

Consolidated Financial Statements

**Puravankara Projects Limited**

31 December 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 December 2009 and also the Consolidated Profit and Loss Account for the quarter and nine months ended on that date, and the Consolidated Cash Flow Statement for the nine months ended on that date, annexed thereto (collectively referred as the 'consolidated financial statements'). These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain consolidated entities, whose financial statements reflect total assets of Rs.2,429,309,618 as at 31 December 2009, the total revenue of Rs.800,000 for the quarter and nine months ended on that date and cash outflows amounting to Rs.570,230 for the nine months ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors. We did not audit the financial statements of an associate whose financial statements reflect the Group's share of profit of Rs.6,535,979 for the quarter ended 31 December 2009 and the Group's share of profit of Rs.5,067,580 for the nine months ended on that date in the consolidated financial statements. These financial statements have not been audited by other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard ('AS') 21, Consolidated Financial Statements, AS 23, Accounting for Investments in Associates in Consolidated Financial Statements and AS 25, Interim Financial Reporting notified pursuant to the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India, in case of:
  - (a) the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 December 2009;
  - (b) the Consolidated Profit and Loss Account, of the profit for the quarter and nine months ended on that date; and
  - (c) the Consolidated Cash Flow Statement, of the cash flows for the nine months ended on that date.

**For Walker, Chandiook & Co**  
**Chartered Accountants**

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

**Bangalore**  
**29 January 2010**

## Consolidated Balance Sheet

	Note	31 Dec 2009 Rs.	31 Dec 2008 Rs.	31 March 2009 Rs.
<b>Sources of Funds</b>				
<b>Shareholders' Funds</b>				
Share capital	3	1,067,121,675	1,067,121,675	1,067,121,675
Reserves and surplus	4	13,597,624,475	12,433,862,716	12,581,718,560
		<u>14,664,746,150</u>	<u>13,500,984,391</u>	<u>13,648,840,235</u>
<b>Loans</b>	5	8,325,668,688	8,268,803,911	8,145,826,229
<b>Deferred Tax Liability</b>	6	25,309,992	20,675,139	22,757,344
		<u>23,015,724,830</u>	<u>21,790,463,441</u>	<u>21,817,423,808</u>
<b>Application of Funds</b>				
<b>Fixed Assets</b>				
Cost	7	640,168,387	634,143,743	632,136,264
Less: Accumulated depreciation/amortization		210,374,077	156,681,140	169,224,805
Net book value		<u>429,794,310</u>	<u>477,462,603</u>	<u>462,911,459</u>
<b>Investments</b>	8	1,134,362,516	997,547,993	1,038,240,118
<b>Properties Held for Development</b>	9	13,393,283,992	13,839,276,910	13,924,347,522
<b>Current Assets, Loans and Advances</b>				
Cash and cash equivalents	10	811,913,871	697,579,713	267,939,839
Inventories		229,439,353	190,861,834	197,344,846
Trade debtors	11	1,268,357,722	1,047,016,157	1,146,147,509
Properties under development	12	6,485,289,233	5,093,278,956	5,699,751,109
Properties held for sale	13	872,806,749	948,243,839	973,503,851
Loans and advances	14	2,774,327,559	2,865,482,305	2,766,005,836
		<u>12,442,134,487</u>	<u>10,842,462,804</u>	<u>11,050,692,990</u>
<b>Less: Current Liabilities and Provisions</b>				
Current liabilities	15	4,306,805,857	4,357,485,039	4,644,688,379
Provisions	16	77,044,618	8,801,830	14,079,902
		<u>4,383,850,475</u>	<u>4,366,286,869</u>	<u>4,658,768,281</u>
<b>Net Current Assets</b>		<u>8,058,284,012</u>	<u>6,476,175,935</u>	<u>6,391,924,709</u>
		<u>23,015,724,830</u>	<u>21,790,463,441</u>	<u>21,817,423,808</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, Chandio & 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 Chappar**  
Company  
Secretary

Membership No. 210122

**Bangalore**  
29 January 2010

**Bangalore**  
29 January 2010

**Consolidated Profit and Loss Account**

	Note	Quarter ended 31 Dec 2009 Rs.	Quarter ended 31 Dec 2008 Rs.
<b>Revenues</b>	17	<b>731,938,432</b>	<b>800,406,491</b>
Cost of Revenues	18	336,740,938	556,932,261
<b>Gross Profit</b>		<b>395,197,494</b>	<b>243,474,230</b>
Selling expenses	19	52,968,682	29,902,496
General and administrative expenses	20	74,162,940	63,788,605
<b>Operating Profit</b>		<b>268,065,872</b>	<b>149,783,129</b>
Net finance income/(charges)	21	6,078,822	2,707,489
Profit before tax and share of profit in associates, net		274,144,694	152,490,618
Share of profit in associates, net		63,766,877	30,613,237
<b>Profit before tax</b>		<b>337,911,571</b>	<b>183,103,855</b>
Provision for tax	22	33,039,194	8,446,149
<b>Profit after tax</b>		<b>304,872,377</b>	<b>174,657,706</b>
<b>Earnings per share : Basic and diluted</b>	23	<b>1.43</b>	<b>0.82</b>

**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**  
**29 January 2010**

**Bangalore**  
**29 January 2010**

**Consolidated Profit and Loss Account**

	Note	9 months ended 31 Dec 2009 Rs.	9 months ended 31 Dec 2008 Rs.
<b>Revenues</b>	17	3,555,539,502	3,769,828,036
Cost of Revenues	18	1,963,934,568	2,179,750,453
<b>Gross Profit</b>		<u>1,591,604,934</u>	<u>1,590,077,583</u>
Selling expenses	19	137,949,368	176,059,464
General and administrative expenses	20	209,599,875	204,760,873
<b>Operating Profit</b>		<u>1,244,055,691</u>	<u>1,209,257,246</u>
Net finance income/(charges)	21	13,082,182	5,485,962
Profit before tax and share of profit in associates, net		<u>1,257,137,873</u>	<u>1,214,743,208</u>
Share of profit in associates, net		96,122,398	110,331,543
<b>Profit before tax</b>		<u>1,353,260,271</u>	<u>1,325,074,751</u>
Provision for tax	22	337,354,356	26,742,195
<b>Profit after tax</b>		<u>1,015,905,915</u>	<u>1,298,332,556</u>
<b>Earnings per share</b> : Basic and diluted	23	4.76	6.08

**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

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Chairman and  
Managing Director

