Consolidated Financial Statements

Puravankara Projects Limited

31 March 2010

Puravankara Projects Limited

Contents

Auditors' report

The Board of Directors
Puravankara Projects Limited

1. We have audited the attached Consolidated Balance Sheet of Puravankara Projects Limited ('the Company'), its subsidiaries and associates (collectively referred to as 'the Group') as at 31 March 2010 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 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.2,592,570,683 as at 31 March 2010, the total revenue of Rs.1,011,084 for the quarter and Rs.1,811,084 for the year ended on that date and cash outflows amounting to Rs.502,728 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 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.6,703,692 for the quarter and Rs.11,771,272 for the year ended on that date in the consolidated financial statements. These financial statements have not been audited by other auditors.

4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard ('AS') 21, Consolidated Financial Statements, AS 23, Accounting for Investments in Associates in Consolidated Financial Statements and AS 25, Interim Financial Reporting notified pursuant to the Companies (Accounting Standards) Rules, 2006.

5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India, in case of:

   (a) the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2010;

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

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

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

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

Bangalore
29 April 2010

Puravankara Projects Limited

Consolidated Balance Sheet

	Note	31 Mar 2010 Rs.	31 Mar 2009 Rs.
Sources of Funds			
Shareholders' Funds			
Share capital	3	1,067,121,675	1,067,121,675
Reserves and surplus	4	13,785,207,845	12,581,718,560
		14,852,329,520	**13,648,840,235**
Loans	5	**8,810,655,156**	**8,145,826,229**
Deferred Tax Liability	6	**8,649,584**	**22,757,344**
		23,671,634,260	**21,817,423,808**
Application of Funds			
Fixed Assets			
Cost	7	642,035,308	632,136,264
Less: Accumulated depreciation/amortization		279,693,958	169,224,805
Net book value		**362,341,350**	**462,911,459**
Investments	8	**1,191,067,268**	**1,038,240,118**
Properties Held for Development	9	**13,527,720,074**	**13,924,347,522**
Current Assets, Loans and Advances			
Cash and cash equivalents	10	782,151,422	267,939,839
Inventories		226,811,381	197,344,846
Trade debtors	11	1,112,004,657	1,146,147,509
Properties under development	12	6,801,817,190	5,699,751,109
Properties held for sale	13	852,453,104	973,503,851
Loans and advances	14	2,883,044,521	2,766,005,836
		12,658,282,275	**11,050,692,990**
Less: Current Liabilities and Provisions			
Current liabilities	15	3,786,423,595	4,644,688,379
Provisions	16	281,353,112	14,079,902
		4,067,776,707	**4,658,768,281**
Net Current Assets		**8,590,505,568**	**6,391,924,709**
		23,671,634,260	**21,817,423,808**

Significant accounting policies 1

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

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

For Walker, Chandiok & Co

Chartered Accountants

Per Aashish Arjun Singh
Partner

Bangalore
29 April 2010

For and on behalf of the Board of Directors

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

Bangalore
29 April 2010

Puravankara Projects Limited

Consolidated Profit and Loss Account

	Note	Quarter ended 31 Mar 2010 Rs.	Quarter ended 31 Mar 2009 Rs.
Revenues	**17**	**1,228,080,207**	**679,213,898**
Cost of Revenues	**18**	784,191,246	459,156,433
Gross Profit		**443,888,961**	**220,057,465**
Selling expenses	**19**	32,562,942	39,748,297
General and administrative expenses	**20**	72,849,236	78,057,273
Operating Profit		**338,476,783**	**102,251,895**
Net finance income/(charges)	**21**	2,822,555	2,143,941
Profit before tax and share of profit in associates, net		341,299,338	104,395,836
Share of profit in associates, net		56,704,753	40,692,125
Profit before tax		**398,004,091**	**145,087,961**
Provision for tax	**22**	(39,275,080)	(767,884)
Profit after tax		**437,279,171**	**145,855,845**
Earnings per share : Basic and diluted	**23**	**2.05**	**0.68**

Significant accounting policies **1**

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

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

For Walker, Chandiok & Co
Chartered Accountants

For and on behalf of the Board of Directors

Per Aashish Arjun Singh
Partner

Ravi Puravankara
Chairman and Managing Director

Nani R Choksey
Director

Ashish Puravankara
Director

Kiran Chappar
Company Secretary

Bangalore
29 April 2010

Bangalore
29 April 2010

Puravankara Projects Limited

Consolidated Profit and Loss Account

	Note	Year ended 31 Mar 2010 Rs.	Year ended 31 Mar 2009 Rs.
Revenues	**17**	**4,783,619,708**	**4,449,041,934**
Cost of Revenues	**18**	2,748,125,813	2,638,906,886
Gross Profit		**2,035,493,895**	**1,810,135,048**
Selling expenses	**19**	170,512,310	215,807,760
General and administrative expenses	**20**	282,449,110	282,818,150
Operating Profit		**1,582,532,475**	**1,311,509,138**
Net finance income/(charges)	**21**	15,904,736	7,629,903
Profit before tax and share of profit in associates, net		1,598,437,211	1,319,139,041
Share of profit in associates, net		152,827,150	151,023,669
Profit before tax		**1,751,264,361**	**1,470,162,710**
Provision for tax	**22**	298,079,275	25,974,310
Profit after tax		**1,453,185,086**	**1,444,188,400**
Earnings per share : Basic and diluted	**23**	**6.81**	**6.77**

