completion Method" of accounting in relation to Long-Term Contracts (Projects) under execution subject to Accumulated Actual cost being 10% or more of the total estimated cost of such project or Contractee's Acceptance whichever is earlier.

b The estimates of Contract cost of each project are revised periodically by the management

c The effect of such changes to estimate is recongnised in the period in which such changes are determined

d Revenue on Claims and Variance are recognised on acceptance of such variance by the contactee.

2.7 ***Fixed assets:***

Fixed assets are stated at cost, including expenses incurred to bring the asset to present condition. Cost includes all costs relating to the acquisition and installation of fixed assets including interest on borrowing for the project / fixed asset up to the date the asset is put to use. Any cost incurred relating to settlement of claims regarding titles to the properties is accounted for and capitalized as incurred, wherever the asset is held. Assets identified as impaired are carried at net realizable value.

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to 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 recognised in the profit and loss account.

Reversal of impairment losses recognised in prior years, if any, is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

2.8 ***Employee Benefits:***

a Defined Contribution Plan:

Company's contributions paid /payable during the year to Provident Fund are recognized in the Profit and Loss Account.

b *Defined Benefit Plan:*

Liability for gratuity (non funded) is provided on actuarial basis.

Leave encashment is provided on management's estimation of the present obligation as on reporting date.

2.9 ***Borrowing Cost:***

Borrowing cost attributable to the acquisition or construction of a qualifying asset is capitalized / inventoried as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Incomes earned on temporary deployment of funds have been credited to the borrowing costs.

2.10 ***Operating Lease:***

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

2.11 ***Taxes on income:***

a Income tax comprises the current tax provision under the tax payable method, the net change in the deferred tax asset or liability in the year.

b Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of the assets and liabilities and their respective tax basis. Deferred tax assets are recognized subject to managements' judgment that realization is virtually certain. Deferred Tax assets and liabilities are measured using enacted tax rates to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change.

c Advance tax and provision for tax are presented in the financial statements at gross amounts and are set off in the year of completion of the assessment or receipt of intimation.

2.12 ***Provisions and contingent liabilities:***

A provision is recognized when the Company has present obligations as a result of past events; it is probable that an outflow of resources will be required to settle the obligations, in respect of which reliable estimates can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligations at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect a current best estimate.

All known liabilities wherever material are provided for. Liabilities which are material and whose future amount cannot be ascertained with reasonable certainty are treated as contingent liabilities and disclosed by way of notes to the accounts.

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF PRESTIGE LEISURE RESORTS PRIVATE LIMITED

Report on the Condensed Financial Statements

We have audited the accompanying condensed financial statements of **PRESTIGE LEISURE RESORTS PRIVATE LIMITED** ("the Company"), which comprise the Condensed Balance Sheet as at September 30, 2012, the Condensed Statement of Profit and Loss for the half year ended on that date, the Condensed Cash Flow Statement for the half-year ended on that date and the selected explanatory notes.

Management's Responsibility for the Condensed Financial Statements

The Company's Management is responsible for the preparation of these condensed financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Accounting Standard 25 (Interim Financial Reporting), as notified by the Companies (Accounting Standards) Rules, 2006 ("AS 25") and other accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the condensed financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the condensed financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the condensed financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the condensed financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid condensed financial statements give a true and fair view in conformity with AS 25 and the accounting principles generally accepted in India:

(a) in the case of the Condensed Balance Sheet, of the state of affairs of the Company as at September 30, 2012;

(b) in the case of the Condensed Statement of Profit and Loss, of the loss of the Company for the half-year ended on that date; and

(c) in the case of the Condensed Cash Flow Statement, of the cash flows of the Company for the half-year ended on that date.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 008072S)

V. Balaji
Partner
(Membership No. 203685)

BANGALORE,
January 9, 2013

Prestige Leisure Resorts Private Limited

Condensed Balance Sheet as at 30th September 2012

		Note No.	As at 30th Sept 2012 Rupees	As at 31st March 2012 Rupees
I.	**EQUITY AND LIABILITIES**			
	Shareholder's funds			
	(a) Share Capital	2	48,900,000	48,900,000
	(b) Reserves and Surplus	3	55,879,954	55,742,840
			104,779,954	**104,642,840**
	Non- current liabilities			
	(a) Long-term borrowings	4	325,201,258	376,394,517
	(b) Long-term Provisions	5	4,834,243	3,541,336
			330,035,501	**379,935,853**
	Current Liabilities			
	(a) Short term borrowings	6	147,500,000	147,500,000
	(b) Trade payables	7	77,835,777	50,340,298
	(c) Other current liabilities	8	195,468,356	182,206,066
	(d) Short term provisions	9	990,270	838,428
			421,794,403	**380,884,792**
	TOTAL		**855,274,023**	**865,463,485**
II	**ASSETS**			
1.	**Non-current assets**			
	(a) Fixed assets			
	(i) Tangible assets	10	521,204,177	529,199,219
	(ii) Intangible assets	10	846,755	1,058,444
	(iii) Capital work-in-progress		-	373,728
			522,050,932	**530,631,391**
	(b) Non-current investments	11	15,000	15,000
	(c) Deferred tax assets (net)	12	1,335,835	1,335,835
	(d) Long-term loans and advances	13	132,328,510	47,943,099
	(e) Other non-current assets	14	21,226,914	21,226,914
			676,957,191	**601,152,239**
2.	**Current assets**			
	(a) Inventories	15	8,497,518	6,962,718
	(b) Trade receivables	16	73,023,667	62,364,168
	(c) Cash and bank balances	17	89,827,271	89,137,416
	(d) Short-term loans and advances	18	2,379,920	102,169,864
	(e) Other current assets	19	5,924,289	3,677,079
			179,652,669	**264,311,245**
	TOTAL		**856,609,860**	**865,463,485**