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Director

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Director

**Ravi Ramu**  
Director

**Kiran Chappar**  
Company  
Secretary

Membership No. 210122

**Bangalore**  
29 January 2010

**Bangalore**  
29 January 2010

**Notes to the Consolidated Financial Statements****1. Significant Accounting Policies****a. Basis of preparation**

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

**b. Use of estimates**

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

**c. Basis of consolidation**

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

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

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

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

**d. Revenue recognition***Revenues from projects*

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

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

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

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

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

*Rental income*

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

## **e. Properties held for sale**

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

## **f. Properties held for development**

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

## **g. Fixed assets**

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

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

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

## **h. Depreciation**

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

## **i. Advertisement and Promotional expenses**

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

## **j. Impairment of Assets**

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

## **k. Cash and cash equivalents**

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

## **l. Inventory**

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

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

## **m. Foreign currency transactions**

### **(a) Initial Recognition**

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

### **(b) Conversion**

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

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



## **n. Leases**

### *Finance Leases*

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

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

### *Operating leases*

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

## **o. Employee benefits**

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 Employee Benefits "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 December 2009 comprise the entities listed below:

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

	Quarter ended 31 Dec 2009 Rs.	Quarter ended 31 Dec 2008 Rs.	Year ended 31 March 2009 Rs.
<b>3 Share Capital</b>			
<b>Authorised</b>			
320,000,000 Equity shares of Rs 5 each (31 Dec 2008- 240,000,000; 31 Mar 2009- 240,000,000) equity shares of Rs. 5 each	1,600,000,000	1,200,000,000	1,200,000,000
<b>Issued, subscribed and paid up</b>			
213,424,335 (31 Dec 2008- 213,424,335; 31 Mar 2009- 213,424,335) Equity shares of Rs.5 each fully paid-up	1,067,121,675	1,067,121,675	1,067,121,675
	<b>1,067,121,675</b>	<b>1,067,121,675</b>	<b>1,067,121,675</b>
<b>4 Reserves and Surplus</b>			
<b>Share Premium</b>	<b>7,988,811,915</b>	<b>7,986,811,915</b>	<b>7,988,811,915</b>
<b>General Reserve</b>	<b>298,000,000</b>	<b>298,000,000</b>	<b>298,000,000</b>
<b>Debenture Redemption Reserve</b>	<b>81,041,923</b>	<b>19,158,446</b>	<b>34,417,386</b>
<b>Profit and Loss Account</b>			
Balance at the beginning of the period	4,940,496,287	3,970,832,676	2,850,718,245
Add: Net profit for the period	304,872,377	174,657,706	1,444,188,400
Less: Transfer to Debenture Redemption Reserve	15,598,027	15,598,027	34,417,386
Balance at the end of the period	<b>5,229,770,637</b>	<b>4,129,892,355</b>	<b>4,260,489,259</b>
	<b>13,597,624,475</b>	<b>12,433,862,716</b>	<b>12,581,718,560</b>
<b>5 Loans</b>			
Secured Loans	8,285,668,688	7,518,803,911	8,105,826,229
Unsecured Loans - commercial papers	-	750,000,000	-
Unsecured Loans - short term loan from bank	40,000,000	-	40,000,000
	<b>8,325,668,688</b>	<b>8,268,803,911</b>	<b>8,145,826,229</b>

	9 months ended 31 Dec 2009 Rs.	9 months ended 31 Dec 2008 Rs.	Year ended 31 March 2009 Rs.
<b>3 Share Capital</b>			
<b>Authorised</b>			
320,000,000 Equity shares of Rs 5 each (31 Dec 2008- 240,000,000; 31 Mar 2009- 240,000,000) equity shares of Rs. 5 each	1,600,000,000	1,200,000,000	1,200,000,000
<b>Issued, subscribed and paid up</b>			
213,424,335 (31 Dec 2008- 213,424,335; 31 Mar 2009- 213,424,335) Equity shares of Rs.5 each fully paid-up	1,067,121,675	1,067,121,675	1,067,121,675
	<u>1,067,121,675</u>	<u>1,067,121,675</u>	<u>1,067,121,675</u>
<b>4 Reserves and Surplus</b>			
<b>Share Premium</b>	<u>7,988,811,915</u>	<u>7,986,811,915</u>	<u>7,988,811,915</u>
<b>General Reserve</b>	<u>298,000,000</u>	<u>298,000,000</u>	<u>298,000,000</u>
<b>Debenture Redemption Reserve</b>	<u>81,041,923</u>	<u>19,158,446</u>	<u>34,417,386</u>
<b>Profit and Loss Account</b>			
Balance at the beginning of the period	4,260,489,259	2,850,718,245	2,850,718,245
Add: Net profit for the period	1,015,905,915	1,298,332,556	1,444,188,400
Less: Transfer to Debenture Redemption Reserve	46,624,537	19,158,446	34,417,386
Balance at the end of the period	<u>5,229,770,637</u>	<u>4,129,892,355</u>	<u>4,260,489,259</u>
	<u>13,597,624,475</u>	<u>12,433,862,716</u>	<u>12,581,718,560</u>
<b>5 Loans</b>			
Secured Loans	8,285,668,688	7,518,803,911	8,105,826,229
Unsecured Loans - commercial papers	-	750,000,000	-
Unsecured Loans - short term loan from bank	40,000,000	-	40,000,000
	<u>8,325,668,688</u>	<u>8,268,803,911</u>	<u>8,145,826,229</u>

		31 Dec 2009	31 Dec 2008	31 March 2009
		Rs.	Rs.	Rs.
<b>Secured Loans</b>				
Term loans	(a)	4,854,000,005	6,925,577,564	6,001,937,343
Debentures	(b)	550,000,000	550,000,000	550,000,000
Cash Credit & Other loans	(c)	2,881,668,683	43,226,347	1,553,888,886
		<b><u>8,285,668,688</u></b>	<b><u>7,518,803,911</u></b>	<b><u>8,105,826,229</u></b>

