

Consolidated Financial Statements

Puravankara Projects Limited

31 March 2009

Puravankara Projects Limited

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Auditors' report

The Board of Directors
Puravankara Projects Limited

1. We have audited the attached Consolidated Balance Sheet of Puravankara Projects Limited ('the Company'), its subsidiaries and associates (collectively referred to as 'the Group') as at 31 March 2009 and also the Consolidated Profit and Loss Account for the quarter and year ended on that date and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto (collectively referred as the 'consolidated financial statements'). These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We have not audited the financial statements of certain consolidated entities, whose financial statements reflect total assets of Rs.2,400,920,723 as at 31 March 2009, total revenue of Rs.Nil for the quarter and year ended on that date and cash flows amounting to Rs.3,079,765 for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion in respect thereof is based solely on the report of the other auditors. We did not audit the financial statements of an associate whose financial statements reflects the Group's share of loss of Rs.9,041,300 for the quarter and year ended on that date in the consolidated financial statements. These financial statements have not been audited by other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard ('AS') 21, Consolidated Financial Statements, AS 23, Accounting for Investments in Associates in Consolidated Financial Statements and AS 25, Interim Financial Reporting prescribed by the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India, in case of:
 - (a) the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2009;
 - (b) the Consolidated Profit and Loss Account, of the profit of the Group for the quarter and year ended on that date; and
 - (c) the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Walker, Chandiook & Co
Chartered Accountants

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

Bangalore
30 April 2009

Consolidated Balance Sheet

	Note	31 March 2009 Rs.	31 March 2008 Rs.
Sources of Funds			
Shareholders' Funds			
Share capital	3	1,067,121,675	1,067,121,675
Reserves and surplus	4	12,581,718,560	11,059,880,429
		<u>13,648,840,235</u>	<u>12,127,002,104</u>
Loans	5	8,145,826,229	6,524,005,673
Deferred Tax Liability	6	22,757,344	10,120,614
		<u>21,817,423,808</u>	<u>18,661,128,391</u>
Application of Funds			
Fixed Assets			
Cost	7	632,136,264	611,312,180
Less: Accumulated depreciation/amortization		169,224,805	114,606,379
Net book value		<u>462,911,459</u>	<u>496,705,801</u>
Investments	8	1,038,240,118	887,216,449
Properties Held for Development	9	13,924,347,522	12,919,611,415
Current Assets, Loans and Advances			
Cash and cash equivalents	10	267,939,839	349,714,880
Inventories		197,344,846	170,686,850
Trade debtors	11	1,146,147,509	823,638,071
Properties under development	12	5,699,751,109	3,958,356,576
Properties held for sale	13	973,503,851	909,508,192
Loans and advances	14	2,766,005,836	2,878,156,853
		<u>11,050,692,990</u>	<u>9,090,061,422</u>
Less: Current Liabilities and Provisions			
Current liabilities	15	4,644,688,379	4,222,518,807
Provisions	16	14,079,902	509,947,889
		<u>4,658,768,281</u>	<u>4,732,466,696</u>
Net Current Assets		6,391,924,709	4,357,594,726
		<u>21,817,423,808</u>	<u>18,661,128,391</u>

Significant accounting policies

1

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

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

For Walker, Chandiok & Co

For and on behalf of the Board of Directors

Chartered Accountants

Per **Aashish Arjun Singh**
Partner

Ravi Puravankara
Chairman and
Managing Director

Nani R Choksey
Director

Ashish Puravankara
Director

Ravi Ramu
Director

Kiran Chapparr
Company
Secretary

Membership No. 210122

Bangalore
30 April 2009

Bangalore
30 April 2009

Consolidated Profit and Loss Account

	Note	For the year ended 31 March 2009 Rs.	For the year ended 31 March 2008 Rs.
Revenues	17	4,449,041,934	5,658,146,500
Cost of Revenues	18	2,638,906,886	3,118,689,552
Gross Profit		1,810,135,048	2,539,456,948
Selling expenses	19	215,807,760	239,577,325
General and administrative expenses	20	282,818,150	225,141,141
Operating Profit		1,311,509,138	2,074,738,482
Net finance income/(charges)	21	7,629,903	98,185,352
Profit before tax and share of profit in associates, net		1,319,139,041	2,172,923,834
Share of profit in associates, net		151,023,669	294,554,663
Profit before tax		1,470,162,710	2,467,478,497
Provision for tax	22	25,974,310	66,997,984
Profit after tax		1,444,188,400	2,400,480,513
Earnings per share : Basic and diluted	23	6.77	11.71

Significant accounting policies 1

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

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

For Walker, Chandio & Co
Chartered Accountants

For and on behalf of the Board of Directors

Per **Aashish Arjun Singh**
Partner

Ravi Puravankara
Chairman and
Managing Director

Nani R Choksey **Ashish Puravankara**
Director **Director**

Ravi Ramu
Director

Kiran Chappar
Company
Secretary

Membership No. 210122

Bangalore
30 April 2009

Bangalore
30 April 2009

Consolidated Profit and Loss Account - Quarter

	Note	Quarter ended 31 March 2009 Rs.	Quarter ended 31 March 2008 Rs.
Revenues	17	679,213,898	1,538,758,657
Cost of Revenues	18	459,156,433	879,690,843
Gross Profit		220,057,465	659,067,814
Selling expenses	19	39,748,297	65,072,413
General and administrative expenses	20	78,057,273	66,591,258
Operating Profit		102,251,895	527,404,143
Net finance income/(charges)	21	2,143,941	2,240,446
Profit before tax and share of profit in associates, net		104,395,836	529,644,589
Share of profit in associates, net		40,692,125	80,864,960
Profit before tax		145,087,961	610,509,549
Provision for tax	22	(767,884)	(116,581,423)
Profit after tax		145,855,845	727,090,972
Earnings per share : Basic and diluted	23	0.68	3.41

Significant accounting policies

1

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

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

For Walker, Chandio & Co
Chartered Accountants

For and on behalf of the Board of Directors

Per **Aashish Arjun Singh**
Partner

Ravi Puravankara
Chairman and
Managing Director

Nani R Choksey
Director

Ashish Puravankara
Director

Ravi Ramu
Director

Kiran Chappar
Company
Secretary

Membership No. 210122

Bangalore
30 April 2009

Bangalore
30 April 2009

Notes to the Consolidated Financial Statements

1. Significant Accounting Policies

a. Basis of preparation

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

b. Use of estimates

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

c. Basis of consolidation

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

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

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

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

d. Revenue recognition

Revenues from projects

Revenue from the sale of properties is recognized when the significant risks and rewards of ownership have been transferred to the customer, which coincides with the entering into a legally binding agreement. Revenues from such contracts are recognized under the percentage of completion method. Contract revenues represent the aggregate amounts of sale price for agreements entered into and are accrued based on the percentage that the actual construction costs incurred until the reporting date bears to the total estimated construction costs to completion. Land costs are not included for the purposes of computing the percentage of completion.