See accompanying notes forming part of Condensed Financial Statements 1 to 36

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

V. Balaji
Partner

Badrunissa Irfan
Director

Almas Rezwan
Director

Bangalore

Date:09/01/2013

Prestige Leisure Resorts Private Limited

Condensed Statement of Profit and Loss for the half year ended 30th Sept 2012

	Note No.	Half Year ended 30th Sept 2012 Rupees
Revenue from operations	20	317,252,567
Other Income	21	2,628,223
Total Revenue (I + II)		**319,880,790**
Expenses		
Food and Beverages Consumed	22	14,059,351
Employee benefits expense	23	59,076,181
Finance Costs	24	38,865,711
Depreciation and amortization expense	10	29,683,764
Other expense	25	178,058,669
Total Expense		**319,743,676**
Profit before tax		**137,114**
Tax expense:		
(1) Current tax		-
(2) Deferred tax		-
		-
Profit/(Loss) after tax		**137,114**
Dividend on Preference shares		-
Profit/(Loss) for the year		**137,114**
Earnings per equity share: (face value of Rs 10/- each)		
(1) Basic	26	0.06
(2) Diluted	26	0.03
See accompanying notes forming part of Condensed Financial Statements	1 to 36	

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Badrunissa Irfan
Director

V. Balaji
Partner
Bangalore
Date:09/01/2013

Almas Rezwan
Director

Prestige Leisure Resorts Private Limited

Condensed Cash Flow Statement for the Half year ended 30 Sept, 2012

Particulars	Half Year ended 30 Sept 2012 Rs.
CASH FLOW FROM OPERATING ACTIVITIES	
Profit/ (loss) before Tax	**137,114**
Adjustments for non cash & non operating items	
Depreciation	29,683,764
Interest Expense	38,865,711
Interest income	(2,579,525)
Operating profit before working capital changes	**66,107,064**
Adjustments for	
Increase / (Decrease) in Current/Non-current Liabilities and provisions	29,257,451
(Increase) / Decrease in Inventory	(1,534,800)
(Increase) / Decrease in Trade receivables	(13,600,259)
(Increase) / Decrease in Short-term/Long-term Loans & Advances	1,964,704
Cash generated from operations	**82,194,160**
Income tax paid /(refund)	(1,896,227)
Net Cash from operating activities - A	**80,297,933**
CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	(5,521,367)
Interest income	332,313
Movement in fixed deposits exceeding 3 months	25,788,495
Net Cash From / used in Investing Activities -B	**20,599,441**
CASH FLOW FROM FINANCING ACTIVITIES	
Interest paid	(28,885,038)
Repayment of long term borrowing	(45,533,987)
Net Cash From / used in Financing Activities -C	**(74,419,025)**
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	**26,478,350**
Cash & Cash equivalents Opening Balance	45,143,127
Cash & Cash equivalents Closing Balance	**71,621,477**

1) The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statement, issued under Companies (Accounting Standard) Rules, 2006.

2. Reconciliation of Cash and cash equivalents with the Balance Sheet

Cash and cash equivalents as per Balance Sheet(31 March 31, 2012 - Rs. 89,137,416/-)	Note -17	89,827,271
Less: fixed deposits having maturity date exceeding 3 months as on the balance sheet date (31 March 31, 2012 - Rs. 43,994,289/-)		18,205,794
Cash and cash equivalents at the end of the year as per cash flow statement above (31 March 31, 2012 - Rs. 45,143,127/-)		**71,621,477**

See accompanying notes forming part of Condensed Financial Statements 1 to 36

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

V. Balaji
Partner

Badrunissa Irfan
Director

Almas Rezwan
Director

Place : Bangalore
Date : 09/01/2013

Prestige Leisure Resorts Private Limited

Notes to Condensed Financial Statements

2 Share Capital

	As at 30 Sept 2012		As at 31 March 2012	
	Number	**Rupees**	**Number**	**Rupees**
Authorised				
Equity Shares of Rs 10 each	2,400,000	24,000,000	3,000,000	30,000,000
0.001 % Preference shares of Rs 10 each	2,600,000	26,000,000	2,600,000	26,000,000
Issued, Subscribed & fully Paid up				
Equity Shares of Rs 10 each	2,350,020	23,500,200	2,350,020	23,500,200
0.001% preference shares of Rs 10 each	2,539,980	25,399,800	2,539,980	25,399,800
Total	**4,890,000**	**48,900,000**	**4,890,000**	**48,900,000**

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

i) Equity Shares

	As at 30 Sept 2012		As at 31 March 2012	
	Number	**Rupees**	**Number**	**Rupees**
Shares outstanding at the beginning of the period	2,350,020	23,500,200	2,350,020	23,500,200
Shares outstanding at the end of the period	**2,350,020**	**23,500,200**	**2,350,020**	**23,500,200**

ii) Preference Shares

	As at 30 Sept 2012		As at 31 March 2012	
	Number	**Rupees**	**Number**	**Rupees**
Shares outstanding at the beginning of the period	2,539,980	25,399,800	-	-
Shares Issued during the period	-	-	2,539,980	25,399,800
Shares outstanding at the end of the period	**2,539,980**	**25,399,800**	**2,539,980**	**25,399,800**

b) Shares held by holding/ultimate holding company and /or their subsidiaries / associates