(a) *Term Loans*

- i. On 5 August 2006, the Company entered into a term loan agreement with Standard Chartered Bank for Rs 1,000 million towards construction and development of its projects and for existing debt repayment, repayable in 24 monthly installments from the 15th month of the date of first drawdown (date of the first drawdown : 16 November 2006) . This facility is secured by mortgage of the land and building of certain specified projects and their project receipts and is also backed by the personal guarantee of Mr Ravi Puravankara, the Chairman and Managing Director of the Company. Additional facility of Rs.200 million was availed on 5 April 2007 against the same security as above, repayable in 24 monthly installments starting from 16 February 2008. In June 2009 this term loan has been rescheduled such that the monthly instalments due of Rs.50 million for next 8 months shall be migrated to overdraft as and when the instalment falls due. The resultant overdraft balance of Rs.400 million shall be repayable in 12 monthly instalments of Rs.33.33 million starting from 16 May 2010. The outstanding as on 31 December 2009 on this term loan was Rs. 50 million.
- ii. On 8 September 2008 the Company entered into a term loan agreement with HSBC for Rs.1,100 million, out of which Rs.350 million has been drawn as of 30 June 2009. This facility is secured by mortgage of the properties purchased at Mallasandra Village, Bangalore and receivables of the related project to be developed at the said property and the personal guarantee of Mr. Ravi Puravankara, the Chairman and Managing Director of the Company. The loan was originally repayable in 5 quarterly installments from July 2009 until July 2010. However, the repayment has been restructured in June 2009 such that the instalment due in July 2009 and pending instalments from August 2009 as per the schedule will be migrated to overdraft. This overdraft is repayable in 7 equal monthly instalments starting from July 2009. Consequently, the loan shall be fully repaid by January 2010. The outstanding as on 31 December 2009 was Rs. 50 million.
- iii. On 19 May 2007, Melmont Construction Pvt Ltd and Purva Realities Pvt Ltd entered into an agreement with HDFC Limited for a term loan of Rs.1,250 million. This facility is secured by mortgage of property at Edapally and proposed builtup area being constructed thereon, pledge of equity shares of Melmont Construction Pvt Ltd and Purva Realities Pvt Ltd held by the Company and personal guarantees of Mr. Ravi Puravankara, the Chairman and Managing Director and Mr. Nani R Choksey, Director of the Company. The tenor of the loan is 40 months. The outstanding as on 31 December 2009 was Rs. 684 million.
- iv. On 30 May 2008 the Company entered into a term loan agreement with ICICI Home Finance Company Limited for a term loan of Rs.1,250 million. Out of the sanctioned limit, the Company had drawn Rs.1,130 million as on 31 March 2009 and the balance of Rs.120 million in April 2009. This facility is secured by mortgage of the properties together with all buildings and structures thereon, both present and future and scheduled receivables of Purva Venezia and Purva Highlands and is also backed by the personal guarantee of Mr.Ravi Puravankara, the Chairman and Managing Director, Mr.Nani R Choksey and Mr. Ashish Puravankara, Directors of the Company, repayable in 16 monthly instalments commencing 15 June 2009. However, this loan was restructured in July 2009 such that it is repayable in 16 monthly instalments commencing 15 October 2010 including Rs.78.1 million due on 15 June 2009. The outstanding as on 31 December 2009 was Rs. 1,250 million.
- v. On 04 December 2008 the Company entered into an agreement with Life Insurance Corporation of India for a loan of Rs.2,000 million. This facility is secured by mortgage of land at Marine Drive, Kochi, the receivables and is also backed by the personal guarantee of Mr.Ravi Puravankara, the Chairman and Managing Director of the Company. The loan is repayable in 14 equal quarterly installments commencing from January 2010. The outstanding as on 31 December 2009 was Rs. 2,000 million.
- vi. On 3 June 2008, the Company entered into an agreement with ICICI Bank for a term loan facility up to a maximum of Rs.1,250 million. This facility is secured by mortgage of the properties together with all buildings and structures thereon, both present and future, scheduled receivables of Purva Venezia and Purva Highlands, lands at Uganavadi village and Kaikondanahalli village and is also backed by the personal guarantee of Mr.Ravi Puravankara, the Chairman and Managing Director, Mr.Nani R Choksey and Mr. Ashish Puravankara, Directors of the Company. The loan is repayable in 12 monthly instalments starting from 15 March 2011. Out of the first tranche of Rs.740 million, the company has drawn Rs. 570 million as on 31 December 2009.
- vii. On 06 October 2009, Provident Housing Limited entered into an agreement with LIC Housing Finance Limited for a term loan of Rs.1,150 million. This facility is secured by mortgage of property at Pudupakkam Chennai, negative lien of unsold flats being constructed thereon, hypothecation of receivables of Cosmocity project, corporate guarantee of Puravankara Projects Limited and personal guarantees of Mr.Ravi Puravankara, Mr.Nani R Choksey and Mr. Ashish Puravankara, Directors of the Company. The tenor of the loan is 30 months with moratorium period of 15 months for repayment. The outstanding as on 31 December 2009 was Rs.250 million.

(b) *Debentures*

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

(c) *Cash Credit & Other Loans*

- i. On 19 August 2004 the Company entered into an agreement with Andhra Bank for a cash credit facility of Rs.150 million which was further enhanced to Rs.200 million in the month of October 2008. This facility is secured against the properties of the Company. The outstanding as on 31 December 2009 was Rs. 189.45 million.
- ii. On 20 June 2008 the Company entered into an agreement with IDBI Bank for a working capital facility of Rs.1,000 million which is secured against the properties of the Company and personal guarantee of Mr.Ravi Puravankara, the Chairman and Managing Director of the Company. The outstanding as on 31 December 2009 was Rs. 979.44 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 December 2009 was Rs. 539.38 million.
- iv. As stated in paragraph (a) i above, from June 2009 to December 2009 an amount of Rs. 350 million has been migrated from term loan to overdraft by Standard Chartered Bank which is secured by mortgage of the land and building of certain specified projects and their project receipts and is also backed by the personal guarantee of Mr Ravi Puravankara, the Chairman and Managing Director of the Company. The outstanding as on 31 December 2009 on this overdraft account was Rs. 340.37 million.
- v. On 8 January 2008 the Company entered into a term loan agreement with HSBC for Rs.1,350 million which was originally payable in quarterly installments from October 2008 till October 2009 and Rs.350 million was payable in quarterly installments, from January 2009 till October 2009. However, this loan was restructured in June 2009 such that the instalments due as of 29 June 2009 and also remaining amounts were migrated into overdraft on the due dates of the instalments as per the earlier repayment schedule. The resultant overdraft is repayable in 13 monthly instalments after a moratorium of 14 months. From June 2009 to December 2009 an amount of Rs.832.5 million has been migrated from term loan to overdraft which is secured by mortgage of the land and building of Purva Swanlake project and receivables of Purva Swanlake and Purva Moneto. The outstanding as on 31 December 2009 on this overdraft account was Rs. 827.76 million.
- vi. Other loans represent loans taken for purchase of vehicles. These loans are secured by a charge against respective vehicles. The outstanding as on 31 December 2009 was Rs. 5.26 million.