Significant accounting policies **1**

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

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

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

Puravankara Projects Limited

Notes to the Consolidated Financial Statements

1. Significant Accounting Policies

a. Basis of preparation

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

b. Use of estimates

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

c. Basis of consolidation

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

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

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

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

d. Revenue recognition

Revenues from projects

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

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

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

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

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

Rental income

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

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 March 2010 comprise the entities listed below:

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

	Quarter ended 31 Mar 2010 Rs.	Quarter ended 31 Mar 2009 Rs.
3 Share Capital		
Authorised		
320,000,000 Equity shares of Rs 5 each (31 Mar 2009- 240,000,000 equity shares of Rs. 5 each)	1,600,000,000	1,200,000,000
Issued, subscribed and paid up		
213,424,335 (31 Mar 2009- 213,424,335) Equity shares of Rs.5 each fully paid-up	1,067,121,675	1,067,121,675
	1,067,121,675	**1,067,121,675**

(Of the above, 176,000,000 (31 Mar 2009 - 176,000,000) equity shares are allotted as fully paid-up by way of bonus shares from share premium account/Profit & Loss account)

	Quarter ended 31 Mar 2010 Rs.	Quarter ended 31 Mar 2009 Rs.
4 Reserves and Surplus		
Share Premium	**7,988,811,915**	**7,988,811,915**
General Reserve	**400,500,000**	**298,000,000**
Debenture Redemption Reserve	**96,300,863**	**34,417,386**
Profit and Loss Account		
Balance at the beginning of the period	5,229,770,637	4,129,892,355
Add: Net profit for the period	437,279,171	145,855,845
Less: Transfer to Debenture Redemption Reserve	15,258,940	15,258,941
Less: Proposed Dividend	213,424,335	-
Less: Tax on distribution of dividend	36,271,466	-
Less: Transfer to General Reserve	102,500,000	-
Balance at the end of the period	**5,299,595,067**	**4,260,489,259**
	13,785,207,845	**12,581,718,560**
5 Loans		
Secured Loans	8,725,655,156	8,105,826,229
Unsecured Loans - short term loan from bank	85,000,000	40,000,000
	8,810,655,156	**8,145,826,229**

	Year ended 31 Mar 2010 Rs.	Year ended 31 Mar 2009 Rs.
3 Share Capital		
Authorised		
320,000,000 Equity shares of Rs 5 each (31 Mar 2009- 240,000,000 equity shares of Rs. 5 each)	1,600,000,000	1,200,000,000
Issued, subscribed and paid up		
213,424,335 (31 Mar 2009- 213,424,335) Equity shares of Rs.5 each fully paid-up	1,067,121,675	1,067,121,675
	1,067,121,675	**1,067,121,675**

(Of the above, 176,000,000 (31 Mar 2009 - 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	**7,988,811,915**	**7,988,811,915**
General Reserve	**400,500,000**	**298,000,000**
Debenture Redemption Reserve	**96,300,863**	**34,417,386**
Profit and Loss Account		
Balance at the beginning of the year	4,260,489,259	2,850,718,245
Add: Net profit for the year	1,453,185,086	1,444,188,400
Less: Transfer to Debenture Redemption Reserve	61,883,477	34,417,386
Less: Proposed Dividend	213,424,335	-
Less: Tax on distribution of dividend	36,271,466	-
Less: Transfer to General Reserve	102,500,000	-
Balance at the end of the year	**5,299,595,067**	**4,260,489,259**
	13,785,207,845	**12,581,718,560**
5 Loans		
Secured Loans	8,725,655,156	8,105,826,229
Unsecured Loans - short term loan from bank	85,000,000	40,000,000
	8,810,655,156	**8,145,826,229**

		31 Mar 2010	31 Mar 2009
		Rs.	Rs.
Secured Loans			
Term loans	(a)	5,122,967,850	6,001,937,343
Debentures	(b)	550,000,000	550,000,000
Cash Credit & Other loans	(c)	3,052,687,306	1,553,888,886
		8,725,655,156	**8,105,826,229**

(a) *Term Loans*

i. On 8 September 2008 the Company entered into a term loan agreement with HSBC for Rs.1,100 million, out of which Rs.350 million has been drawn as of 30 June 2009. This facility is secured by mortgage of the properties purchased at Mallasandra Village, Bangalore and receivables of the related project to be developed at the said property and the personal guarantee of Mr. Ravi Puravankara, the Chairman and Managing Director of the Company. The loan was originally repayable in 5 quarterly installments from July 2009 untill July 2010. However, the repayment has been restructured in June 2009 such that the instalment due in July 2009 and pending instalments from August 2009 as per the schedule will be migrated to overdraft. The outstanding as on 31 March 2010 was Rs.140 million.

ii. On 19 May 2007, Melmont Construction Pvt Ltd and Purva Realities Pvt Ltd entered into an agreement with HDFC Limited for a term loan of Rs.1,250 million. This facility is secured by mortgage of property at Edapally and proposed builtup area being constructed thereon, pledge of equity shares of Melmont Construction Pvt Ltd and Purva Realities Pvt Ltd held by the Company and personal guarantees of Mr. Ravi Puravankara, the Chairman and Managing Director and Mr. Nani R Choksey, Director of the Company. The tenor of the loan is 40 months. The outstanding as on 31 March 2010 was Rs. 456 million.