Out of Equity and Preference shares issued by the Company, shares held by its holding company, is as below:

	Name of the Company	Nature of Relationship	As at 30 Sept 2012	As at 31 March 2012
			Nos	Nos
Equity Shares	Prestige Estates Projects Limited	Holding Company	1,350,000	1,350,000
Preference Shares	Prestige Estates Projects Limited	Holding Company	2,539,980	2,539,980

c) Shares in the company held by each shareholder holding more than 5 percent shares

i) Equity Shares

Name of Shareholder	As at 30 Sept 2012		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Prestige Estates Projects Ltd	1,350,000	57%	1,350,000	57%
Mr Irfan Razack	209,010	9%	209,010	9%
Mr Rezwan Razack	208,010	9%	208,010	9%
Mr Noaman Razack	208,000	9%	208,000	9%

ii) Preference Shares

	Name of Shareholder	As at 30 Sept 2012		As at 31 March 2012	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
	Prestige Estates Projects Ltd	2,539,980	100%	2,539,980	100%

d) Rights, Preferences and Restrictions on shares

A Equity shares have voting rights and have a par value of Rs. 10 each. The rights, preferences and restrictions attached to such equity shares is in accordance with the terms of issue of equity shares under the Companies Act, 1956 and the Articles of Association of the Company.

B **Terms of Optionally Fully Convertible, Non Cummulative Redeemable Preference Shares (OFCNRPS)**

i) 2,539,980, 0.01%, Class 'A'OFCNRPS of Rs. 10 each fully paid up at a premium of Rs. 72.68 each

The above OFCNRPS are allotted as fully paid pursuant to a contract.

Each OFCNRPS are

a) Convertible at the option of the holder into equity shares of Rs. 10 each fully paid up, within 10 years from the date of allotment.

b) Redeemable within 10 years from the date of allotment
The date of issuance and the earliest date of expiry of the OCRPs is as given below :

No. of OCRPS	Date of Issue	Earliest date of Redemption
2,539,980	28-12-2011	27-12-2021

3 Reserves & Surplus

	As at 30 Sept 2012	As at 31 March 2012
	Rupees	**Rupees**
a. Securities Premium Account		
Opening Balance	346,600,200	162,000,000
Add : Addition during the period	-	184,600,200
Closing Balance	**346,600,200**	**346,600,200**
b. Surplus in Statement of Profit and Loss		
Opening balance	(290,857,360)	(297,828,536)
(+) Net profit for the period	137,114	6,971,430
(-) Provision for preference share dividend	-	(254)
Closing Balance	**(290,720,244)**	**(290,857,360)**
Total	**55,879,956**	**55,742,840**

4 Long Term Borrowings

Secured		
(a) Term loans		
- from others (Note 1and 3)	325,201,258	376,394,517
	325,201,258	**376,394,517**

Note 1 - (i) Secured by extension of mortgage of Serviced Apartments block in Comet Towers, U B City Bangalore .
(ii) The loan is repayable in 96 equated monthly installments commencing from July 2008 and ending on July 2016.

Note 2 - With respect to vehicle loan (entire amounts included under other current liabilities) - The loan is secured by hypothecation of respective vehicles. The loan is repayable in 36 months.

Note 3 Other details- (i) Personal guarantees by Mr. Omer Bin Jung, Mr. Irfan Razack, Mr. Rezwan Razack and Mr. Noaman Razack (ii) Corporate guarantee of Prestige Estates Projects Ltd, the Holding company .

Prestige Leisure Resorts Private Limited

Notes to Condensed Financial Statements

5 Long-term Provisions

	As at 30 Sept 2012	As at 31 March 2012
	Rupees	Rupees
Provision for employee benefits		
Gratuity	3,534,058	2,595,587
Leave Encashment	1,300,185	945,749
Total	**4,834,243**	**3,541,336**

6 Short-term Borrowings (repayable on demand)

	As at 30 Sept 2012	As at 31 March 2012
	Rupees	Rupees
Unsecured		
Inter Corporate deposit from holding company- Prestige Estates Projects Limited	147,500,000	147,500,000
Total	**147,500,000**	**147,500,000**

7 Trade Payables

	As at 30 Sept 2012	As at 31 March 2012
	Rupees	Rupees
Trade payable		
- Due to others	77,835,777	50,340,298
Total	**77,835,777**	**50,340,298**

8 Other Current Liabilities

	As at 30 Sept 2012	As at 31 March 2012
	Rupees	Rupees
(a) Current Maturities of Long-term Borrowings (Refer to Note 1, 2 and 3 under Long-term Borrowings)	99,583,506	93,924,234
(b) Interest accrued but not due	51,842,308	41,861,635

(c) Membership Deposit	2,817,234	1,911,318
(d) Other payables :		
Creditors for capital goods	6,195,368	8,890,245
Advance received from Customers	8,836,324	11,203,449
Deposits from Food court operators	14,000,000	14,080,000
Statutory dues payable	12,193,617	10,335,185
Total	**195,468,356**	**182,206,066**