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

	31 Dec 2009	31 Dec 2008	31 March 2009
	Rs.	Rs.	Rs.
Term loans	1,573,916,632	3,482,484,999	2,789,794,491
Debentures, Overdrafts and Other loans	1,084,869,965	787,553,779	8,272,575
	<u>2,658,786,597</u>	<u>4,270,038,778</u>	<u>2,798,067,066</u>

**Unsecured Loans**

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

**6 Deferred Tax Liability**

Deferred tax liability arising on account of Depreciation	25,309,992	20,675,139	22,757,344
	<u>25,309,992</u>	<u>20,675,139</u>	<u>22,757,344</u>

7. Fixed Assets

Category of assets	Cost				Accumulated Depreciation/Amortization				Net Book Value	
	Opening Balance	Additions during the period	Deletions during the period	Closing Balance	Opening Balance	Charge for the period	Deletions during the period	Closing Balance	As at 31 Dec 2009	As at 31 March 2009
<b><u>Tangible Assets</u></b>										
Buildings	37,074,680	-	-	37,074,680	1,622,550	455,307	-	2,077,857	34,996,823	35,452,130
Plant & Machinery	265,428,730	1,706,670	-	267,135,400	39,694,590	9,563,261	-	49,257,851	217,877,549	225,734,140
Office Equipment	12,638,433	310,043	-	12,948,476	2,711,962	485,050	-	3,197,012	9,751,464	9,926,471
Computers	21,239,113	1,182,650	-	22,421,763	9,792,371	2,466,010	-	12,258,381	10,163,382	11,446,742
Furniture & Fixtures	12,179,034	135,055	-	12,314,089	4,333,378	546,641	-	4,880,019	7,434,070	7,845,656
Vehicles	65,295,967	5,270,967	586,782	69,980,152	21,924,238	4,898,310	471,001	26,351,547	43,628,605	43,371,729
Shuttering Material	198,115,907	-	-	198,115,907	82,235,446	20,914,496	-	103,149,942	94,965,965	115,880,461
<b><u>Intangible Assets</u></b>										
Computer Software	20,164,400	13,520	-	20,177,920	6,910,270	2,291,198	-	9,201,468	10,976,452	13,254,130
<b>Total</b>	<b>632,136,264</b>	<b>8,618,905</b>	<b>586,782</b>	<b>640,168,387</b>	<b>169,224,805</b>	<b>41,620,273</b>	<b>471,001</b>	<b>210,374,077</b>	<b>429,794,310</b>	<b>462,911,459</b>
<b>Last year</b>	<b>611,312,180</b>	<b>23,253,558</b>	<b>2,429,474</b>	<b>632,136,264</b>	<b>114,606,379</b>	<b>55,629,409</b>	<b>1,010,983</b>	<b>169,224,805</b>	<b>462,911,459</b>	

	Quarter ended 31 Dec 2009 Rs.	Quarter ended 31 Dec 2008 Rs.	Year ended 31 March 2009 Rs.
<b>8 Investments</b>			
<b>Investment in Associates:</b>			
(Unquoted and fully paid up, including share of profit / loss)			
Keppel Puravankara Development Private Limited			
4,410,000 Equity Shares (31 Dec 2008- 4,410,000; 31 Mar 2009- 4,410,000) of Rs.10 each at par	740,750,236	599,961,993	649,695,418
17,640,000 13.25% cumulative, redeemable, convertible Preference Shares (31 Dec 2008- 17,640,000; 31 Mar 2009- 17,640,000) of Rs.10 each at par	176,400,000	176,400,000	176,400,000
Keppel Magus Development Private Limited			
362,600 Equity shares (31 Dec 2008- 362,600; 31 Mar 2009- 362,600) of Rs.610 each, fully paid	217,212,280	221,186,000	212,144,700
	<b>1,134,362,516</b>	<b>997,547,993</b>	<b>1,038,240,118</b>
<b>9 Properties Held for Development</b>			
At the beginning of the period	13,337,686,455	13,630,451,871	12,919,611,415
Add : Additions during the period	55,597,537	208,825,039	1,848,529,369
Less: Transferred to Properties Under Development	-	-	843,793,262
	<b>13,393,283,992</b>	<b>13,839,276,910</b>	<b>13,924,347,522</b>
<b>10 Cash and Cash Equivalents</b>			
Cash in hand	4,752,905	4,944,196	3,415,727
Balances with Banks:			
In current accounts	660,024,512	515,099,071	130,082,273
In deposit account	147,136,454	177,536,446	134,441,839
	<b>811,913,871</b>	<b>697,579,713</b>	<b>267,939,839</b>
<b>11 Trade Debtors</b>			
(Unsecured and considered good)			
Debts outstanding over six months	779,255,163	438,823,646	642,394,812
Debts outstanding less than six months	489,102,559	608,192,511	503,752,697
	<b>1,268,357,722</b>	<b>1,047,016,157</b>	<b>1,146,147,509</b>
<b>12 Properties Under Development</b>			
Land cost	3,021,171,953	2,183,624,246	2,834,966,699
Material and construction cost	7,967,277,699	5,876,378,461	6,268,722,686
Profit recognized to-date	2,708,166,908	1,962,250,307	2,182,399,000
Less: Progress payments received and receivable	7,211,327,327	4,928,974,058	5,586,337,276
	<b>6,485,289,233</b>	<b>5,093,278,956</b>	<b>5,699,751,109</b>
<b>13 Properties Held for Sale</b>			
At the beginning of the period	914,981,515	865,080,870	909,508,192
Add : Additions during the period	13,776,404	213,145,654	372,910,952
Less: Sales during the period	78,585,755	83,740,474	221,155,536
Less: Write downs during the period	-	46,242,211	87,759,757
Add: Write backs during the period	22,634,585	-	-
	<b>872,806,749</b>	<b>948,243,839</b>	<b>973,503,851</b>



	9 months ended 31 Dec 2009 Rs.	9 months ended 31 Dec 2008 Rs.	Year ended 31 March 2009 Rs.
<b>8 Investments</b>			
<b>Investment in Associates:</b>			
(Unquoted and fully paid up, including share of profit / loss)			
Keppel Puravankara Development Private Limited 4,410,000 Equity Shares (31 Dec 2008- 4,410,000; 31 Mar 2009- 4,410,000) of Rs.10 each at par	740,750,236	599,961,993	649,695,418
17,640,000 13.25% cumulative, redeemable, convertible Preference Shares (31 Dec 2008- 17,640,000; 31 Mar 2009- 17,640,000) of Rs.10 each at par	176,400,000	176,400,000	176,400,000
Keppel Magus Development Private Limited 362,600 Equity shares (31 Dec 2008- 362,600; 31 Mar 2009- 362,600) of Rs.610 each, fully paid	217,212,280	221,186,000	212,144,700
	<b><u>1,134,362,516</u></b>	<b><u>997,547,993</u></b>	<b><u>1,038,240,118</u></b>
<b>9 Properties Held for Development</b>			
At the beginning of the period	13,924,347,522	12,919,611,415	12,919,611,415
Add : Additions during the period	180,374,757	1,037,164,658	1,848,529,369
Less: Deletions during the period	691,669,822	-	-
Less: Transferred to Properties Under Development	19,768,465	117,499,163	843,793,262
	<b><u>13,393,283,992</u></b>	<b><u>13,839,276,910</u></b>	<b><u>13,924,347,522</u></b>
<b>10 Cash and Cash Equivalents</b>			
Cash in hand	4,752,905	4,944,196	3,415,727
Balances with Banks:			
In current accounts	660,024,512	515,099,071	130,082,273
In deposit account	147,136,454	177,536,446	134,441,839
	<b><u>811,913,871</u></b>	<b><u>697,579,713</u></b>	<b><u>267,939,839</u></b>
<b>11 Trade Debtors</b>			
(Unsecured and considered good)			
Debts outstanding over six months	779,255,163	438,823,646	642,394,812
Debts outstanding less than six months	489,102,559	608,192,511	503,752,697
	<b><u>1,268,357,722</u></b>	<b><u>1,047,016,157</u></b>	<b><u>1,146,147,509</u></b>
<b>12 Properties Under Development</b>			
Land cost	3,021,171,953	2,183,624,246	2,834,966,699
Material and construction cost	7,967,277,699	5,876,378,461	6,268,722,686
Profit recognized to-date	2,708,166,908	1,962,250,307	2,182,399,000
Less: Progress payments received and receivable	7,211,327,327	4,928,974,058	5,586,337,276
	<b><u>6,485,289,233</u></b>	<b><u>5,093,278,956</u></b>	<b><u>5,699,751,109</u></b>
<b>13 Properties Held for Sale</b>			
At the beginning of the period	973,503,851	909,508,192	909,508,192
Add : Additions during the period	93,139,278	300,996,595	372,910,952
Less: Sales during the period	184,473,253	216,018,737	221,155,536
Less: Write downs during the period	31,997,712	46,242,211	87,759,757
Add: Write backs during the period	22,634,585	-	-
	<b><u>872,806,749</u></b>	<b><u>948,243,839</u></b>	<b><u>973,503,851</u></b>