iii. On 30 May 2008 the Company entered into a term loan agreement with ICICI Home Finance Company Limited for a term loan of Rs.1,250 million. Out of the sanctioned limit, the Company had drawn Rs.1,130 million as on 31 March 2009 and the balance of Rs.120 million in April 2009. This facility is secured by mortgage of the properties together with all buildings and structures thereon, both present and future and scheduled receivables of Purva Venezia and Purva Highlands and is also backed by the personal guarantee of Mr.Ravi Puravankara, the Chairman and Managing Director, Mr.Nani R Choksey and Mr. Ashish Puravankara, Directors of the Company, repayable in 16 monthly instalments commencing 15 June 2009. However, this loan was restructured in July 2009 such that it is repayable in 16 monthly instalments commencing 15 October 2010 including Rs.78.1 million due on 15 June 2009. The outstanding as on 31 March 2010 was Rs. 1,250 million.

iv. On 3 June 2008, the Company entered into an agreement with ICICI Bank for a term loan facility up to a maximum of Rs.1,250 million. This facility is secured by mortgage of the properties together with all buildings and structures thereon, both present and future, scheduled receivables of Purva Venezia and Purva Highlands, lands at Uganavadi village and Kaikondanahalli village and is also backed by the personal guarantee of Mr.Ravi Puravankara, the Chairman and Managing Director, Mr.Nani R Choksey and Mr. Ashish Puravankara, Directors of the Company. The loan is repayable in 12 monthly instalments starting from 15 March 2011. The outstanding as on 31 March 2010 was Rs. 820 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 March 2010 was Rs. 1,857.14 million.

vi. On 06 October 2009, Provident Housing Limited entered into an agreement with LIC Housing Finance Limited for a term loan of Rs.1,150 million. This facility is secured by mortgage of property at Pudupakkam Chennai, negative lien of unsold flats being constructed thereon, hypothecation of receivables of Cosmocity project, corporate guarantee of Puravankara Projects Limited and personal guarantees of Mr.Ravi Puravankara, Mr.Nani R Choksey and Mr. Ashish Puravankara, Directors of the Company. The tenor of the loan is 30 months with moratorium period of 15 months for repayment. The outstanding as on 31 March 2010 was Rs.599.83 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 and 500 million in the month of March 2010. This facility is secured against the properties of the Company. The outstanding as on 31 March 2010 was Rs. 490.16 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 March 2010 was Rs. 983.41 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 2010 was Rs. 535.04 million.

iv. On 5 August 2006, the Company entered into a term loan agreement with Standard Chartered Bank for Rs 1,000 million towards construction and development of its projects and for existing debt repayment, repayable in 24 monthly 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 were migrated to overdraft as and when the instalment fell due. The resultant overdraft balance of Rs.400 million shall be repayable in 12 monthly instalments of Rs.33.33 million starting from 16 May 2010. As a result, from June 2009 to March 2010 an amount of Rs. 400 million has been migrated from term loan to overdraft. The outstanding as on 31 March 2010 on this overdraft account was Rs. 356.85 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 March 2010 on this overdraft account was Rs. 683.69 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 March 2010 was Rs. 3.54 million.

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

	31 Mar 2010	31 Mar 2009
	Rs.	Rs.
Term loans	1,800,706,301	2,789,794,491
Debentures, Overdrafts and Other loans	1,305,247,613	8,272,575
	3,105,953,914	2,798,067,066

Unsecured Loans

i. On 12 March 2009 Deutsche Bank has sanctioned a short term working capital facility of Rs.400 million to the Company. This facility is secured by the personal assets of Mr. Ravi Puravankara, the Chairman and Managing Director of the Company. The outstanding as on 31 March 2010 was Rs.85 million.

6 Deferred Tax Liability

Deferred tax liability arising on account of Depreciation	8,649,584	22,757,344
	8,649,584	**22,757,344**

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 Mar 2010	As at 31 Mar 2009
Tangible Assets										
Buildings	37,074,680	-	-	37,074,680	1,622,550	604,317	-	2,226,867	34,847,813	35,452,130
Plant & Machinery	265,428,730	1,706,670	-	267,135,400	39,694,590	32,338,287	-	72,032,877	195,102,523	225,734,140
Office Equipment	12,638,433	630,011	-	13,268,444	2,711,962	655,565	-	3,367,527	9,900,917	9,926,471
Computers	21,239,113	1,781,197	-	23,020,310	9,792,371	3,291,996	-	13,084,367	9,935,943	11,446,742
Furniture & Fixtures	12,179,034	1,083,461	-	13,262,495	4,333,378	718,439	-	5,051,817	8,210,678	7,845,656
Vehicles	65,295,967	5,270,967	586,782	69,980,152	21,924,238	6,560,350	471,001	28,013,587	41,966,565	43,371,729
Shuttering Material	198,115,907	-	-	198,115,907	82,235,446	63,768,666	-	146,004,112	52,111,795	115,880,461
Intangible Assets										
Computer Software	20,164,400	13,520	-	20,177,920	6,910,270	3,002,534	-	9,912,804	10,265,116	13,254,130
Total	**632,136,264**	**10,485,826**	**586,782**	**642,035,308**	**169,224,805**	**110,940,154**	**471,001**	**279,693,958**	**362,341,350**	**462,911,459**
Last year	**611,312,180**	**23,253,558**	**2,429,474**	**632,136,264**	**114,606,379**	**55,629,409**	**1,010,983**	**169,224,805**	**462,911,459**	