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

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

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

Rental income

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

e. Properties held for sale

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

f. Properties held for development

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

g. Fixed assets

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

Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Fixed assets purchased in foreign currency are recorded at the actual rupee cost incurred.

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

h. Depreciation

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

i. Advertisement and Promotional expenses

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

j. Impairment of Assets

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

k. Cash and cash equivalents

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

l. Inventory

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

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

m. Foreign currency transactions

(a) Initial Recognition

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

(b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

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

n. Leases

Finance Leases

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

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

Operating leases

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

o. Employee benefits

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

Provident fund

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

Gratuity

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

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

Vacation pay

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

Other short-term benefits

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

p. Stock based compensation

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

q. Taxes on income

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

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

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

r. Earnings per share

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

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

s. Provisions and contingent liabilities

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

2. Group Structure

The operational subsidiaries and associates consolidated under the Group as at 31 March 2009 comprise the entities listed below:

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

	Year ended 31 March 2009 Rs.	Year ended 31 March 2008 Rs.
3 Share Capital		
Authorised		
240,000,000 Equity shares of Rs 5 each (2008 - 240,000,000 equity shares of Rs. 5 each)	1,200,000,000	1,200,000,000
Issued, subscribed and paid up		
213,424,335 (2008 - 213,424,335) Equity shares of Rs.5 each fully paid-up	1,067,121,675	1,067,121,675
	<u>1,067,121,675</u>	<u>1,067,121,675</u>
(Of the above 176,000,000 (2008 - 176,000,000) equity shares are allotted as fully paid-up by way of bonus shares from share premium account/Profit & Loss account)		
4 Reserves and Surplus		
Share Premium		
Balance at the beginning of the year	7,911,162,184	9,913,044
Add: Premium on issue of shares	-	8,455,717,600
Less: Expenses relating to issue of shares	(77,649,731)	554,468,460
Balance at the end of the year	<u>7,988,811,915</u>	<u>7,911,162,184</u>
General Reserve		
Balance at the beginning of the year	298,000,000	87,000,000
Add: Transfer from Profit and Loss Account	-	211,000,000
Balance at the end of the year	<u>298,000,000</u>	<u>298,000,000</u>
Debenture Redemption Reserve	<u>34,417,386</u>	-
Profit and Loss Account		
Balance at the beginning of the year	2,850,718,245	1,160,629,333
Add: Net profit for the year	1,444,188,400	2,400,480,513
Less: Transfer to Debenture Redemption Reserve	34,417,386	-
Less: Proposed Dividend	-	426,848,670
Less: Tax on distribution of dividend	-	72,542,931
Less: Transfer to General Reserve	-	211,000,000
Balance at the end of the year	<u>4,260,489,259</u>	<u>2,850,718,245</u>
	<u>12,581,718,560</u>	<u>11,059,880,429</u>
5 Loans		
Secured Loans	8,105,826,229	5,774,005,673
Unsecured Loans - commercial papers	-	750,000,000
Unsecured Loans - short term loan from bank	40,000,000	-
	<u>8,145,826,229</u>	<u>6,524,005,673</u>

On 12 March 2009 Deutsche Bank has sanctioned a short term working capital facility of Rs.400 million to the Company. This facility is secured by the personal assets of Mr. Ravi Puravankara, the Chairman and Managing Director. The outstanding as on 31 March 2009 was Rs.40 million.

	Quarter ended 31 March 2009 Rs.	Quarter ended 31 March 2008 Rs.
3 Share Capital		
Authorised		
240,000,000 Equity shares of Rs 5 each (2008 - 240,000,000 equity shares of Rs. 5 each)	<u>1,200,000,000</u>	<u>1,200,000,000</u>
Issued, subscribed and paid up		
213,424,335 (2008 - 213,424,335) Equity shares of Rs.5 each fully paid-up	1,067,121,675	1,067,121,675
	<u>1,067,121,675</u>	<u>1,067,121,675</u>
(Of the above 176,000,000 (2008 - 176,000,000) equity shares are allotted as fully paid-up by way of bonus shares from share premium account/Profit & Loss account)		
4 Reserves and Surplus		
Share Premium	<u>7,988,811,915</u>	<u>7,911,162,184</u>
General Reserve		
Balance at the beginning of the period	298,000,000	87,000,000
Add: Transfer from Profit and Loss Account	-	211,000,000
Balance at the end of the period	<u>298,000,000</u>	<u>298,000,000</u>
Debenture Redemption Reserve	<u>34,417,386</u>	<u>-</u>
Profit and Loss Account		
Balance at the beginning of the period	4,129,892,355	2,834,018,874
Add: Net profit for the period	145,855,845	727,090,972
Less: Transfer to Debenture Redemption Reserve	15,258,941	-
Less: Proposed Dividend	-	426,848,670
Less: Tax on distribution of dividend	-	72,542,931
Less: Transfer to General Reserve	-	211,000,000
Balance at the end of the period	<u>4,260,489,259</u>	<u>2,850,718,245</u>
	<u>12,581,718,560</u>	<u>11,059,880,429</u>
5 Loans		
Secured Loans	8,105,826,229	5,774,005,673
Unsecured Loans - commercial papers	-	750,000,000
Unsecured Loans - short term loan from bank	40,000,000	-
	<u>8,145,826,229</u>	<u>5,774,005,673</u>

On 12 March 2009 Deutsche Bank has sanctioned a short term working capital facility of Rs.400 million to the Company. This facility is secured by the personal assets of Mr. Ravi Puravankara, the Chairman and Managing Director. The outstanding as on 31 March 2009 was Rs.40 million.