	31 Dec 2009	31 Dec 2008	31 March 2009
	Rs.	Rs.	Rs.
<b>14 Loans and Advances</b>			
Advances to suppliers	401,304,066	203,895,570	264,043,186
Advances for land contracts	1,136,352,049	1,087,979,003	1,113,473,571
Deposits	502,402,641	560,299,844	509,238,659
Loans to associates	152,340,987	168,559,864	144,018,352
Advance tax (net of provision)	-	100,668,974	92,953,783
Taxes and duties recoverable	410,728,034	460,102,365	443,030,667
Prepaid expenses	1,370,995	3,648,449	983,764
Other advances	169,828,787	280,328,236	198,263,854
	<b><u>2,774,327,559</u></b>	<b><u>2,865,482,305</u></b>	<b><u>2,766,005,836</u></b>

The above are unsecured & considered good.

#### 15 Current Liabilities

Advances received from customers	3,117,010,021	2,894,673,867	2,951,626,710
Duties and taxes payable	1,603,214	12,737,597	16,728,926
Security deposits	36,510,036	35,893,286	35,352,566
Trade creditors	558,661,062	829,636,078	1,052,156,017
Dues to related parties	502,781,024	490,592,845	451,856,867
Other liabilities	90,147,156	93,832,744	136,873,819
Unpaid Dividend	93,344	118,622	93,474
	<b><u>4,306,805,857</u></b>	<b><u>4,357,485,039</u></b>	<b><u>4,644,688,379</u></b>

#### 16 Provisions

Provision for gratuity	9,194,693	-	-
Provision for vacation pay	10,230,640	8,801,830	14,079,902
Provision for tax (net of advance tax)	57,619,285	-	-
	<b><u>77,044,618</u></b>	<b><u>8,801,830</u></b>	<b><u>14,079,902</u></b>

	Quarter ended 31 Dec 2009 Rs.	Quarter ended 31 Dec 2008 Rs.
<b>17 Revenues</b>		
Revenues from projects	718,689,113	783,094,520
Rental income	8,391,652	10,027,533
Income from interiors	4,857,667	7,284,438
	<b>731,938,432</b>	<b>800,406,491</b>
<b>18 Cost of Revenues</b>		
Construction cost		
Material and contract costs	140,518,861	327,193,086
Staff costs	41,370,902	41,748,739
Depreciation	10,663,232	10,770,069
Other direct costs	105,608,004	125,523,957
	298,160,999	505,235,851
Land cost	38,579,939	51,696,410
	<b>336,740,938</b>	<b>556,932,261</b>
<b>19 Selling Expenses</b>		
Staff costs	10,054,624	9,144,590
Advertising and sales promotion	35,008,407	17,511,693
Sales incentives and commission	1,556,974	822,662
Brokerage and referral charges	4,235,247	804,471
Travel and conveyance	1,158,310	772,141
Communication	604,093	474,939
Depreciation	351,027	372,000
	<b>52,968,682</b>	<b>29,902,496</b>
<b>20 General and Administrative Expenses</b>		
Staff costs	41,161,183	29,583,019
Depreciation	2,874,085	2,917,646
Rates and taxes	6,628,461	11,711,131
Repairs and maintenance	3,077,271	4,459,459
Legal and professional charges	7,829,009	2,590,937
Audit fees	600,000	750,000
Communication costs	2,658,158	1,899,756
Printing and stationery	735,446	1,790,396
Travelling and conveyance	4,918,674	3,220,721
Security charges	3,143,257	1,580,920
Foreign exchange loss/(gain)	-	730,178
Miscellaneous expenses	537,396	2,554,442
	<b>74,162,940</b>	<b>63,788,605</b>

	<b>9 months ended 31 Dec 2009</b>	<b>9 months ended 31 Dec 2008</b>
	Rs.	Rs.
<b>17 Revenues</b>		
Revenues from projects	3,507,996,172	3,715,759,274
Rental income	20,096,102	27,701,287
Income from interiors	27,447,228	26,367,475
	<b><u>3,555,539,502</u></b>	<b><u>3,769,828,036</u></b>
<b>18 Cost of Revenues</b>		
Construction cost		
Material and contract costs	622,623,291	1,387,998,354
Staff costs	102,834,871	164,403,341
Depreciation	31,902,193	32,098,073
Other direct costs	338,982,117	366,563,189
	<u>1,096,342,472</u>	<u>1,951,062,957</u>
Land cost	867,592,096	228,687,496
	<b><u>1,963,934,568</u></b>	<b><u>2,179,750,453</u></b>
<b>19 Selling Expenses</b>		
Staff costs	23,565,168	27,574,801
Advertising and sales promotion	100,710,362	134,403,866
Sales incentives and commission	3,413,677	4,232,052
Brokerage and referral charges	4,998,666	3,929,989
Travel and conveyance	2,574,360	2,982,777
Communication	1,624,084	1,694,571
Depreciation	1,063,051	1,241,408
	<b><u>137,949,368</u></b>	<b><u>176,059,464</u></b>
<b>20 General and Administrative Expenses</b>		
Staff costs	100,329,460	88,093,768
Depreciation	8,655,029	8,731,084
Rates and taxes	26,960,425	33,803,555
Repairs and maintenance	20,563,661	14,653,302
Legal and professional charges	19,526,424	9,831,565
Audit fees	1,802,907	2,150,000
Communication costs	6,925,505	6,778,283
Printing and stationery	2,816,193	9,450,373
Travelling and conveyance	11,519,225	15,923,954
Security charges	9,491,664	6,125,967
Foreign exchange loss/(gain)	(1,140,788)	263,507
Miscellaneous expenses	2,150,170	8,955,515
	<b><u>209,599,875</u></b>	<b><u>204,760,873</u></b>