Puravankara Projects Limited

	Quarter ended 31 Mar 2010	Quarter ended 31 Mar 2009
	Rs.	Rs.
8 Investments		
Investment in Associates:		
(Unquoted and fully paid up, including share of profit / loss)		
Keppel Puravankara Development Private Limited		
4,410,000 Equity Shares (31 Mar 2009- 4,410,000) of Rs.10 each at par	790,751,296	649,695,418
17,640,000 13.25% cumulative, redeemable, convertible Preference Shares (31 Mar 2009- 17,640,000) of Rs.10 each at par	176,400,000	176,400,000
Keppel Magus Development Private Limited		
362,600 Equity shares (31 Mar 2009- 362,600) of Rs.610 each, fully paid	223,915,972	212,144,700
	1,191,067,268	**1,038,240,118**
9 Properties Held for Development		
At the beginning of the period	13,393,283,992	13,839,276,910
Add : Additions during the period	134,436,082	811,364,711
Less: Transferred to Properties Under Development	-	726,294,099
	13,527,720,074	**13,924,347,522**
10 Cash and Cash Equivalents		
Cash in hand	4,750,579	3,415,727
Balances with Banks:		
In current accounts	620,972,631	130,082,273
In deposit account	156,428,212	134,441,839
	782,151,422	**267,939,839**
11 Trade Debtors		
(Unsecured and considered good)		
Debts outstanding over six months	587,143,423	642,394,812
Debts outstanding less than six months	524,861,234	503,752,697
	1,112,004,657	**1,146,147,509**
12 Properties Under Development		
Land cost	3,030,098,510	2,834,966,699
Material and construction cost	8,337,645,457	6,268,722,686
Profit recognized to-date	3,057,886,297	2,182,399,000
Less: Progress payments received and receivable	7,623,813,074	5,586,337,276
	6,801,817,190	**5,699,751,109**
13 Properties Held for Sale		
At the beginning of the period	872,806,749	948,243,839
Add : Additions during the period	64,074,445	71,914,356
Less: Sales during the period	84,428,090	5,136,798
Less: Write downs during the period	-	41,517,546
	852,453,104	**973,503,851**

	Year ended 31 Mar 2010 Rs.	Year ended 31 Mar 2009 Rs.
8 Investments		
Investment in Associates:		
(Unquoted and fully paid up, including share of profit / loss)		
Keppel Puravankara Development Private Limited		
4,410,000 Equity Shares (31 Mar 2009- 4,410,000) of Rs.10 each at par	790,751,296	649,695,418
17,640,000 13.25% cumulative, redeemable, convertible Preference Shares (31 Mar 2009- 17,640,000) of Rs.10 each at par	176,400,000	176,400,000
Keppel Magus Development Private Limited		
362,600 Equity shares (31 Mar 2009- 362,600) of Rs.610 each, fully paid	223,915,972	212,144,700
	1,191,067,268	**1,038,240,118**
9 Properties Held for Development		
At the beginning of the year	13,924,347,522	12,919,611,415
Add : Additions during the year	314,810,839	1,848,529,369
Less: Deletions during the year	691,669,822	-
Less: Transferred to Properties Under Development	19,768,465	843,793,262
	13,527,720,074	**13,924,347,522**
10 Cash and Cash Equivalents		
Cash in hand	4,750,579	3,415,727
Balances with Banks:		
In current accounts	620,972,631	130,082,273
In deposit account	156,428,212	134,441,839
	782,151,422	**267,939,839**
11 Trade Debtors		
(Unsecured and considered good)		
Debts outstanding over six months	587,143,423	642,394,812
Debts outstanding less than six months	524,861,234	503,752,697
	1,112,004,657	**1,146,147,509**
12 Properties Under Development		
Land cost	3,030,098,510	2,834,966,699
Material and construction cost	8,337,645,457	6,268,722,686
Profit recognized to-date	3,057,886,297	2,182,399,000
Less: Progress payments received and receivable	7,623,813,074	5,586,337,276
	6,801,817,190	**5,699,751,109**
13 Properties Held for Sale		
At the beginning of the year	973,503,851	909,508,192
Add : Additions during the year	157,213,723	372,910,952
Less: Sales during the year	268,901,343	221,155,536
Less: Write downs during the year	31,997,712	87,759,757
Add: Write backs during the year	22,634,585	-
	852,453,104	**973,503,851**

	31 Mar 2010	31 Mar 2009
	Rs.	Rs.
14 Loans and Advances		
Advances to suppliers	444,327,391	264,043,186
Advances for land contracts	1,151,732,819	1,113,473,571
Deposits	521,324,651	509,238,659
Loans to associates	174,067,759	144,018,352
Advance tax (net of provision)	62,435,660	92,953,783
Taxes and duties recoverable	385,417,621	443,030,667
Prepaid expenses	1,416,721	983,764
Other advances	142,321,899	198,263,854
	2,883,044,521	**2,766,005,836**

The above are unsecured & considered good.

	31 Mar 2010	31 Mar 2009
15 Current Liabilities		
Advances received from customers	2,550,164,297	2,951,626,710
Duties and taxes payable	11,054,327	16,728,926
Security deposits	30,796,146	35,352,566
Trade creditors	576,839,585	1,052,156,017
Dues to related parties	457,690,877	451,856,867
Other liabilities	159,785,019	136,873,819
Unpaid Dividend	93,344	93,474
	3,786,423,595	**4,644,688,379**
16 Provisions		
Provision for gratuity	15,709,003	-
Provision for vacation pay	15,948,308	14,079,902
Proposed dividend	213,424,335	-
Tax on proposed dividend	36,271,466	-
	281,353,112	**14,079,902**