		31 March 2009	31 March 2008
		Rs.	Rs.
Secured Loans			
Term loans	(a)	6,001,937,343	5,085,126,039
Debentures	(b)	550,000,000	250,000,000
Cash Credit & Other loans	(c)	1,553,888,886	438,879,634
		<u>8,105,826,229</u>	<u>5,774,005,673</u>

(a) *Term Loans*

- i. On 5 August 2006, the Company entered into a term loan agreement with Standard Chartered Bank for Rs 1,000 million towards construction and development of its projects and for existing debt repayment, repayable in 24 monthly installments from the 15th month of the date of first drawdown (date of the first drawdown : 16 November 2006) . This facility is secured by mortgage of the land and building of certain specified projects and their project receipts and is also backed by the personal guarantee of Mr Ravi Puravankara, the Chairman and Managing Director. Additional facility of Rs.200 million was availed on 5 April 2007 for the same security as above, repayable in 24 monthly installments starting from 16 February 2008. The outstanding as on 31 March 2009 was Rs.500 million.
- ii. On 8 September 2008 the Company entered into a term loan agreement with HSBC for Rs.1,100 million, out of which Rs.350 million has been drawn as of 31 March 2009. The loan is repayable in 5 quarterly installments from July 2009 till July 2010. This facility is secured by mortgage of the properties purchased at Mallasandra Village, Bangalore and receivables of the related project to be developed at the said property and the personal guarantee of Mr.Ravi Puravankara, the Chairman and Managing Director of the Company. A promissory note for Rs.1,100 million has been issued to the bank. The outstanding as on 31 March 2009 was Rs.350 million.
- iii. On 10 May 2007, the Company entered into an agreement with ICICI Bank for a term loan facility up to a maximum of Rs.1,500 million for funding certain specified projects. This facility is secured by the mortgage of properties purchased and developed out of the facility, specified vacant lands and the personal guarantee of Mr Ravi Puravankara, the Chairman and Managing Director, Mr Nani R Choksey and Mr Ashish Puravankara, Directors of the Company repayable in 16 monthly installments commencing 15 April 2008. The outstanding as on 31 March 2009 was Rs.200.41 million.
- iv. On 19 May 2007, Melmont Constructions Pvt Ltd and Purva Realities Pvt Ltd entered into an agreement with HDFC Limited for a term loan of Rs.1,250 million. This facility is secured pledge of equity shares of Melmont Constructions Pvt Ltd and Purva Realities Pvt Ltd held by the Company and Mr.Ashish Puravankara, Director of the Company. The tenor of the loan is 40 months. The outstanding as on 31 March 2009 was Rs.950 million
- v. On 8 January 2008 the Company entered into a term loan agreement with HSBC for Rs.1,350 million which was drawn fully, in four parts, till 31 March 2008. Rs.1,000 million is payable in quarterly installments from October 2008 till October 2009. Rs.350 million is payable in quarterly installments, from January 2009 till October 2009. This facility is secured by mortgage of the land and building of Purva Swanlake project and receivables of Purva Swanlake and Purva Moneto. A promissory note for Rs.1,350 million has been issued to the bank. The outstanding as on 31 March 2009 was Rs.862.5 million.
- vi. During the year the Company entered into a term loan agreement with ICICI Home Finance Company Limited for a term loan of Rs. 1,250 million. This facility is secured by mortgage of the properties together with all buildings and structures thereon, both present and future and scheduled receivables of Purva Venezia and Purva Highlands and is also backed by the personal guarantee of Mr.Ravi Puravankara, the Chairman and Managing Director, Mr.Nani R Choksey and Mr.Ashish Puravankara, Directors of the Company, repayable in 16 monthly instalments commencing 15 June 2009. The outstanding as on 31 March 2009 was Rs.1,130 million
- vii. On 04 December 2008 the Company entered into an agreement with Life Insurance Corporation of India for a loan of Rs.2,000 million. This facility is secured by mortgage of land at Marine Drive, Kochi, the receivables and is also backed by the personal guarantee of Mr.Ravi Puravankara, the Chairman and Managing Director of the Company. The loan is repayable in 14 equal quarterly installments commencing at the end of the 12th month from the date of first disbursement. The Company is in the process of registering the charge on this loan. The outstanding as on 31 March 2009 was Rs. 2,000 million.
- viii. Other loan of Rs.9.03 million is outstanding as at 31 March 2009 and is secured by a charge against respective equipment.

(b) *Debentures*

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

(c) *Cash Credit & Other Loans*

- i. On 19 August 2004 the Company entered into an agreement with Andhra Bank for a cash credit facility of Rs.150 million which is secured against the properties of the Company. During the year, the cash credit facility has been enhanced to Rs.200 million. The outstanding as on 31 March 2009 was Rs.181.28 million.

- ii. On 20 June 2008 the Company entered into an agreement with IDBI Bank for a working capital facility of Rs.1,000 million which is secured against the properties of the Company and personal guarantee of Mr.Ravi Puravankara, the Chairman and Managing Director. The outstanding as on 31 March 2009 was Rs. 993.2 million.
- iii. On 20 November 2008, the Company has availed a Secured Overdraft facility from Andhra Bank for Rs 800 million which is secured against the land together with the buildings and structure thereon at Geddalahalli, Bangalore and is also backed by the personal guarantee of Mr.Ravi Puravankara, the Chairman and Managing Director, Mr. Nani R Choksey and Mr. Ashish Puravankara, Directors of the Company. The outstanding as on 31 March 2009 was Rs. 367.6 million.
- iv. Other loans represent loans taken for purchase of vehicles. These loans are secured by a charge against respective vehicles. The outstanding as on 31 March 2009 was Rs. 11.81 million.

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

	31 March 2009	31 March 2008
	Rs.	Rs.
Term loans	2,789,794,491	2,860,428,869
Debentures and Other loans	8,272,575	258,965,415
	<u>2,798,067,066</u>	<u>3,119,394,284</u>

6 Deferred Tax Liability

Deferred tax liability arising on account of Depreciation	22,757,344	13,708,696
Less: deferred tax asset arising on:		
Expenses allowable on payment basis:		
Leave encashment	-	3,588,082
	<u>22,757,344</u>	<u>10,120,614</u>