	<b>Quarter ended 31 Dec 2009</b>	<b>Quarter ended 31 Dec 2008</b>
	Rs.	Rs.
<b>21 Finance Income/(Charges)</b>		
Interest expenses on loans and cash credits	(273,516,408)	(239,953,670)
Loan and other processing charges	(14,229,415)	(29,335,980)
Less:		
Expended as part of Cost of Revenue	58,506,227	19,786,703
Capitalized and included in Properties Under Development	193,043,331	128,727,329
Capitalized and included in Properties Held for Development	32,366,587	108,531,661
Less: Finance Income:		
Bank deposits	1,827,284	3,937,054
Loan to associates	2,788,629	3,095,931
Interest received from customers	5,292,587	7,918,461
	<b><u>6,078,822</u></b>	<b><u>2,707,489</u></b>
<b>22 Provision for tax</b>		
Current tax	10,871,532	6,812,135
Tax of earlier years	21,800,000	-
Deferred tax charge/(credit)	367,662	1,634,014
	<b><u>33,039,194</u></b>	<b><u>8,446,149</u></b>
<b>23 Earnings Per Share</b>		
Weighted average number of shares outstanding during the quarter	<b><u>213,424,335</u></b>	<b><u>213,424,335</u></b>
Net profit after tax attributable to equity shareholders	304,872,377	174,657,706
Earnings per share:		
Basic and diluted	1.43	0.82
Nominal value per equity share	<b><u>5.00</u></b>	<b><u>5.00</u></b>

	<b>9 months ended 31 Dec 2009</b>	<b>9 months ended 31 Dec 2008</b>
	Rs.	Rs.
<b>21 Finance Income/(Charges)</b>		
Interest expenses on loans and cash credits	(868,288,142)	(641,277,758)
Loan and other processing charges	(55,394,232)	(62,953,580)
Less:		
Expended as part of Cost of Revenue	173,984,758	28,879,518
Capitalized and included in Properties Under Development	613,865,644	166,893,411
Capitalized and included in Properties Held for Development	116,709,089	476,720,926
Less: Finance Income:		
Bank deposits	11,441,196	11,530,829
Loan to associates	8,151,361	8,496,797
Interest received from customers	12,612,508	17,195,819
	<b><u>13,082,182</u></b>	<b><u>5,485,962</u></b>
<b>22 Provision for tax</b>		
Current tax	313,001,708	46,000,565
Tax of earlier years	21,800,000	-
Deferred tax charge/(credit)	2,552,648	10,554,525
Minimum Alternate Tax credit	-	(29,812,895)
	<b><u>337,354,356</u></b>	<b><u>26,742,195</u></b>

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

**23 Earnings Per Share**

Weighted average number of shares outstanding during the period	<u>213,424,335</u>	<u>213,424,335</u>
Net profit after tax attributable to equity shareholders	1,015,905,915	1,298,332,556
Earnings per share:		
Basic and diluted	4.76	6.08
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

The disclosures for the quarter ended 31 December 2009 have been provided below:

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

	<b>31 Dec 2009</b>	
	<b>Shares arising out of options (Numbers)</b>	<b>Weighted average exercise price Rs</b>
As at 1 October 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 December 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 December 2009 was Rs. 465.86 and they had weighted average remaining contractual life of 12 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:

	<b>Quarter ended 31 Dec 2009 Rs.</b>	<b>Quarter ended 31 Dec 2008 Rs.</b>
Net profit, as reported	304,872,377	174,657,706
Add: Stock-based employee compensation expense included in the Profit and loss account	-	-
Less: Stock based employee compensation expense determined under the fair value method	3,241,049	7,349,391
Proforma net income	<u>301,631,328</u>	<u>167,308,315</u>
<b>Earnings per share – Basic</b>		
As reported	1.43	0.82
Pro forma	1.41	0.78
<b>Earnings per share – Diluted</b>		
As reported	1.43	0.82
Pro forma	<u>1.41</u>	<u>0.78</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 disclosures for the nine months ended 31 December 2009 have been provided below:

The weighted average exercise price for options movement during the nine months ended 31 December 2009 is as follows:

	<b>31 Dec 2009</b>	
	<b>Shares arising out of options (Numbers)</b>	<b>Weighted average exercise price Rs</b>
As at 1 April 2009	966,000	465.86
Granted during the period		
Forfeited during the period	-	-
Lapsed during the period	-	-
Cancelled during the period	-	-
Exercised during the period	-	-
As at 31 December 2009	<u>966,000</u>	<u>465.86</u>
Exercisable at the end of the period	<u>483,000</u>	<u>465.86</u>

The weighted average exercise price of the options outstanding at 31 December 2009 was Rs. 465.86 and they had weighted average remaining contractual life of 12 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:

	<b>9 months ended 31 Dec 2009 Rs.</b>	<b>9 months ended 31 Dec 2008 Rs.</b>
Net profit, as reported	1,015,905,915	1,298,332,556
Add: Stock-based employee compensation expense included in the Profit and loss account	-	-
Less: Stock based employee compensation expense determined under the fair value method	12,216,827	21,968,288
Proforma net income	<u>1,003,689,088</u>	<u>1,276,364,268</u>
<b>Earnings per share – Basic</b>		
As reported	4.76	6.08
Pro forma	4.70	5.98
<b>Earnings per share – Diluted</b>		
As reported	4.76	6.08
Pro forma	<u>4.70</u>	<u>5.98</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.8,397,639 and Rs.27,406,434 for the quarter and nine months ended 31 December 2009 respectively and Rs. 9,686,880 and Rs. 30,249,753 for the quarter and nine months ended 31 December 2008 respectively. Lease commitments as at the Balance Sheet date were as follows:-

Particulars	31 Dec 2009	31 Dec 2008	31 Mar 2009
	Rs.	Rs.	Rs.
a) Within one year	3,454,222	5,662,023	1,203,567
b) Within one to five years	2,715,344	3,915,977	3,618,291
Total	<u>6,169,566</u>	<u>9,578,000</u>	<u>4,821,858</u>

*Sublease*

The Company has sub let one of the properties under a non cancellable operating lease agreement. These lease agreements are for the period ranging between 1 to 5 years. Lease income was Rs. 8,391,652 and Rs. 20,096,102 for the quarter and nine months ended 31 December 2009 respectively and Rs. 10,027,533 and Rs. 27,701,287 for the quarter and nine months ended 31 December 2008 respectively. Minimum amount of future lease rental receivable under these agreements are:-

	31 Dec 2009	31 Dec 2008	31 Mar 2009
	Rs.	Rs.	Rs.
a) Within one year	4,500,303	12,035,341	10,791,614
b) Within one to five years	1,400,545	6,874,614	4,970,407
	<u>5,900,848</u>	<u>18,909,955</u>	<u>15,762,021</u>

**26 Other commitments and contingencies**

a) Demand from Service Tax Department	17,100,000	-	17,100,000
b) Show cause notices received from various authorities	-	8,200,000	-

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.