	Quarter ended 31 Mar 2010 Rs.	Quarter ended 31 Mar 2009 Rs.
17 Revenues		
Revenues from projects	1,221,122,768	659,460,257
Rental income	5,081,955	10,278,999
Income from interiors	1,875,484	9,474,642
	1,228,080,207	**679,213,898**
18 Cost of Revenues		
Construction cost		
Material and contract costs	473,320,436	268,265,555
Staff costs	37,437,914	46,818,351
Depreciation	66,107,382	10,449,647
Other direct costs	89,108,389	80,738,532
	665,974,121	406,272,085
Land cost	118,217,125	52,884,348
	784,191,246	**459,156,433**
19 Selling Expenses		
Staff costs	9,532,137	10,264,939
Advertising and sales promotion	9,986,610	26,666,111
Sales incentives and commission	2,047,540	401,461
Brokerage and referral charges	9,102,537	785,830
Travel and conveyance	1,252,924	787,539
Communication	288,389	502,359
Depreciation	352,805	340,058
	32,562,942	**39,748,297**
20 General and Administrative Expenses		
Staff costs	42,598,882	36,213,288
Depreciation	2,859,696	2,764,577
Rates and taxes	6,204,063	11,847,368
Repairs and maintenance	1,110,014	6,689,694
Legal and professional charges	6,216,918	6,794,616
Audit fees	875,750	574,160
Communication costs	1,447,254	2,040,312
Printing and stationery	916,159	640,903
Travelling and conveyance	3,764,241	3,441,928
Security charges	3,623,862	3,677,832
Foreign exchange loss/(gain)	467,955	418,742
Miscellaneous expenses	2,764,442	2,953,853
	72,849,236	**78,057,273**

	Year ended 31 Mar 2010 Rs.	Year ended 31 Mar 2009 Rs.
17 Revenues		
Revenues from projects	4,729,118,939	4,375,219,531
Rental income	25,178,057	37,980,286
Income from interiors	29,322,712	35,842,117
	4,783,619,708	**4,449,041,934**

	Year ended 31 Mar 2010 Rs.	Year ended 31 Mar 2009 Rs.
18 Cost of Revenues		
Construction cost		
Material and contract costs	1,095,943,727	1,656,263,909
Staff costs	140,272,784	211,221,692
Depreciation	98,009,575	42,547,720
Other direct costs	428,090,506	447,301,721
	1,762,316,592	2,357,335,042
Land cost	985,809,221	281,571,844
	2,748,125,813	**2,638,906,886**

	Year ended 31 Mar 2010 Rs.	Year ended 31 Mar 2009 Rs.
19 Selling Expenses		
Staff costs	33,097,305	37,839,740
Advertising and sales promotion	110,696,972	161,069,977
Sales incentives and commission	5,461,217	4,633,513
Brokerage and referral charges	14,101,203	4,715,819
Travel and conveyance	3,827,284	3,770,316
Communication	1,912,473	2,196,929
Depreciation	1,415,856	1,581,466
	170,512,310	**215,807,760**

	Year ended 31 Mar 2010 Rs.	Year ended 31 Mar 2009 Rs.
20 General and Administrative Expenses		
Staff costs	142,928,342	124,307,057
Depreciation	11,514,723	11,495,661
Rates and taxes	33,164,488	45,650,922
Repairs and maintenance	21,673,675	21,342,996
Legal and professional charges	25,743,342	16,676,180
Audit fees	2,678,657	2,674,160
Communication costs	8,372,760	8,818,594
Printing and stationery	3,732,352	10,091,276
Travelling and conveyance	15,283,466	19,365,882
Security charges	13,115,526	9,803,799
Foreign exchange loss/(gain)	(672,832)	682,249
Miscellaneous expenses	4,914,611	11,909,374
	282,449,110	**282,818,150**

	Quarter ended 31 Mar 2010 Rs.	Quarter ended 31 Mar 2009 Rs.
21 Finance Income/(Charges)		
Interest expenses on loans and cash credits	(296,231,947)	(255,347,356)
Loan and other processing charges	(11,253,912)	(36,367,767)
Less:		
Expended as part of Cost of Revenue	73,760,600	54,893,526
Capitalized and included in Properties Under Development	201,653,383	228,989,287
Capitalized and included in Properties Held for Development	22,575,126	1,117,106
Less: Finance Income:		
Bank deposits	1,602,322	(85,915)
Loan to associates	2,776,208	2,878,343
Interest received from customers	7,940,775	6,066,717
	2,822,555	**2,143,941**
22 Provision for tax		
Current tax	(814,672)	(2,850,090)
Tax of earlier years	(21,800,000)	-
Deferred tax charge/(credit)	(16,660,408)	2,082,206
	(39,275,080)	**(767,884)**
23 Earnings Per Share		
Weighted average number of shares outstanding during the quarter	213,424,335	213,424,335
Net profit after tax attributable to equity shareholders	437,279,171	145,855,845
Earnings per share:		
Basic and diluted	2.05	0.68
Nominal value per equity share	5.00	5.00

	Year ended 31 Mar 2010 Rs.	Year ended 31 Mar 2009 Rs.
21 Finance Income/(Charges)		
Interest expenses on loans and cash credits	(1,156,451,395)	(1,039,503,199)
Loan and other processing charges	(66,648,144)	(99,321,347)
Less:		
Expended as part of Cost of Revenue	247,745,358	83,773,045
Capitalized and included in Properties Under Development	815,519,027	395,882,698
Capitalized and included in Properties Held for Development	131,215,520	620,716,116
Less: Finance Income:		
Bank deposits	13,043,518	11,444,914
Loan to associates	10,927,569	11,375,140
Interest received from customers	20,553,283	23,262,536
	15,904,736	**7,629,903**