7. Fixed Assets

Category of assets	Cost				Accumulated Depreciation/Amortization				Net Book Value	
	Opening Balance	Additions during the year	Deletions during the year	Closing Balance	Opening Balance	Charge for the year	Deletions during the year	Closing Balance	As at 31 March 2009	As at 31 March 2008
<u>Tangible Assets</u>										
Buildings	37,074,680	-	-	37,074,680	1,018,233	604,317	-	1,622,550	35,452,130	36,056,447
Plant & Machinery	252,566,913	12,861,817	-	265,428,730	27,058,462	12,636,128	-	39,694,590	225,734,140	225,508,451
Office Equipment	11,771,343	954,590	87,500	12,638,433	2,090,702	657,657	36,397	2,711,962	9,926,471	9,680,641
Computers	19,258,136	2,004,652	23,675	21,239,113	6,542,580	3,253,187	3,396	9,792,371	11,446,742	12,715,556
Furniture & Fixtures	9,725,040	2,453,994	-	12,179,034	3,581,030	752,348	-	4,333,378	7,845,656	6,144,010
Vehicles	63,784,286	3,829,980	2,318,299	65,295,967	16,414,416	6,481,012	971,190	21,924,238	43,371,729	47,369,870
Shuttering Material	198,115,907	-	-	198,115,907	54,213,896	28,021,550	-	82,235,446	115,880,461	143,902,011
<u>Intangible Assets</u>										
Computer Software	19,015,875	1,148,525	-	20,164,400	3,687,060	3,223,210	-	6,910,270	13,254,130	15,328,815
Total	611,312,180	23,253,558	2,429,474	632,136,264	114,606,379	55,629,409	1,010,983	169,224,805	462,911,459	496,705,801
Last year	443,146,619	184,804,989	16,639,428	611,312,180	61,210,279	58,575,689	5,179,589	114,606,379	496,705,801	

	Year ended 31 March 2009	Year ended 31 March 2008
	Rs.	Rs.
8 Investment		
Investment in Associates:		
(Unquoted and fully paid up, including share of profit / loss)		
Keppel Puravankara Development Private Limited		
4,410,000 Equity Shares (2008 - 4,410,000) of Rs 10 each at par	649,695,418	489,630,449
17,640,000 13.25% cumulative, redeemable, convertible Preference Shares (2008 - 17,640,000) of Rs 10 each at par	176,400,000	176,400,000
Keppel Magus Development Private Limited		
362,600 Equity shares (2008 - 362,600) of Rs. 610 each, fully paid	212,144,700	221,186,000
	<u>1,038,240,118</u>	<u>887,216,449</u>
9 Properties Held for Development		
At the beginning of the year	12,919,611,415	7,007,546,850
Add : Additions during the year	1,848,529,369	6,320,489,107
Less: Transferred to Properties Under Development	843,793,262	408,424,542
	<u>13,924,347,522</u>	<u>12,919,611,415</u>
10 Cash and Cash Equivalents		
Cash in hand	3,415,727	2,306,035
Bank balance with Banks:		
In current accounts	130,082,273	200,071,163
In deposit account	134,441,839	147,337,683
	<u>267,939,839</u>	<u>349,714,880</u>
11 Trade Debtors		
(Unsecured and considered good)		
Debts outstanding over six months	642,394,812	263,891,568
Debts outstanding less than six months	503,752,697	559,746,503
	<u>1,146,147,509</u>	<u>823,638,071</u>
12 Properties Under Development		
Land cost	2,834,966,699	2,247,055,895
Material and construction cost	6,268,722,686	5,226,523,803
Profit recognized to-date	2,182,399,000	2,869,322,555
Less: Progress payments received and receivable	5,586,337,276	6,384,545,677
	<u>5,699,751,109</u>	<u>3,958,356,576</u>
13 Properties Held for Sale		
At the beginning of the year	909,508,192	515,355,058
Add : Additions during the year	372,910,952	527,164,779
Less: Sales during the year	221,155,536	133,011,645
Less: Write downs during the year	87,759,757	-
	<u>973,503,851</u>	<u>909,508,192</u>

	Quarter ended 31 March 2009 Rs.	Quarter ended 31 March 2008 Rs.
8 Investment		
Investment in Associates:		
(Unquoted and fully paid up, including share of profit / loss)		
Keppel Puravankara Development Private Limited		
4,410,000 Equity Shares (2008 - 4,410,000) of Rs 10 each at par	649,695,418	489,630,449
17,640,000 13.25% cumulative, redeemable, convertible Preference Shares (2008 - 17,640,000) of Rs 10 each at par	176,400,000	176,400,000
Keppel Magus Development Private Limited		
362,600 Equity shares (2008 - 362,600) of Rs. 610 each, fully paid	212,144,700	221,186,000
	1,038,240,118	887,216,449
9 Properties Held for Development		
At the beginning of the period	13,839,276,910	8,277,257,214
Add : Additions during the period	811,364,711	4,642,354,201
Less: Transferred to Properties Under Development	726,294,099	-
	13,924,347,522	12,919,611,415
10 Cash and Cash Equivalents		
Cash in hand	3,415,727	2,306,035
Bank balance:		
In current accounts	130,082,273	200,071,163
In deposit account	134,441,839	147,337,683
	267,939,839	349,714,880
11 Trade Debtors		
(Unsecured and considered good)		
Debts outstanding over six months	642,394,812	263,891,568
Debts outstanding less than six months	503,752,697	559,746,503
	1,146,147,509	823,638,071
12 Properties Under Development		
Land cost	2,834,966,699	2,247,055,895
Material and construction cost	6,268,722,686	5,226,523,803
Profit recognized to-date	2,182,399,000	2,869,322,555
Less: Progress payments received and receivable	5,586,337,276	6,384,545,677
	5,699,751,109	3,958,356,576
13 Properties Held for Sale		
At the beginning of the period	948,243,839	908,016,700
Add : Additions during the period	71,914,356	58,784,065
Less: Sales during the period	5,136,798	57,292,573
Less: Write downs during the period	41,517,546	-
	973,503,851	909,508,192

	31 March 2009	31 March 2008
	Rs.	Rs.
14 Loans and Advances		
Advances to suppliers	264,043,186	355,797,977
Advances for land contracts	1,113,473,571	955,572,578
Deposits	509,238,659	536,248,732
Loans to associates	144,018,352	228,628,633
Advance tax (net of provision)	92,953,783	187,332,524
Taxes and duties recoverable	443,030,667	240,136,157
Prepaid expenses	983,764	71,142,252
Other advances	198,263,854	303,298,000
	<u>2,766,005,836</u>	<u>2,878,156,853</u>
The above are unsecured & considered good.		
15 Current Liabilities		
Advances received from customers	2,951,626,710	3,149,198,007
Duties and taxes payable	16,728,926	17,105,073
Security deposits	35,352,566	32,446,286
Trade creditors	1,052,156,017	920,496,606
Dues to related parties	451,856,867	15,429,816
Other liabilities	136,873,819	87,843,019
Unpaid Dividend	93,474	-
	<u>4,644,688,379</u>	<u>4,222,518,807</u>
16 Provisions		
Provision for vacation pay	14,079,902	10,556,288
Proposed dividend	-	426,848,670
Tax on proposed dividend	-	72,542,931
	<u>14,079,902</u>	<u>509,947,889</u>