The Company has received Income tax assessment orders for the Assessment years from 2002-03 till 2008-09 during this quarter. As per the orders there is a net demand of Rs. 24.93 crores for all the years taken together. Against this demand the Company has provided for Rs. 2.18 crores in the financial statements . The Company after making appropriate legal consultations believes that the demand by the department is not tenable and is confident on the reversal of the demand. Accordingly an appeal has been filed by the Company with the appropriate authority against the orders.

**27 Related party transactions**

i. Parties where control exists

Parties where control exists include

**Key Management Personnel:**

Mr. Ravi Puravankara

**Relatives of Key Management Personnel:**

Ms.Geeta S Vhatkar

Ms.Aarti Panjabi

Mr. Ashish Puravankara

Mr.Suresh Puravankara

Ms.Amanda Puravankara

Ms.Tanya Puravankara

Ms.Vishalakshi Puravankara

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

Purva Developments

Uniquepark Constructions Private Limited

Unique Constructions

Welworth

Puravankara Investments

Handiman Services Limited

Dealwel – Proprietorship

Dealwel Finance Corporation

Tanya Trust

Amanda Trust

# Puravankara Projects Limited

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

Nature of Transaction	Associates		Key Management Personnel		Relatives of Key Management Personnel		Other Related Parties	
	31-Dec-09	31-Dec-08	31-Dec-09	31-Dec-08	31-Dec-09	31-Dec-08	31-Dec-09	31-Dec-08
<b><u>Transactions during the quarter:</u></b>								
<b>Interest on loans</b>								
Keppel Puravankara Development Private Limited	543,742	1,098,769	-	-	-	-	-	-
Keppel Magus Development Private Limited	2,244,887	1,997,162	-	-	-	-	-	-
<b>Loans repaid to</b>								
Ravi Puravankara	-	-	29,406,614	-	-	-	-	-
<b>Loans received from</b>								
Ravi Puravankara	-	-	406,614	470,000,000	-	-	-	-
<b>Security and maintenance expenses</b>								
Handiman Services Limited	-	-	-	-	-	-	21,827,867	17,529,979
<b>Rental expenses</b>								
Dealwel	-	-	-	-	-	-	520,932	472,500
<b>Remuneration</b>								
Ravi Puravankara	-	-	5,088,000	3,600,000	-	-	-	-
Ashish Puravankara	-	-	-	-	2,127,339	2,124,999	-	-
<b><u>Balances at the quarter end:</u></b>								
<b>Loans given to</b>								
Propmart Technologies Limited	47,985,000	48,685,000	-	-	-	-	-	-
Keppel Puravankara Development Private Limited	27,055,739	51,104,757	-	-	-	-	-	-
Keppel Magus Development Private Limited	77,300,249	68,770,107	-	-	-	-	-	-
<b>Advances for land contracts paid to</b>								
Geeta S Vhatkar	-	-	-	-	142,300,016	142,300,016	-	-
<b>Security Deposits paid to</b>								
Dealwel	-	-	-	-	-	-	1,500,000	1,500,000
Puravankara Investments	-	-	-	-	-	-	4,500,000	4,500,000
<b>Dues from</b>								
Aarti Panjabi	-	-	-	-	28,660,750	-	-	-
<b>Dues to</b>								
Handiman Services Limited	-	-	-	-	-	-	5,261,208	5,163,029
Puravankara Investments	-	-	-	-	-	-	19,778,540	13,688,540
Purva Development	-	-	-	-	-	-	1,776,276	1,776,276
Purva Properties and Resorts Private Limited	-	-	-	-	-	-	15,000	15,000
Ravi Puravankara	-	-	475,950,000	469,950,000	-	-	-	-

## Puravankara Projects Limited

**(iii) The transactions with related parties for the nine months are as follows:**

Nature of Transaction	Associates		Key Management Personnel		Relatives of Key Management Personnel		Other Related Parties	
	31-Dec-09	31-Dec-08	31-Dec-09	31-Dec-08	31-Dec-09	31-Dec-08	31-Dec-09	31-Dec-08
<b>Transactions during the period:</b>								
<b>Interest on loans</b>								
Keppel Puravankara Development Private Limited	1,632,950	4,581,145	-	-	-	-	-	-
Keppel Magus Development Private Limited	6,518,411	3,915,652	-	-	-	-	-	-
<b>Loans given to</b>								
Propmart Technologies Limited	2,150,000	13,000,000	-	-	-	-	-	-
Keppel Magus Development Private Limited	-	64,854,455	-	-	-	-	-	-
Keppel Puravankara Development Private Limited	-	3,031,991	-	-	-	-	-	-
<b>Loans received from</b>								
Ravi Puravankara	-	-	96,406,614	718,000,000	-	-	-	-
Puravankara Investments	-	-	-	-	-	-	480,000	-
<b>Loans repaid to</b>								
Ravi Puravankara	-	-	40,406,614	248,000,000	-	-	-	-
<b>Loans repaid by</b>								
Keppel Puravankara Development Private Limited	-	144,886,770	-	-	-	-	-	-
Propmart Technologies Limited	350,000	-	-	-	-	-	-	-
<b>Purchase of land from:</b>								
Geetha S Vhatkar	-	-	-	-	-	42,884,044	-	-
<b>Installments paid for purchase of flats to</b>								
Keppel Puravankara Development Private Limited	-	241,010	-	-	-	-	-	-
<b>Value of flats sold to</b>								
Ashish Puravankara	-	-	-	-	-	2,631,200	-	-
Aarti Panjabi	-	-	-	-	-	2,631,200	-	-
Suresh Puravankara	-	-	-	-	-	2,735,200	-	-
Amanda Puravankara	-	-	-	-	-	2,631,200	-	-
Tanya Puravankara	-	-	-	-	-	2,631,200	-	-
Vishalakshi Puravankara	-	-	-	-	-	2,519,200	-	-
Tanya Trust	-	-	-	-	-	-	-	8,039,000
Amanda Trust	-	-	-	-	-	-	-	10,397,000
<b>Security and maintenance expenses</b>								
Handiman Services Limited	-	-	-	-	-	-	56,545,993	70,092,557
<b>Rental expenses</b>								
Puravankara Investments	-	-	-	-	-	-	-	1,417,500
Dealwel	-	-	-	-	-	-	1,513,182	1,417,500
<b>Remuneration</b>								
Ravi Puravankara	-	-	12,864,000	10,800,000	-	-	-	-
Ashish Puravankara	-	-	-	-	6,382,017	6,374,997	-	-
Geeta S Vhatkar	-	-	-	-	-	10,001	-	-