9 Short-term Provisions

	As at 30 Sept 2012	As at 31 March 2012
	Rupees	Rupees
(a) Provision for employee benefits		
Gratuity	673,657	584,626
Leave Encashment	316,613	253,548
(b) Others		
Provision for Preference share dividend	-	254
Total	**990,270**	**838,428**

Prestige Leisure Resorts Private Limited

Notes to Condensed Financial Statements

10 Fixed Assets and Depreciation

	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		Balance as at 31 March 2012	Additions/ (Disposals)	Deductions/ Adjustments	Balance as at 30 Sept 2012	Up to 31 March 2012	Depreciation charge for the year	On disposals	Up to 30 Sept 2012	Balance as at 30 Sept 2012	Balance as at 31 March 2012
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
a	**Tangible Assets**										
	Land	18,832,190	19,417,600	-	38,249,790	-	-	-	-	38,249,790	18,832,190
	Buildings	169,904,285	-	-	169,904,285	62,033,536	2,696,769	-	64,730,305	105,173,980	107,870,749
	Leasehold Improvements	269,256,798	-	-	269,256,798	61,481,396	7,322,336	-	68,803,732	200,453,066	207,775,402
	Plant and Equipment	195,240,654	1,479,675	-	196,720,329	95,391,884	7,007,146	-	102,399,030	94,321,299	99,848,770
	Furniture and Fixtures	300,017,211	219,353	-	300,236,564	211,781,584	11,443,651	-	223,225,235	77,011,329	88,235,627
	Vehicles	10,772,238	-	-	10,772,238	6,838,897	509,171	-	7,348,068	3,424,170	3,933,341
	Office equipment	3,219,084	-	-	3,219,084	2,167,527	95,167	-	2,262,694	956,390	1,051,557
	Computers	9,808,565	360,406	-	10,168,971	8,156,982	397,836	-	8,554,818	1,614,153	1,651,583
	Total	**977,051,025**	**21,477,034**	**-**	**998,528,059**	**447,851,806**	**29,472,076**	**-**	**477,323,882**	**521,204,177**	**529,199,219**
	Year ended 31 March, 2012	962,496,091	15019734	464800	977,051,025	378,738,673	69,517,742	404,609	447,851,806	529,199,219	58,3757,419
b	**Intangible Assets**										
	Computer software	4,683,330	-	-	4,683,330	3,624,886	211,689	-	3,836,575	846,755	1,058,444
	Total	**4,683,330**	**-**	**-**	**4,683,330**	**3,624,886**	**211,689**	**-**	**3,836,575**	**846,755**	**1,058,444**
	Year ended 31 March, 2012	4,193,490	489,840	-	4,683,330	3,109,750	515,136	-	3,624,886	1,058,444	1,083,740
	Grand Total	**981,734,355**	**21,477,034**	**-**	**1,003,211,389**	**451,476,692**	**29,683,765**	**-**	**481,160,457**	**522,050,932**	**530,257,663**
	Year ended 31 March, 2012	966,689,581	15,509,574	464800	981,734,355	381,848,423	70,032,878	404,609	451,467,692	530,257,663	584,841,159

Note - Building includes a residential apartment purchased on 01 October, 2005 for Rs 3,343,750 pending registration.

Prestige Leisure Resorts Private Limited

Notes to Condensed Financial Statements

11 Non Current Investments (at cost)

	As at 30 Sept 2012 Rupees	As at 31 March 2012 Rupees
Others - Unquoted		
Investments in Government or Trust securities - NSC	15,000	15,000
Total	**15,000**	**15,000**
(Aggregate value of unquoted investments)	15,000	15,000

12 **Deferred Tax Assets, net**

As at the Balance Sheet date, the Company has unabsorbed tax depreciation, brought forward tax losses and 'Other timing differences' giving rise to deferred tax assets. However no further deferred tax assets, including those arising out of Other timing differences, have been recognised during the half year ended 30 September, 2012 on the grounds of prudence.

13 **Long-term Loans and Advances (unsecured, considered good)**

	As at 30 Sept 2012 Rupees	As at 31 March 2012 Rupees
a. Capital Advances	1,807,847	20,084,664
b. Security Deposits	745,164	825,164
c. Lease Deposits - Related parties	100,846,001	-
d. Advance Income Tax (net of Provision for Tax Rs. 19,993,042/- (As at March 31, 2012 - Rs. 19,993,042))	28,929,498	27,033,271
TOTAL	**132,328,510**	**47,943,099**

14 Other Non- current Assets

	As at 30 Sept 2012 Rupees	As at 31 March 2012 Rupees
Cash and Bank Balance Margin Money Deposit	21,226,914	21,226,914
TOTAL	**21,226,914**	**21,226,914**

15 Inventories (At lower of cost and net realisable value)

	As at 30 Sept 2012	As at 31 March 2012
	Rupees	Rupees
a. Raw Materials and components (Food & Beverage)	2,849,328	2,216,130
b. Stores and spares	5,648,190	4,746,588
Total	8,497,518	6,962,718

16 Trade Receivable (unsecured considered good unless otherwise stated)

	As at 30 Sept 2012	As at 31 March 2012
	Rupees	Rupees
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Considered good	20,772,890	7,129,424
	20,772,890	7,129,424
Other Trade Receivables	52,250,777	55,234,744
	52,250,777	**55,234,744**
Total	**73,023,667**	**62,364,168**