	Year ended 31 March 2009 Rs.	Year ended 31 March 2008 Rs.
17 Revenues		
Revenue from projects	4,375,219,531	5,606,905,075
Rental income	37,980,286	31,117,929
Income from interiors	35,842,117	20,123,496
	4,449,041,934	5,658,146,500
18 Cost of Revenues		
Construction cost		
Material and contract costs	1,656,263,909	2,182,780,179
Staff costs	211,221,692	204,875,966
Depreciation	42,547,720	47,530,641
Other direct costs	447,301,721	367,967,347
	2,357,335,042	2,803,154,133
Land cost	281,571,844	315,535,419
	2,638,906,886	3,118,689,552
19 Selling Expenses		
Staff costs	37,839,740	34,603,470
Advertising and sales promotion	161,069,977	183,040,968
Sales incentives and commission	4,633,513	9,131,245
Brokerage and referral charges	4,715,819	8,133,694
Travel and conveyance	3,770,316	1,416,155
Communication	2,196,929	1,583,231
Depreciation	1,581,466	1,668,562
	215,807,760	239,577,325
20 General and Administrative Expenses		
Staff costs	124,307,057	93,917,877
Depreciation	11,495,661	9,411,997
Rates and taxes	45,650,922	35,125,842
Repairs and maintenance	21,342,996	18,089,502
Legal and professional charges	16,676,180	14,636,506
Audit fees	2,674,160	2,624,640
Communication costs	8,818,594	8,395,671
Printing and stationery	10,091,276	7,540,889
Travelling and conveyance	19,365,882	16,233,536
Security charges	9,803,799	4,960,402
Foreign exchange loss/(gain)	682,249	1,217,372
Miscellaneous expenses	11,909,374	12,986,907
	282,818,150	225,141,141

	Quarter ended 31 March 2009 Rs.	Quarter ended 31 March 2008 Rs.
17 Revenues		
Revenue from projects	659,460,257	1,526,130,526
Rental income	10,278,999	7,953,360
Income from interiors	9,474,642	4,674,771
	679,213,898	1,538,758,657
18 Cost of Revenues		
Construction cost		
Material and contract costs	268,265,555	584,482,318
Staff costs	46,818,351	55,405,630
Depreciation	10,449,647	10,403,314
Other direct costs	80,738,532	122,501,078
	406,272,085	772,792,340
Land cost	52,884,348	106,898,503
	459,156,433	879,690,843
19 Selling Expenses		
Staff costs	10,264,939	8,361,887
Advertising and sales promotion	26,666,111	50,379,416
Sales incentives and commission	401,461	2,777,917
Brokerage and referral charges	785,830	2,578,887
Travel and conveyance	787,539	178,907
Communication	502,359	441,328
Depreciation	340,058	354,071
	39,748,297	65,072,413
20 General and Administrative Expenses		
Staff costs	36,213,288	25,933,906
Depreciation	2,764,577	2,784,583
Rates and taxes	11,847,368	10,888,492
Repairs and maintenance	6,689,694	5,846,672
Legal and professional charges	6,794,616	6,080,248
Audit fees	574,160	800,034
Communication costs	2,040,312	1,808,514
Printing and stationery	640,903	2,169,477
Travelling and conveyance	3,441,928	5,153,012
Security charges	3,677,832	1,378,004
Foreign exchange loss/(gain)	418,742	32,641
Miscellaneous expenses	2,953,853	3,715,675
	78,057,273	66,591,258

	Year ended 31 March 2009 Rs.	Year ended 31 March 2008 Rs.
21 Finance Income/(Charges)		
Interest expenses on loans and cash credits	(1,039,503,199)	(798,802,492)
Loan and other processing charges	(99,321,347)	(15,000,000)
Less: Interest and processing charges capitalized	1,100,371,859	777,421,116
Less: Finance Income:		
Mutual fund	-	96,680,096
Bank deposits	11,444,914	733,720
Loans to associate	11,375,140	21,760,660
Interest received from customers	23,262,536	15,392,252
	<u>7,629,903</u>	<u>98,185,352</u>
22 Provision for tax		
Current tax	43,150,475	187,461,867
Deferred tax charge/(credit)	12,636,730	(597,844)
MAT credit	(29,812,895)	(119,866,039)
	<u>25,974,310</u>	<u>66,997,984</u>
<p>During the year an amount of Rs. 29.81 million (2008 - Rs.119.87 million) has been recognized as a tax credit. This amount represents the corporate income tax charged as Minimum Alternate Tax (MAT) previously and is considered to be recoverable against taxes payable in the future.</p>		
23 Earnings Per Share		
Weighted average number of shares outstanding during the year	213,424,335	205,060,445
Add: Dilutive effect of stock options	-	-
Weighted average number of shares used to compute diluted EPS	<u>213,424,335</u>	<u>205,060,445</u>
Net profit after tax attributable to equity shareholders	1,444,188,400	2,400,480,513
Earnings per share:		
Basic and diluted	6.77	11.71
Nominal value per equity share	<u>5.00</u>	<u>5.00</u>

	Quarter ended 31 March 2009	Quarter ended 31 March 2008
	Rs.	Rs.
21 Finance Income/(Charges)		
Interest expenses on loans and cash credits	(255,347,356)	(215,880,700)
Loan and other processing charges	(36,367,767)	-
Less: Interest and processing charges capitalized	284,999,919	205,126,973
Less: Finance Income:		
Bank deposits	(85,915)	-
Loans to associate	2,878,343	4,700,369
Interest received from customers	6,066,717	8,293,804
	<u>2,143,941</u>	<u>2,240,446</u>
22 Provision for tax		
Current tax	(2,850,090)	4,261,000
Deferred tax charge/(credit)	2,082,206	(976,384)
Minimum Alternate Tax credit	-	(119,866,039)
	<u>(767,884)</u>	<u>(116,581,423)</u>
23 Earnings Per Share		
Weighted average number of shares outstanding during the quarter:	213,424,335	213,424,335
Add: Dilutive effect of stock options	-	-
Weighted average number of shares used to compute diluted EPS	<u>213,424,335</u>	<u>213,424,335</u>
Net profit after tax attributable to equity shareholders	145,855,845	727,090,972
Earnings per share:		
Basic and diluted	0.68	3.41
Nominal value per equity share	<u>5.00</u>	<u>5.00</u>

24 Stock-based compensation

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

The Company has adopted the provisions of the Guidance Note, Accounting for Employee Share-based Payments ('the Guidance Note'), issued by the ICAI. The disclosures for the year ended 31 March 2009 have been provided below

The weighted average exercise price for options movement during the year ended 31 Mar 2009 is as follows:

	31 Mar 2009	
	Shares arising out of options (Numbers)	Weighted average exercise price Rs
As at 1 April 2008	966,000	465.86
Granted during the year		
Forfeited during the year	-	-
Lapsed during the year	-	-
Cancelled during the year	-	-
Exercised during the year	-	-
As at 31 March 2009	<u>966,000</u>	<u>465.86</u>
Excercisable at the end of the year	<u>483,000</u>	<u>465.86</u>

The weighted average exercise price of the options outstanding at 31 Mar 2009 and 31 Mar 2008 was Rs. 465.86 and they had weighted average remaining contractual life of 21 months.