**28 Employee benefits**

**A. Defined benefit plan**

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

	31 December 2009		31 December 2008	
	Gratuity Rs.	Vacation Pay Rs.	Gratuity Rs.	Vacation Pay Rs.
<b>1</b> The amounts recognized in the Balance Sheet are as follows:				
Present value of the obligation as at the end of the period	37,848,270	10,230,640	11,241,703	8,801,830
Fair value of plan assets as at the end of the period	(28,653,577)	-	(18,247,905)	-
Net liability/(asset) recognized in the Balance Sheet	<b>9,194,693</b>	<b>10,230,640</b>	<b>(7,006,202)</b>	<b>8,801,830</b>
<b>2</b> The amounts recognized in the Profit and Loss Account are as follows:				
Service cost	3,357,614	1,208,280	3,012,465	1,021,372
Interest cost	636,188	771,724	382,160	633,377
Expected return on plan assets	(1,363,647)	-	(966,423)	-
Past service cost	23,745,068	-	-	-
Net actuarial (gain)/loss recognized in the period	159,406	(3,393,579)	(1,813,219)	(3,409,207)
Expense recognized in the Profit and Loss Account of the period	<b>26,534,629</b>	<b>(1,413,575)</b>	<b>614,983</b>	<b>(1,754,458)</b>
<b>3</b> Changes in the present value of defined benefit obligation				
Defined benefit obligation as at beginning of the period	10,891,235	14,079,902	8,669,908	10,556,288
Service cost	3,357,614	1,208,280	3,012,465	1,021,372
Interest cost	636,188	771,724	382,160	633,377
Past Service cost	23,745,068	-	-	-
Actuarial losses/(gains)	(205,631)	(3,393,579)	(454,739)	(3,409,207)
Benefits paid	(576,204)	(2,435,687)	(368,091)	-
Defined benefit obligation as at the end of the period	<b>37,848,270</b>	<b>10,230,640</b>	<b>11,241,703</b>	<b>8,801,830</b>
<b>4</b> Changes in the fair value of plan assets				
Fair value as at the beginning of the period	17,799,945	-	16,291,093	-
Expected return on plan assets	1,363,647	-	966,423	-
Actuarial (loss)/ gains	(365,037)	-	1,358,480	-
Contributions	10,431,226	2,435,687	-	-
Benefits paid	(576,204)	(2,435,687)	(368,091)	-
Fair value as at the end of the period	<b>28,653,577</b>	<b>-</b>	<b>18,247,905</b>	<b>-</b>
Assumptions used in the above valuations are as under:				
Interest rate	8%	8%	8%	8%
Discount rate	8%	8%	8%	8%
Expected return on plan assets	8%	-	8%	-
Future salary increase	6%	6%	6%	6%
Attrition rate	5%	5%	5%	5%
Retirement age	<b>60 years</b>	<b>60 years</b>	<b>60 years</b>	<b>60 years</b>

**B. Defined contribution plan**

The Company makes contribution of statutory provident fund as per Employees Provident Funds and Miscellaneous Provisions Act, 1952. This is a defined contribution plan as per AS 15. Contribution made was Rs. 1,830,200 and Rs. 5,660,326 for the quarter and nine months ended 31 December 2009 respectively and Rs. 1,994,317 and Rs. 7,490,729 for the quarter and nine months ended 31 December 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

Revenues from Projects for the nine months ended 31 December 2009 includes Rs.1,632,153,150 from sale of land.

## 31 Prior period comparatives

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

**For and on behalf of the Board of Directors**

**Ravi Puravankara**  
Chairman and Managing Director

**Nani R Choksey**  
Director

**Ashish Puravankara**  
Director

**Ravi Ramu**  
Director

**Kiran Chappar**  
Company Secretary

**Bangalore**  
29 January 2010

**Puravankara Projects Limited**  
**Consolidated Cash Flow Statement**

	<b>9 months ended 31 Dec 2009 Rs.</b>	<b>9 months ended 31 Dec 2008 Rs.</b>
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>1,353,260,271</b>	<b>1,325,074,751</b>
Adjustments for:		
Depreciation and amortization	41,620,273	42,074,761
Properties held for sale written down	31,997,712	46,242,211
Properties held for sale written back	(22,634,585)	-
Profit on sale of fixed assets	(136,219)	-
Interest income	(32,205,066)	(37,223,445)
Interest expense, net of capitalization	19,122,883	31,737,483
Share of (profit)/loss in Associates	(96,122,398)	(110,331,543)
<b>Operating profit before working capital changes</b>	<b>1,294,902,871</b>	<b>1,297,574,218</b>
Movements in working capital :		
(Increase) / Decrease in trade debtors	(122,210,212)	(223,378,086)
(Increase) / Decrease in inventories	(32,094,507)	(20,174,984)
(Increase) / Decrease in loans and advances	(84,254,573)	63,020,977
(Increase) / Decrease in properties under development	22,080,742	(1,115,831,193)
(Increase) / Decrease in properties held for sale	91,333,974	(84,977,858)
Increase / (Decrease) in current liabilities and provisions	(347,123,920)	(265,059,675)
<b>Cash (used in) / received from operations</b>	<b>822,634,375</b>	<b>(348,826,601)</b>
Direct taxes paid	(203,169,031)	(119,614,849)
<b>Net cash from / (used in) operating activities</b>	<b>619,465,344</b>	<b>(468,441,450)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets and decrease in Capital Work-In-Progress	(8,618,905)	(22,831,563)
Loans to associates	(2,150,000)	(80,886,446)
Proceeds from sale of fixed assets	252,000	-
Loans repaid by associates	350,000	144,886,770
Properties held for development	628,004,154	(266,262,826)
Interest received	16,984,135	26,303,871
<b>Net cash from / (used in) investing activities</b>	<b>634,821,384</b>	<b>(198,790,194)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from term loans	940,000,000	3,776,347,015
Repayment of term loans	(841,979,990)	(1,942,729,606)
Issue of Debentures	-	550,000,000
Repayment of Debentures	-	(250,000,000)
Proceeds from /(repayments of) short-term borrowings	81,822,448	(388,819,175)
Loans from related parties	96,886,614	718,000,000
Loans repaid to related parties	(40,406,614)	(248,000,000)
Dividends paid including taxes	-	(499,272,979)
Interest paid	(946,635,154)	(700,428,778)
<b>Net cash generated from / (used in) financing activities</b>	<b>(710,312,696)</b>	<b>1,015,096,477</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>543,974,032</b>	<b>347,864,833</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>267,939,839</b>	<b>349,714,880</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>811,913,871</b>	<b>697,579,713</b>

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**   **Ashish Puravankara**  
Director            Director

**Ravi Ramu**  
Director

**Kiran Chappar**  
Company  
Secretary

Membership No. 210122

**Bangalore**  
**29 January 2010**

**Bangalore**  
**29 January 2010**