22 Provision for tax

Current tax	312,187,036	43,150,475
Deferred tax charge/(credit)	(14,107,761)	12,636,730
Minimum Alternate Tax credit	-	(29,812,895)
	298,079,275	**25,974,310**

During the year an amount of Rs. NIL (31 March 2009 - 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 year	213,424,335	213,424,335
Net profit after tax attributable to equity shareholders	1,453,185,086	1,444,188,400
Earnings per share:		
Basic and diluted	6.81	6.77
Nominal value per equity share	5.00	5.00

Puravankara Projects Limited

24 Stock-based compensation

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

The disclosures for the quarter ended 31 March 2010 have been provided below:

The weighted average exercise price for options movement during the quarter ended 31 March 2010 is as follows:

	31 Mar 2010	
	Shares arising out of options (Numbers)	**Weighted average exercise price Rs**
As at 1 January 2010	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 2010	966,000	465.86
Excercisable at the end of the quarter	483,000	465.86

The weighted average exercise price of the options outstanding at 31 March 2010 was Rs. 465.86 and they had weighted average remaining contractual life of 9 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 Mar 2010 Rs.	**Quarter ended 31 Mar 2009** Rs.
Net profit, as reported	437,279,171	145,855,845
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	3,170,592	5,671,710
Proforma net income	434,108,579	140,184,135
Earnings per share – Basic		
As reported	2.05	0.68
Pro forma	2.03	0.66
Earnings per share – Diluted		
As reported	2.05	0.68
Pro forma	2.03	0.66

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%

Puravankara Projects Limited

24 Stock-based compensation

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

The disclosures for the year ended 31 March 2010 have been provided below:

The weighted average exercise price for options movement during the year ended 31 March 2010 is as follows:

	31 Mar 2010	
	Shares arising out of options (Numbers)	**Weighted average exercise price Rs**
As at 1 April 2009	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 2010	966,000	465.86
Excercisable at the end of the year	483,000	465.86

The weighted average exercise price of the options outstanding at 31 March 2010 was Rs. 465.86 and they had weighted average remaining contractual life of 9 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 Mar 2010 Rs.	**Year ended 31 Mar 2009** Rs.
Net profit, as reported	1,453,185,086	1,444,188,400
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	15,387,419	27,639,998
Proforma net income	1,437,797,667	1,416,548,402
Earnings per share – Basic		
As reported	6.81	6.77
Pro forma	6.74	6.64
Earnings per share – Diluted		
As reported	6.81	6.77
Pro forma	6.74	6.64

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.8,372,347 and Rs.35,778,781 for the quarter and year ended 31 March 2010 respectively and Rs.10,549,283 and Rs.40,799,036 for the quarter and the year ended 31 March 2009 respectively. Lease commitments as at the Balance Sheet date were as follows:-

Particulars	31 Mar 2010	31 Mar 2009
	Rs.	Rs.
a) Within one year	1,598,005	1,203,567
b) Within one to five years	2,402,786	3,618,291
Total	**4,000,791**	**4,821,858**

Sublease

The Company has sub let one of the properties under a non cancellable operating lease agreement. These lease agreements are for the period ranging between 1 to 5 years. Lease income was Rs. 5,081,955 and Rs. 25,178,057 for the quarter and year ended 31 March 2010 respectively and Rs.10,278,999 and Rs.37,980,286 for the quarter and the year ended 31 March 2009 respectively. Minimum amount of future lease rental receivable under these agreements are:-

	31 Mar 2010	31 Mar 2009
	Rs.	Rs.
a) Within one year	4,553,947	10,791,614
b) Within one to five years	274,020	4,970,407
	4,827,967	**15,762,021**

26 Other commitments and contingencies

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

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

27 Related party transactions

i. Parties where control exists

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
Purva Properties and Resorts Private Limited

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-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09
Transactions during the quarter:								
Interest on loans								
Keppel Puravankara Development Private Limited	534,434	866,612	-	-	-	-	-	-
Keppel Magus Development Private Limited	2,241,774	2,011,731	-	-	-	-	-	-
Loans given to								
Propmart Technologies Limited	20,300,000	-	-	-	-	-	-	-
Loans repaid by								
Keppel Puravankara Development Private Limited	-	24,919,856	-	-	-	-	-	-
Keppel Magus Development Private Limited	1,000,000	-	-	-	-	-	-	-
Propmart Technologies Limited	-	2,500,000	-	-	-	-	-	-
Loans repaid to								
Ravi Puravankara	-	-	45,000,000	50,000,000	-	-	-	-
Sale Consideration received on behalf of								
Puravankara Investments	-	-	-	-	-	-	-	5,610,000
Security and maintenance expenses								
Handiman Services Limited	-	-	-	-	-	-	18,017,625	21,268,956
Rental expenses								
Dealwel	-	-	-	-	-	-	520,932	472,500
Brokerage expenses								
Propmart Technologies Limited	78,778	-	-	-	-	-	-	-
Remuneration								
Ravi Puravankara	-	-	5,088,000	5,088,000	-	-	-	-
Ashish Puravankara	-	-	-	-	2,502,339	2,142,339	-	-
Geeta S Vhatkar	-	-	-	-	-	3,334	-	-
Balances at the quarter end:								
Loans given to								
Propmart Technologies Limited	68,285,000	46,185,000	-	-	-	-	-	-
Keppel Puravankara Development Private Limited	27,240,736	27,051,514	-	-	-	-	-	-
Keppel Magus Development Private Limited	78,542,023	70,781,838	-	-	-	-	-	-
Advances for land contracts paid to								
Geeta S Vhatkar	-	-	-	-	142,300,016	142,300,016	-	-
Security Deposits paid to								
Dealwel	-	-	-	-	-	-	1,500,000	1,500,000
Puravankara Investments	-	-	-	-	-	-	4,500,000	4,500,000
Dues from								
Aarti Panjabi	-	-	-	-	28,660,750	-	-	-
Dues to								
Handiman Services Limited	-	-	-	-	-	-	5,171,061	10,817,051
Puravankara Investments	-	-	-	-	-	-	19,778,540	19,298,540
Purva Development	-	-	-	-	-	-	1,776,276	1,776,276
Purva Properties and Resorts Private Limited	-	-	-	-	-	-	15,000	15,000
Ravi Puravankara	-	-	430,950,000	419,950,000	-	-	-	-