17 Cash and bank balances

	As at 30 Sept 2012	As at 31 March 2012
	Rupees	Rupees
A. Cash and cash equivalents		
Cash in hand	768,771	411,095
Cheques on hand	50,018	2,725,178
Balance in current accounts	42,608,899	39,601,560
Fixed deposits with less than 3 months maturity	28,193,789	2,405,294
	71,621,477	**45,143,127**
B. Other bank balances		
Deposit with maturity for more than 3 months and less than 12 months	18,205,794	43,994,289
	18,205,794	**43,994,289**
TOTAL	**89,827,271**	**89,137,416**

Prestige Leisure Resorts Private Limited
Notes to Condensed Financial Statements

		As at 30 Sept 2012	As at 31 March 2012
18	**Short-term Loans and Advances (Unsecured , considered good)**	**Rupees**	**Rupees**
	Lease deposits - Related Parties	-	100,846,001
	Prepaid Expenses	2,104,740	1,221,935
	Advances to Employees	91,650	42,001
	Other Assets	183,530	59,927
	TOTAL	**2,379,920**	**102,169,864**

		As at 30 Sept 2012	As at 31 March 2012
19	**Other Current Assets (Unsecured, considered good)**	**Rupees**	**Rupees**
	Interest Accrued but not due	5,924,293	3,677,079
	TOTAL	**5,924,293**	**3,677,079**

		For the Half year ended 30 Sept 2012 Rupees
20	**Revenue from Operations**	
	A) Sales & Services	
	Room revenues	203,314,552
	Food and beverages	38,936,058
	Spa services	18,495,555
	Rental Income	43,089,221
	Club Membership income	1,952,690
	Other Services	9,082,695
		314,870,771
	B) Other Operating Revenues	
	Undistributed service charge	1,982,302
	Service charges on car hire	399,494
		2,381,796
	Total (A+B)	**317,252,567**

21 Other Income

Interest income :	
on fixed deposits	2,579,525
Miscellaneous income	48,698
	2,628,223

	For the Half year ended 30 Sept 2012 Rupees
22 Food and Beverage Consumed	
Opening Stock	2,216,130
Add: Purchase during the year	14,692,549
	16,908,679
Less: Closing Stock	2,849,328
Consumption	**14,059,351**
23 Employee Costs	
Salaries, wages and bonus	50,275,355
Contribution to provident and other fund	4,211,632
Staff welfare expenses	3,498,686
Gratuity	1,090,508
	59,076,181

24 Finance Cost

Interest Expenses	For the Half year ended 30 Sept 2012 Rupees
Interest on Term loan	27,752,906
Interest on Inter Corporate Deposit	11,092,808
Interest - others	19,997
Total	**38,865,711**

25 Other Expenses

Rent	76,017,586
Power & fuel	29,981,701
Operating fees paid to Banyan Tree & Oakwood Asia Pacific (Refer Note 36)	12,350,021
Contractors Cost	4,488,099
Water	1,483,250
Travel and conveyance	1,289,529
Crockery, cutlery and silverware	329,350
Linen	890,461
Spares & Operating Supplies	6,203,544
Freight & cartage	83,204

Banquet expenses	1,531,945
Security expenses	2,222,970
Repairs and maintenance	
- Building	3,804,966
- Plant and machinery	3,416,138
- Others	555,329
Common Area Maintenance	13,855,603
Brokerage & Commission	5,730,040
Selling and business promotion	2,736,627
Rates and taxes	1,802,837
Insurance	573,736
Legal and professional charges	368,763
Communication	4,639,659
Vehicle Maintenance	794,389
Printing and stationery	893,189
Audit fees (Refer Note 34 b)	323,220
Miscellaneous expenses	1,692,513
	178,058,669

Prestige Leisure Resorts Private Limited

Notes forming part of the financial statements

1. Basis of preparation of Interim Condensed Financial Statements and significant accounting policies

Prestige Leisure Resorts Private Limited ("the Company") was incorporated on July 2, 1998. The registered office of the Company is in The Falcon House, No.1, Main Guard Cross Road, Bangalore - 560 001, India. The Company is engaged in the business of operation and maintenance of resorts, serviced apartments and clubs.

i. Basis of preparation

These interim condensed financial statements have been prepared under the historical cost convention on accrual basis and in accordance with the requirements of Accounting Standard 25 "Interim Financial Reporting" notified under the Companies (Accounting Standards) Rules, 2006 as amended. The accounting policies followed in the preparation of these financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended and as at March 31, 2012 and should be read in conjunction with those financial statements. The significant accounting policies are given in the following paragraphs.

The Company has prepared these interim condensed unconsolidated financial statements for the first time at half year ended September 30, 2012. Accordingly, the corresponding figures for the half year ended September 30, 2011 are not available.

ii. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

iii. Revenue recognition

Revenues comprise income from the room rentals, sale of food and beverages and allied services during a guest's stay at the hotel. Room revenue is recognized based on occupation and revenue from sale of food and beverages and other allied services, as the services are rendered.

Spa revenue is recognised as the services are rendered.

Membership fee is recognised on a straight line basis over the period of membership.

Minimum lease rentals from operating leases are recognised on a straight -line basis over the term of the lease. Contingent rentals are recognised as per the terms of the respective agreements.

iv. Inventories

Inventory comprises stock of food and beverages and operating supplies and is carried at the lower of cost and net realizable value. Cost includes all expenses incurred in bringing the goods to their present location and condition and is determined on a Weighted Average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

v. Cash Flow Statement

Cash Flow statement is prepared under the 'Indirect Method' prescribed under Accounting Standard 3 Cash Flow Statement.

vi. Fixed assets and capital work in progress

Fixed assets are stated at the 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. Acquired intangible assets are capitalised at the acquisition price.