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

	Year ended 31 March 2009	Year ended 31 March 2008
	Rs.	Rs.
Net profit, as reported	1,444,188,400	2,400,480,513
Add: Stock-based employee compensation expense included in the Profit and loss account	-	-
Less: Stock based employee compensation expense determined under the fair value method	<u>27,639,998</u>	<u>29,237,794</u>
Proforma net income	<u>1,416,548,402</u>	<u>2,371,242,719</u>
Earnings per share – Basic		
As reported	6.77	11.71
Pro forma	6.64	11.56
Earnings per share – Diluted		
As reported	6.77	11.71
Pro forma	<u>6.64</u>	<u>11.56</u>

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

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

24 Stock-based compensation

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

The Company has adopted the provisions of the Guidance Note, Accounting for Employee Share-based Payments ('the Guidance Note'), issued by the ICAI. The disclosures for the quarter ended 31 March 2009 have been provided below

The weighted average exercise price for options movement during the quarter ended 31 March 2009 is as follows:

	31 Mar 2009	
	Shares arising out of options (Numbers)	Weighted average exercise price Rs
As at 1 January 2009	966,000	465.86
Granted during the quarter		
Forfeited during the quarter	-	-
Lapsed during the quarter	-	-
Cancelled during the quarter	-	-
Exercised during the quarter	-	-
As at 31 March 2009	<u>966,000</u>	<u>465.86</u>
Excercisable at the end of the quarter	<u>483,000</u>	<u>465.86</u>

The weighted average exercise price of the options outstanding at 31 Mar 2009 and 31 Mar 2008 was Rs. 465.86 and they had weighted average remaining contractual life of 21 months.

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

	Quarter ended 31 March 2009	Quarter ended 31 March 2008
	Rs.	Rs.
Net profit, as reported	145,855,845	727,090,972
Add: Stock-based employee compensation expense included in the Profit and loss account	-	-
Less: Stock based employee compensation expense determined under the fair value method	<u>5,671,710</u>	<u>7,269,506</u>
Proforma net income	<u>140,184,135</u>	<u>719,821,466</u>
Earnings per share – Basic		
As reported	0.68	3.41
Pro forma	0.66	3.37
Earnings per share – Diluted		
As reported	0.68	3.41
Pro forma	<u>0.66</u>	<u>3.37</u>

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

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

25 Leases*Properties taken on operating leases*

The lease expense for cancellable and non-cancellable operating leases was Rs.10,549,283 and Rs.40,799,036 for the quarter and the year ended 31 March 2009 respectively and Rs.8,564,150 and Rs.31,779,102 for the quarter and the year ended 31 March 2008 respectively. Lease commitments as at the Balance Sheet date were as follows:-

Particulars	31 March 2009	31 March 2008
	Rs.	Rs.
a) Within one year	1,203,567	15,448,200
b) Within one to five years	3,618,291	3,443,333
Total	<u><u>4,821,858</u></u>	<u><u>18,891,533</u></u>

Sublease

The Company has sub let one of the properties under a non cancellable operating lease agreement, cancellable with prior notice. These lease agreements are for the period ranging between 1 to 5 years. Lease income was Rs.10,278,999 and Rs.37,980,286 for the quarter and the year ended 31 March 2009 respectively and Rs.7,953,360 and Rs.31,117,929 for the quarter and the year ended 31 March 2008 respectively. Minimum amount of future lease rental receivable under these agreements are:-

Particulars	31 March 2009	31 March 2008
	Rs.	Rs.
a) Within one year	10,791,614	16,009,700
b) Within one to five years	4,970,407	6,572,957
	<u><u>15,762,021</u></u>	<u><u>22,582,657</u></u>

26 Other commitments and contingencies

(a) Demand from Service Tax Department	17,100,000	-
(b) Show cause notices received from various authorities	-	8,200,000
(c) Capital commitments (net of advances)	-	5,356,547
	<u><u>-</u></u>	<u><u>5,356,547</u></u>

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

27 Related party transactions

- i. Parties where control exists
Parties where control exists include

Key Management Personnel:

Mr. Ravi Puravankara

Relatives of Key Management Personnel:

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

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

Purva Developments
Uniquepark Constructions Private Limited
Unique Constructions
Welworth
Puravankara Constructions
Handiman Services Limited
Dealwel – Proprietorship
Dealwel Finance Corporation
Tanya Trust
Amanda Trust

Puravankara Projects Limited

The transactions with related parties for the year are as follows:

Nature of Transaction	Associates		Key Management Personnel		Relatives of Key Management Personnel		Other Related Parties	
	31-Mar-09	31-Mar-08	31-Mar-09	31-Mar-08	31-Mar-09	31-Mar-08	31-Mar-09	31-Mar-08
Transactions during the year:								
Interest on loans								
Keppel Puravankara Development Private Limited	5,447,756	21,760,660	-	-	-	-	-	-
Keppel Magus Development Private Limited	5,927,383	-	-	-	-	-	-	-
Loans given to								
Keppel Puravankara Development Private Limited	3,031,991	-	-	-	-	-	-	-
Propmart Technologies Limited	13,000,000	-	-	-	-	-	-	-
Keppel Magus Development Private Limited	64,854,455	-	-	-	-	-	-	-
Loans repaid by								
Keppel Puravankara Development Private Limited	169,806,626	221,186,000	-	-	-	-	-	-
Propmart Technologies Limited	2,500,000	-	-	-	-	-	-	-
Loans taken from								
Ravi Puravankara	-	-	718,000,000	180,000,000	-	-	-	-
Puravankara Constructions	-	-	-	-	-	-	-	1,500,000
Loans repaid to								
Puravankara Constructions	-	-	-	-	-	-	-	109,970,000
Ravi Puravankara	-	-	298,000,000	295,936,935	-	-	-	-
Investments made in								
Keppel Magus Development Private Limited	-	221,186,000	-	-	-	-	-	-
Instalments paid for purchase of flats to								
Keppel Puravankara Development Private Limited	241,010	4,685,449	-	-	-	-	-	-
Purchase of land from:								
Geeta S Vhatkar	-	-	-	-	42,884,044	-	-	-
Value of flats sold to								
Ashish Puravankara	-	-	-	-	2,631,200	-	-	-
Aarti Panjabi	-	-	-	-	2,631,200	-	-	-
Suresh Puravankara	-	-	-	-	2,735,200	-	-	-
Amenda Puravankara	-	-	-	-	2,631,200	-	-	-
Tanya Puravankara	-	-	-	-	2,631,200	-	-	-
Vishalakshi Puravankara	-	-	-	-	2,519,200	-	-	-
Tanya Trust	-	-	-	-	-	-	8,039,000	-
Amanda Trust	-	-	-	-	-	-	10,397,000	-
Sale Consideration received on behalf of								
Puravankara Constructions	-	-	-	-	-	-	5,610,000	-
Security and Maintenance Charges paid to								
Handiman Services Limited	-	-	-	-	-	-	92,177,409	94,249,586
Rental Expenses paid to								
Puravankara Constructions	-	-	-	-	-	-	1,417,500	5,512,500
Dealwel	-	-	-	-	-	-	1,890,000	1,837,500
Rental Deposit paid to								
Dealwel	-	-	-	-	-	-	-	1,500,000
Remuneration paid to								
Ravi Puravankara	-	-	17,952,000	17,952,000	-	-	-	-
Ashish Puravankara	-	-	-	-	8,524,356	3,517,903	-	-
Geeta S Vhatkar	-	-	-	-	24,116	140,014	-	-

Puravankara Projects Limited

The transactions with related parties for the year are as follows:

Nature of Transaction	Associates		Key Management Personnel		Relatives of Key Management Personnel		Other Related Parties	
	31-Mar-09	31-Mar-08	31-Mar-09	31-Mar-08	31-Mar-09	31-Mar-08	31-Mar-09	31-Mar-08
Balances at the year end:								
Loans given to								
Propmart Technologies Limited	46,185,000	35,685,000	-	-	-	-	-	-
Keppel Puravankara Development Private Limited	27,051,514	192,943,633	-	-	-	-	-	-
Keppel Magus Development Private Limited	70,781,838	-	-	-	-	-	-	-
Advances for land contracts paid to								
Geeta S Vhatkar	-	-	-	-	142,300,016	185,184,060	-	-
Dues from								
Ravi Puravankara	-	-	-	50,000	-	-	-	-
Handiman Services Limited	-	-	-	-	-	-	-	2,542,926
Security Deposits paid to								
Dealwel	-	-	-	-	-	-	1,500,000	1,500,000
Puravankara Constructions	-	-	-	-	-	-	4,500,000	4,500,000
Dues to								
Handiman Services Limited	-	-	-	-	-	-	10,817,051	-
Puravankara Constructions	-	-	-	-	-	-	19,298,540	13,688,540
Purva Development	-	-	-	-	-	-	1,776,276	1,776,276
Purva Properties and Resorts Private Limited	-	-	-	-	-	-	15,000	15,000
Ravi Puravankara	-	-	419,950,000	-	-	-	-	-

Puravankara Projects Limited

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

Nature of Transaction	Associates		Key Management Personnel		Relatives of Key Management Personnel		Other Related Parties	
	31-Mar-09	31-Mar-08	31-Mar-09	31-Mar-08	31-Mar-09	31-Mar-08	31-Mar-09	31-Mar-08
<u>Transactions during the quarter:</u>								
Interest on loans								
Keppel Puravankara Development Private Limited	866,612	4,700,369	-	-	-	-	-	-
Keppel Magus Development Private Limited	2,011,731	-	-	-	-	-	-	-
Advances given to								
Ravi Puravankara	-	-	-	50,000	-	-	-	-
Loans repaid by								
Keppel Puravankara Development Private Limited	24,919,856	-	-	-	-	-	-	-
Propmart Technologies Limited	2,500,000	-	-	-	-	-	-	-
Loans taken from								
Puravankara Constructions	-	-	-	-	-	-	-	1,500,000
Loans repaid to								
Ravi Puravankara	-	-	50,000,000	-	-	-	-	-
Sale Consideration received on behalf of								
Puravankara Constructions	-	-	-	-	-	-	5,610,000	-
Security and Maintenance Charges paid to								
Handiman Services Limited	-	-	-	-	-	-	21,268,956	28,619,977
Rental Expenses paid to								
Puravankara Constructions	-	-	-	-	-	-	-	1,417,500
Dealwel	-	-	-	-	-	-	472,500	472,500
Rental Deposit paid to								
Dealwel	-	-	-	-	-	-	-	1,500,000
Remuneration paid to								
Ravi Puravankara	-	-	5,088,000	4,488,000	-	-	-	-
Ashish Puravankara	-	-	-	-	2,142,339	827,340	-	-
Geeta S Vhatkar	-	-	-	-	3,334	30,003	-	-
<u>Balances at the quarter end:</u>								
Loans given to								
Propmart Technologies Limited	46,185,000	35,685,000	-	-	-	-	-	-
Keppel Puravankara Development Private Limited	27,051,514	192,943,633	-	-	-	-	-	-
Keppel Magus Development Private Limited	70,781,838	-	-	-	-	-	-	-
Advances for land contracts paid to								
Geeta S Vhatkar	-	-	-	-	142,300,016	185,184,060	-	-
Dues from								
Ravi Puravankara	-	-	-	50,000	-	-	-	-
Handiman Services Limited	-	-	-	-	-	-	-	2,542,926
Security Deposits paid to								
Dealwel	-	-	-	-	-	-	1,500,000	1,500,000
Puravankara Constructions	-	-	-	-	-	-	4,500,000	4,500,000
Dues to								
Handiman Services Limited	-	-	-	-	-	-	10,817,051	-
Puravankara Constructions	-	-	-	-	-	-	19,298,540	13,688,540
Purva Development	-	-	-	-	-	-	1,776,276	1,776,276
Purva Properties and Resorts Private Limited	-	-	-	-	-	-	15,000	15,000
Ravi Puravankara	-	-	419,950,000	-	-	-	-	-

28 Employee benefits

A. Defined benefit plan

The Company has gratuity and vacation pay as defined benefit retirement plans for its employees. Disclosures as required by Revised AS 15 for the year ended 31 Mar 2009 are as under:

	For the year ended 31-Mar-09		For the year ended 31-Mar-08	
	Gratuity	Vacation Pay	Gratuity	Vacation Pay
	Rs.	Rs.	Rs.	Rs.
1 The amounts recognized in the Balance Sheet are as follows:				
Present value of the obligation as at the end of the year	10,891,235	14,079,902	8,669,908	10,556,288
Fair value of plan assets as at the end of the year	17,796,945	-	16,288,093	-
Net liability/(asset) recognized in the Balance Sheet	(6,905,710)	14,079,902	(7,618,185)	10,556,288
2 The amounts recognized in the Profit and Loss Account are as follows:				
Service cost	3,513,620	11,045,237	4,035,178	5,014,368
Interest cost	316,810	462,996	377,632	456,419
Expected return on plan assets	(1,120,071)	-	(359,574)	-
Net actuarial (gain)/loss recognized in the year	(1,997,884)	(100,507)	(488,512)	(619,738)
Expense recognized in the Profit and Loss Account of the year	712,475	11,407,726	3,564,724	4,851,049
3 Changes in the present value of defined benefit obligation				
Defined benefit obligation as at 1 April 2008	8,669,908	10,556,288	4,720,404	5,705,239
Service cost	3,513,620	11,045,237	4,035,178	5,014,368
Interest cost	316,810	462,996	377,632	456,419
Actuarial losses/(gains)	(1,028,935)	(100,507)	(369,824)	(619,738)
Benefits paid	(580,168)	(7,884,112)	(93,482)	-
Defined benefit obligation as at 31 Mar 2009	10,891,235	14,079,902	8,669,908	10,556,288
4 Changes in the fair value of plan assets				
Fair value as at 1 April 2008	16,288,093	-	4,491,680	-
Expected return on plan assets	1,120,071	-	359,574	-
Actuarial (loss)/ gains	968,949	-	118,688	-
Contributions	-	7,884,112	11,411,633	-
Benefits paid	(580,168)	(7,884,112)	(93,482)	-
Fair value as at 31 Mar 2009	17,796,945	-	16,288,093	-
Assumptions used in the above valuations are as under:				
Interest rate	7%	7%	8%	8%
Discount rate	7%	7%	8%	8%
Expected return on plan assets	7%	-	8%	-
Future salary increase	6%	6%	6%	6%
Attrition rate	5%	5%	5%	5%
Retirement age	60 years	60 years	60 years	60 years

B. Defined contribution plan

The Company makes contribution of statutory provident fund as per Employees Provident Fund and Miscellaneous Provision Act, 1952. This is a defined contribution plan as per Revised AS 15. Contribution made was Rs.2,064,697 and Rs.10,800,883 for the quarter and the year ended 31 March 2009 respectively and Rs.1,003,207 and Rs.7,498,323 for the quarter and the year ended 31 March 2008 respectively.

29 Segmental Information

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

30 Prior period comparatives

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

For and on behalf of the Board of Directors

Ravi Puravankara
Chairman and Managing Director

Nani R Choksey
Director

Ashish Puravankara
Director

Ravi Ramu
Director

Kiran Chappar
Company Secretary

Bangalore
30 April 2009

Puravankara Projects Limited
Consolidated Cash Flow Statement

	Year ended 31 March 2009 Rs.	Year ended 31 March 2008 Rs.
A. Cash flow from operating activities		
Profit before tax	1,470,162,710	2,467,478,497
Adjustments for:		
Depreciation and amortization	55,629,409	58,575,689
Assets deletion	-	8,682,331
Properties held for sale written down	87,759,757	-
(Profit) / loss on Sale of Fixed Assets	359,492	(7,491)
Interest income	(46,082,590)	(134,566,729)
Interest expense, net of capitalization	38,452,687	36,381,376
Share of (profit)/loss in Associates	(151,023,669)	(294,554,663)
Operating profit before working capital changes	1,455,257,796	2,141,989,010
Movements in working capital :		
(Increase) / Decrease in trade debtors	(322,509,438)	(364,814,807)
(Increase) / Decrease in inventories	(26,657,996)	(11,205,684)
(Increase) / Decrease in loans and advances	(153,569,945)	(558,200,677)
(Increase) / Decrease in properties under development	(1,148,578,821)	(1,327,872,971)
(Increase) / Decrease in properties held for sale	(151,755,417)	(394,153,134)
Increase / (Decrease) in current liabilities and provisions	45,949,589	(461,892,549)
Cash (used in) / received from operations	(301,864,232)	(976,150,812)
Direct taxes paid	(126,151,849)	(214,721,523)
Net cash from / (used in) operating activities	(428,016,081)	(1,190,872,335)
B. Cash flows from investing activities		
Purchase of fixed assets and decrease in Capital Work-In-Progress	(23,253,558)	(177,691,778)
Loans to associates	(80,886,446)	-
Proceeds from sale of fixed assets	1,059,000	2,785,000
Acquisition of Subsidiaries	-	(4,418,200)
Loans repaid by associates	172,306,626	221,186,000
Investment in Associates	-	(221,186,000)
Properties held for development	(201,051,969)	(5,060,896,252)
Interest received	37,069,662	133,950,156
Net cash from /(used in) investing activities	(94,756,685)	(5,106,271,074)
C. Cash flows from financing activities		
Proceeds from term loans	3,776,347,015	4,999,635,978
Repayment of term loans	(2,868,536,212)	(5,521,762,351)
Net proceeds from issuance of equity shares(including Share Premium)	-	8,008,283,540
Issue of Debentures	550,000,000	250,000,000
Repayment of Debentures	(250,000,000)	-
Proceeds from Commercial paper loan	-	1,250,000,000
Repayment of Commercial paper loan	(750,000,000)	(500,000,000)
Proceeds from /(repayments of) short-term borrowings	1,164,009,738	(935,255,794)
Loans from related parties	718,000,000	181,500,000
Loans repaid to related parties	(298,000,000)	(405,906,935)
Dividends paid including taxes	(499,298,127)	(210,591,000)
Interest paid	(1,101,524,689)	(842,702,352)
Net cash generated from financing activities	440,997,725	6,273,201,086
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(81,775,041)	(23,942,323)
Cash and cash equivalents at the beginning of the year	349,714,880	373,657,203
Cash and cash equivalents at the end of the year	267,939,839	349,714,880

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

For Walker, Chandio & Co.
Chartered Accountants

For and on behalf of the Board of Directors.

Per **Aashish Arjun Singh**
Partner

Ravi Puravankara
Chairman and
Managing Director

Nani R Choksey
Director

Ashish Puravankara
Director

Ravi Ramu
Director

Kiran Chappara
Company
Secretary

Membership No. 210122
Bangalore
30 April 2009

Bangalore
30 April 2009