Puravankara Projects Limited

(iii) 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-10	31-Mar-09	31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09
Transactions during the year:								
Interest on loans								
Keppel Puravankara Development Private Limited	2,167,384	5,447,756	-	-	-	-	-	-
Keppel Magus Development Private Limited	8,760,185	5,927,383	-	-	-	-	-	-
Loans given to								
Propmart Technologies Limited	22,450,000	13,000,000	-	-	-	-	-	-
Keppel Magus Development Private Limited	-	64,854,455	-	-	-	-	-	-
Keppel Puravankara Development Private Limited	-	3,031,991	-	-	-	-	-	-
Loans received from								
Ravi Puravankara	-	-	96,406,614	718,000,000	-	-	-	-
Puravankara Investments	-	-	-	-	-	-	480,000	-
Loans repaid to								
Ravi Puravankara	-	-	85,406,614	298,000,000	-	-	-	-
Loans repaid by								
Keppel Puravankara Development Private Limited	-	169,806,626	-	-	-	-	-	-
Keppel Magus Development Private Limited	1,000,000	-	-	-	-	-	-	-
Propmart Technologies Limited	350,000	2,500,000	-	-	-	-	-	-
Purhcase of land from:								
Geetha S Vhatkar	-	-	-	-	-	42,884,044	-	-
Installments paid for purchase of flats to								
Keppel Puravankara Development Private Limited	-	241,010	-	-	-	-	-	-
Value of flats sold to								
Ashish Puravankara	-	-	-	-	-	2,631,200	-	-
Aarti Panjabi	-	-	-	-	-	2,631,200	-	-
Suresh Puravankara	-	-	-	-	-	2,735,200	-	-
Amanda Puravankara	-	-	-	-	-	2,631,200	-	-
Tanya Puravankara	-	-	-	-	-	2,631,200	-	-
Vishalakshi Puravankara	-	-	-	-	-	2,519,200	-	-
Tanya Trust	-	-	-	-	-	-	-	8,039,000
Amanda Trust	-	-	-	-	-	-	-	10,397,000
Sale Consideration received on behalf of								
Puravankara Investments	-	-	-	-	-	-	-	5,610,000
Security and maintenance expenses								
Handiman Services Limited	-	-	-	-	-	-	74,563,618	92,177,409
Rental expenses								
Puravankara Investments	-	-	-	-	-	-	-	1,417,500
Dealwel	-	-	-	-	-	-	2,034,114	1,890,000
Brokerage expenses								
Propmart Technologies Limited	635,251	-	-	-	-	-	-	-
Remuneration								
Ravi Puravankara	-	-	17,952,000	17,952,000	-	-	-	-
Ashish Puravankara	-	-	-	-	8,884,356	8,524,356	-	-
Geeta S Vhatkar	-	-	-	-	-	24,116	-	-

Puravankara Projects Limited

28 Employee benefits

A. Defined benefit plan

The Company has gratuity and vacation pay as defined benefit retirement plans for its employees. Disclosures as required by AS 15 for the year ended 31 March 2010 are as under:

	31 March 2010		31 March 2009	
	Gratuity	Vacation Pay	Gratuity	Vacation Pay
	Rs.	Rs.	Rs.	Rs.
1 The amounts recognized in the Balance Sheet are as follows:				
Present value of the obligation as at the end of the year	44,801,683	15,948,308	10,891,235	14,079,902
Fair value of plan assets as at the end of the year	(29,092,680)	-	(17,799,945)	-
Net liability/(asset) recognized in the Balance Sheet	**15,709,003**	**15,948,308**	**(6,908,710)**	**14,079,902**
2 The amounts recognized in the Profit and Loss Account are as follows:				
Service cost	10,076,475	5,708,482	3,513,620	11,045,237
Interest cost	846,111	936,802	316,810	462,996
Expected return on plan assets	(1,816,057)	-	(1,120,071)	-
Past service cost	23,745,068	-	-	-
Net actuarial (gain)/loss recognized in the year	197,342	(37,132)	(1,997,884)	(100,507)
Expense recognized in the Profit and Loss Account of the year	**33,048,939**	**6,608,152**	**712,475**	**11,407,726**
3 Changes in the present value of defined benefit obligation				
Defined benefit obligation as at beginning of the year	10,891,235	14,079,902	8,669,908	10,556,288
Service cost	10,076,475	5,708,482	3,513,620	11,045,237
Interest cost	846,111	936,802	316,810	462,996
Past Service cost	23,745,068	-	-	-
Actuarial losses/(gains)	(127,521)	(37,132)	(1,028,935)	(100,507)
Benefits paid	(629,685)	(4,739,746)	(580,168)	(7,884,112)
Defined benefit obligation as at the end of the year	**44,801,683**	**15,948,308**	**10,891,235**	**14,079,902**
4 Changes in the fair value of plan assets				
Fair value as at the beginning of the year	17,799,945	-	16,291,093	-
Expected return on plan assets	1,816,057	-	1,120,071	-
Actuarial (loss)/ gains	(324,863)	-	968,949	-
Contributions	10,431,226	4,739,746	-	7,884,112
Benefits paid	(629,685)	(4,739,746)	(580,168)	(7,884,112)
Fair value as at the end of the year	**29,092,680**	-	**17,799,945**	-
Assumptions used in the above valuations are as under:				
Interest rate	8%	8%	7%	7%
Discount rate	8%	8%	7%	7%
Expected return on plan assets	8%	-	7%	-
Future salary increase	6%	6%	6%	6%
Attrition rate	2%	2%	5%	5%
Retirement age	60 years	60 years	60 years	60 years