Borrowing costs directly attributable to acquisition of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised.

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

vii. Depreciation

Depreciation on fixed assets is provided on the written down value method using the higher of the rates specified in Schedule XIV to the Companies Act, 1956 or the management estimates of the economic useful lives of such assets. The management's assessment of the useful life of the assets and the depreciation rates are as follows:

Asset category	Rates of depreciation used (%)
Building	5.00%
Plant and machinery	13.91%
Furniture and fixtures	25.88%
Office equipment	18.10%
Computers and related equipment, including software	40.00%
Vehicles	25.89%

Leasehold improvements are amortized over the period of the lease.

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

viii. 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 recognised in the Statement of Profit and Loss. 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.

ix. Investments

Long term investments are carried at cost, and provision is made to recognize any decline, other than temporary, in the value of such investment. Current investments are stated at lower of cost or net realisable value.

x. Foreign currency transactions

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 transaction.

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 the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

xi. Leases

Finance leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, 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 capitalised.

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 term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

xii. Employee benefits

(i) Short term employee benefits including salaries, social security contributions, short term compensated absences (such as paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related employee service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non monetary benefits (such as medical care) for current employees are estimated and measured on an undiscounted basis.

(ii) Defined Contribution Plan:

Company's contributions paid /payable during the year to Provident Fund are recognized in the Statement of Profit and Loss

(iii) Defined Benefit Plan

Liability for gratuity is un- funded and is determined by actuarial valuation made at the end of each financial year.

Actuarial gain and losses are recognized immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

(iv) Long-term compensated absences: The liability for long-term compensated absences is accrued based on estimated cost of compensated absences determined by actuarial valuation as on the date of balance sheet.

xiii. Borrowing cost

Borrowing cost attributable to the acquisition or construction of a qualifying asset is capitalised as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

xiv. Earnings Per Share

Basic earnings / (loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. 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 year 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 year are adjusted for the effects of all dilutive potential equity shares.

xv. 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 reflects 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 recognised 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 realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits.

Unrecognized deferred tax assets of earlier years are re-assessed and recognised 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.

xvi. 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.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

26. Earnings/ (Loss) per share ('EPS')

a) Basic EPS	**Half Year ended 30 Sept 2012**
Weighted average number of shares outstanding	2,350,020
	(Rs.)
Net profit/(loss) after tax attributable to equity shareholders	137,114
Basic earnings/(loss) per share	0.06
Nominal value per equity share	10

b) Diluted EPS	**Half Year ended 30 Sept 2012**
Weighted average number of shares outstanding	4,890,000
	(Rs.)
Adjusted Net profit/(loss) after tax	137,114
Diluted earnings/(loss) per share	0.03
Nominal value per equity share	10

27. During the year 2010, the company had entered into arrangements with other private companies/ partnership firms (eight parties) in which directors of the company are interested for purchase of goods amounting to Rs. 339,154/-, purchase of Fixed Assets amounting to Rs 2,967,404/-, receiving of services amounting to Rs 8,158,361/-, sale of fixed assets amounting to Rs 3,593,328/- and rendering of services amounting to Rs 1,292,625/- without the prior approval of Central Government required under Section 297 of the Companies Act, 1956. Subsequently the company voluntarily have filed necessary applications with the appropriate authorities for condonation and approval which is pending.

28. Leases

Operating leases

Company as a lessee

The lease expense for cancellable and non-cancellable operating leases during the half year ended 30th September 2012 was Rs 75,380,199/-.

The details of lease commitments in terms of minimum lease payments within the non-cancellable period are as follows:

Payments falling due:	**Half Year ended 30 Sep 2012 Rs.**	**Year ended 31 March 2012 Rs.**
Within 1 year	121,782,720	110,947,971
Later than one year but not later than five years	4,119,760	54,000,000
Later than 5 years	-	-
TOTAL	**45,902,480**	**164,947,971**

The Company has entered into cancellable and non-cancellable sub-leases for commercial premises, which are renewable at the option of both the lessor and the lessee at the end of the primary lease period.. The rental income generated from the sub-leases is generally based on minimum lease payments or contingent rent, whichever is higher. Total rental income under both cancellable and non-cancellable sub-lease arrangements credited to statement of Profit and loss is Rs. 43,089,221/-.

The details of lease commitments in terms of minimum lease payments expected to be received within the non-cancellable period are as follows:

	Half Year ended 30 September 2012 Rs.	**Year ended 31 March 2012 Rs.**
Within 1 year	3,600,000	3,600,000
Later than one year but not later than five years	4,800,000	6,600,000
Later than 5 years	-	-
TOTAL	**8,400,000**	**10,200,000**

29. Contingencies and Commitments

	As at 30 September 2012 Rs.	**As at 31 March 2012 Rs.**
Corporate guarantees given	Nil	500,000,000
Claims against the company not acknowledged as debts	Nil	Nil

30. Export Obligation

During the year ended 31st March 2009, the Company had imported capital goods under 'Export Promotion Capital Goods Scheme' ('EPCG'). Under this scheme, the Company is entitled to import goods at a concessional rate of duty. Against these imports the Company has an export obligation equal to eight times the duty amount saved. The balance export obligation yet to be fulfilled as at 30 September 2012, which is required to be fulfilled by March 2016 is Rs .161,628,951/- (31st March 2012 - Rs. 161,628,951/-).