B. Defined contribution plan

The Company makes contribution of statutory provident fund as per Employees Provident Funds and Miscellaneous Provisions Act, 1952. This is a defined contribution plan as per AS 15. Contribution made was Rs. 1,933,429 and Rs. 7,593,755 for the quarter and year ended 31 March 2010 respectively and Rs.2,064,697 and Rs.10,800,883 for the quarter and the year ended 31 March 2009 respectively.

29 Segmental Information

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

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Revenues from Projects for the year ended 31 March 2010 includes Rs.1,632,153,150 from sale of land.

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The shareholders of a subsidiary had appointed a Managing Director and Chief Executive Officer for a period of three years with effect from 1 June 2009 on a remuneration not exceeding Rs. 15,000,000 in aggregate per annum. The said subsidiary has applied to the Central Government to seek approval of the said appointment and the remuneration, which is currently awaited. The subsidiary has paid Rs. 6,860,802 as managerial remuneration to the managing director for the period from 1 June 2009 to 15 February 2010, pending such approval.

32 Prior period comparatives

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

For and on behalf of the Board of Directors

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

Bangalore
29 April 2010

Puravankara Projects Limited

Consolidated Cash Flow Statement

	Year ended 31 Mar 2010 Rs.	Year ended 31 Mar 2009 Rs.
A. Cash flow from operating activities		
Profit before tax	**1,751,264,361**	**1,470,162,710**
Adjustments for:		
Depreciation and amortization	110,940,154	55,629,409
Properties held for sale written down	31,997,712	87,759,757
Properties held for sale written back	(22,634,585)	-
(Profit) / loss on sale of fixed assets	(136,219)	359,492
Interest income	(44,524,371)	(46,082,590)
Interest expense, net of capitalization	28,619,633	38,452,687
Share of (profit)/loss in associates	(152,827,150)	(151,023,669)
Operating profit before working capital changes	**1,702,699,535**	**1,455,257,796**
Movements in working capital :		
(Increase) / Decrease in trade debtors	33,967,851	(322,509,438)
(Increase) / Decrease in inventories	(29,466,535)	(26,657,996)
(Increase) / Decrease in loans and advances	(116,961,300)	(153,569,945)
(Increase) / Decrease in properties under development	(19,033,232)	(1,148,578,821)
(Increase) / Decrease in properties held for sale	111,687,620	(151,755,417)
Increase / (Decrease) in current liabilities and provisions	(854,413,492)	45,949,589
Cash (used in) / received from operations	**828,480,447**	**(301,864,232)**
Direct taxes paid	(273,147,321)	(126,151,849)
Net cash from / (used in) operating activities	**555,333,126**	**(428,016,081)**
B. Cash flows from investing activities		
Purchase of fixed assets	(10,485,826)	(23,253,558)
Loans to associates	(22,450,000)	(80,886,446)
Proceeds from sale of fixed assets	252,000	1,059,000
Loans repaid by associates	1,350,000	172,306,626
Properties held for development	508,074,503	(201,051,969)
Interest received	26,507,277	37,069,662
Net cash from /(used in) investing activities	**503,247,954**	**(94,756,685)**
C. Cash flows from financing activities		
Proceeds from term loans	1,540,000,000	3,776,347,015
Repayment of term loans	(1,124,567,075)	(2,868,536,212)
Issue of debentures	-	550,000,000
Repayment of debentures	-	(250,000,000)
Repayment of commercial paper loan	-	(750,000,000)
Proceeds from /(repayments of) short-term borrowings	249,571,001	1,164,009,738
Loans from related parties	96,886,614	718,000,000
Loans repaid to related parties	(85,406,614)	(298,000,000)
Dividends paid including taxes	(130)	(499,298,127)
Interest paid	(1,220,853,293)	(1,101,524,689)
Net cash generated from / (used in) financing activities	**(544,369,497)**	**440,997,725**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**514,211,583**	**(81,775,041)**
Cash and cash equivalents at the beginning of the year	**267,939,839**	**349,714,880**
Cash and cash equivalents at the end of the year	**782,151,422**	**267,939,839**

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

For Walker, Chandiok & Co
Chartered Accountants

For and on behalf of the Board of Directors

Per Aashish Arjun Singh
Partner

Ravi Puravankara
Chairman and Managing Director

Nani R Choksey
Director

Ashish Puravankara
Director

Kiran Chappar
Company Secretary

Bangalore
29 April 2010

Bangalore
29 April 2010