31. Related party transactions

i. Parties where control exists

Prestige Estates Projects Limited (PEPL)

ii. Key management personnel (KMP)

(a) Badrunissa Irfan, Director
(b) Almas Rezwan, Director

iii. Other parties with whom transaction have been entered into include

Enterprises owned or significantly influenced by KMP
(a) Prestige Fashions Private Limited(PFPL)
(b) Prestige Amusements Private Limited(PAPL)
(c) Prestige Garden Constructions Private Limited (PGCPL)
(d) Prestige Ozone Properties (POP)
(e) Prestige Property Management Services (PPMS)
(f) Good Food Company (GFC)
(g) Morph Design Company (MDC)
(h) Prestige Fashions Private Limited (PFPL)
(i) Morph
(j) Prestige Constructions (Pres Const)
(k) Northland Holding Co Private Ltd (NHCPL)

Relative of KMP

(a) Omer Bin Jung, CEO

Entity in which relative of Key Management Personnel is interested

(a) Windows Care

iv. Details of transactions and balances with related parties are provided in Annexure 1

32. Employee Benefits

The details of employee benefits as required under Accounting Standard 15 Employees Benefits (Revised) is given below:

a) Defined Contribution Plans
During the period, the Company has recognized the following amounts in the Statement of Profit and Loss –

(Amount in Rs.)

Particulars	**Half Year ended 30 September 2012**
Employer's Contribution to Provident Fund and other funds	4,211,632

b) Defined Benefit Plan : Gratuity

In accordance with Accounting Standard 15 (Revised 2005) actuarial valuation based on projected unit credit method as on September 30,2012 has been carried out in respect of the aforesaid defined benefit plan of Gratuity and the liability is not funded. The details thereon is given below:

Sl	Particulars	Half year ended 30 September 2012 (Amount in Rs.)
1)	The amounts recognised in the balance sheet are as follows:	
	Present value of unfunded obligations	4,207,715
	Net liability/(asset) recognised in the balance sheet	**4,207,715**
2)	The amounts recognised in the statement of profit and loss are as follows:	
	Current Service cost	630,261
	Interest cost	134,127
	Net actuarial losses/(gains)	326,119
	Expense recognised in the statement of profit and loss of the period	**1,090,507**
3)	Changes in the present value of defined benefit obligation	
	Defined benefit obligation as at the beginning of the period	3,180,211
	Service cost	630,262
	Interest cost	134,127
	Actuarial losses/(gains) due to change in assumptions	215,669
	Actuarial losses/(gains) due to plan experience	110,451
	Benefits Paid	(63,006)
	Defined benefit obligation as at the end of the period	**4,207,715**
4)	Changes in fair value of plan assets	
	Contribution by employer	63,006
	Benefits Paid	63,006
	Fair value as at the end of the period	-
	Actuarial Assumptions:	
i)	Discount rate	8.25%
ii)	Salary escalation rate	5.00 %
iii)	Retirement age	58 years
iv)	Attrition rate	Angsana, Oasis & Spa : upto 44 years -2% and above 44 years - 1% Oakwood : upto 44 years - 4% and above 44 years - 1%

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment marked.

a) The present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan:					Amount in Rs
Sl No	**30-Sept-12**	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**
1 Present Value of Defined Benefit Obligation	4,207,715	3,180,213	2,508,421	2,124,195	1,643,360
2 Fair Value of Plan Asset	-	-	-	-	-
3 Surplus/(Deficit) Recognized	(4,207,715)	(3,180,213)	(2,508,421)	(2,124,195)	(1,643,360
b) The experience adjustments arising on					
1 Experience adjustment on Plan Liabilities	(110,451)	(185,685)	(74,109)	(156,454)	204,697
2 Experience adjustment on Plan Assets	-	-	-	-	-

c) Leave encashment

The Company has provided for leave encashment as per an actuarial valuation carried out by an independent actuary on the balance sheet date.

33. Disclosure on foreign currency exposure

Foreign currency exposures as at 30 September, 2012 that have not been hedged by a derivative instrument or otherwise :

	30 September 2012		**31 March 2012**	
	USD	**INR**	**SGD**	**INR**
Trade payable - others	99,482	52,41,695	130,477.27	5,688,809

34. Segment Information

Based on internal review of the company's reporting segment, the management believes that the company's operations predominantly fall under the single segment of Hospitality and therefore the current year figures reported are relating to such segment and the previous year figures have been disclosed accordingly.

Secondary segmental reporting is performed on the basis of the geographical location of customers. As the current business operations of the Company are in one location, the Company has no reportable secondary segments during the year.

35. Operating fees paid to Banyan Tree & Oakwood Asia Pacific are net of Rs. 8,031,671/- relating to adjustment of management fee, the terms of which were settled with the counter parties during the half year ended 30 September, 2012.

36. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond to the current period's classification/ disclosure.

Signatures to Notes 1 to 36

For and on behalf of the Board of Directors

Badrunissa Irfan
Director

Almas Rezwan
Director

Place: Bangalore
Date: 09/01/2013

Prestige Leisure Resorts Private Limited

Schedules forming part of the Condensed Financial Statements

Annexure 1 - Details of transactions and balances with Related Parties

Nature of Transactions	Holding Company		Relative of KMP		Enterprises owned or significantly influenced by key management personnel		Total	
	Rs		Rs.		Rs.		Rs.	
	Sep-12	Mar-12	Sep-12	Mar-12	Sep-12	Mar-12	Sep-12	Mar-12
Interest paid/ provided								
-PEPL	9,983,527		-		-		9,983,527	
Rent received								
-GFC	-		-		4,979,149		4,979,149	
Rent expense								
-PEPL	67,623,364		-		-		67,623,364	
-PGCPL	-		-		6,951,750		6,951,750	
-PPMS	-		-		300,000		300,000	
Purchase of fixed assets (including capital advance)								
-Morph Design	-		-		-		-	
Purchase of goods								
-PFPL	-		-		48,276		48,276	
Purchase of services								
-PPMS (Revenue Exp)	-		-		2,015,251		2,015,251	
-PAPL	-		-		1,917,088		1,917,088	
-PGCPL	-		-		1,683,814		1,683,814	
Sale of Services								
-PEPL	1,306,235		-		-		1,306,235	
-PAPL	-		-		14,584		14,584	
- PFPL	-		-		-		-	
- PGCPL	-		-		143,903		143,903	
- PPMS	-		-		-		-	
- NHCPL	-		-		141,882		141,882	
Remuneration								
-Omer Bin Jung	-		9,000,000		-		9,000,000	
Balances as at: Amounts payable								
-PEPL	18,856,228	598,664	-	-	-	-	18,856,228	598,664
-PAPL	-	-	-	-	-	493,228	-	493,228
- PPMS	-	-	-	-	4,326,512	320,039	4,326,512	320,039

Nature of Transactions	Holding Company		Relative of KMP		Enterprises owned or significantly influenced by key management personnel		Total	
	Rs		Rs.		Rs.		Rs.	
	Sep-12	Mar-12	Sep-12	Mar-12	Sep-12	Mar-12	Sep-12	Mar-12
- PGPCL	-	-	-	-	24,869	-	24,869	-
-PFL	-	-	-	-	1,383	1,384	1,383	1,384
-Morph	-	-	-	-	29,113	-	29,113	-
Inter Corporate Deposits payable (including interest accrued but not due)								
-PEPL	199,342,308	189,358,781	-	-	-	-	199,342,308	189,358,781
Amounts receivable								
-PEPL	6,022,433	2,603,781	-	-	-	-	6,022,433	2,603,781
-PAPL	-	-	-	-	14,584	-	14,584	-
-GFC	-	-	-	-	1,574,004	1,003,560	1,574,004	1,003,560
- NHCPL	-	-	-	-	64,381	-	64,381	-
Security Deposits								
-PEPL	92,322,215	92,322,215	-	-	-	-	92,322,215	92,322,215
-PGCPL	-	-	-	-	6,891,360	6,891,360	6,891,360	6,891,360
-PAPL	-	-	-	-	1,338,226	1,338,226	1,338,226	1,338,226
-PPMS	-	-	-	-	100,000	100,000	100,000	100,000
-Pres Const	-	-	-	-	194,200	194,200	194,200	194,200
Release of Guarantees & Collaterals (HDFC)								
-PEPL	45,207,112	78,572,723	-	-	-	-	45,207,112	78,572,723
Guarantees & Collaterals - balance								
-PEPL	-	500,000,000	-	-	-	-	-	500,000,000
Guarantees & Collaterals taken								
-PEPL	424,501,682	469,708,794	-	-	-	-	424,501,682	469,708,794

1) Related party relationships are as identified by the Company on the basis of information available with them and accepted by the auditors.
2) The above amounts exclude reimbursement of expenses and amount remitted towards online remittance of Statutory liabilities by a group Company.
3) No amount is / has been written off or written back during the period in respect of debts due from or to related party.

DECLARATION

We hereby declare and certify that all relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act or rules or regulations made thereunder or guidelines issued, as the case may be. We certify that this Red Herring Prospectus contains all information specified under Schedule XVIII of the SEBI Regulations and such other information as is material and appropriate to enable the investors to make a well informed decision as to investment in the proposed Issue and further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY

NAME	SIGNATURE
Irfan Razack *Chairman and Managing Director*	
Rezwan Razack *Joint Managing Director*	
Noaman Razack *Whole-Time Director*	
Jagdeesh K Reddy *Independent Director*	
B.G. Koshy *Independent Director*	
Noor Ahmed Jaffer *Independent Director*	
Dr. Pangal Ranganath Nayak *Independent Director*	

Venkata K. Narayana
Chief Financial Officer
Sd/-

Date: January 15, 2013
Place: Bengaluru

Registered Office of the Company

Prestige Estates Projects Limited
The Falcon House, No. 1, Main Guard Cross Road
Bengaluru 560 001
Karnataka, India

Statutory Auditor to the Company

Deloitte Haskins & Sells
Deloitte Centre, Anchorage II 100/2
Richmond Road
Bengaluru 560 025
Karnataka, India

Book Running Lead Managers

CLSA India Limited
8/F, Dalamal House
Nariman Point
Mumbai 400 021
Maharashtra, India

J.P. Morgan India Private Limited
J.P. Morgan Tower
Off. C.S.T. Road
Kalina, Santacruz - East
Mumbai 400 098
Maharashtra, India

Registrar to the Issue

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg
Bhandup (West), Mumbai 400 078
Maharashtra, India

Public Issue Account Bank

HDFC Bank Limited
FIG-OPS Department, Lodha I ThinkTechno Campus,
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Domestic Legal Counsel to the Company

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