Consolidated Financial Statements

Puravankara Projects Limited

31 March 2011

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 2011 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. 2,305,517,088 as at 31 March 2011, the total revenue of Rs 219,858 for the quarter and year ended on that date and cash flows amounting to Rs. 1,209,440 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 Company's share of loss of Rs. 17,616,019 for the quarter and Rs. 315,691 for the year ended on that date included in these 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
13 May 2011

Puravankara Projects Limited

Consolidated Balance Sheet

	Note	31 Mar 2011 ₹	31 Mar 2010 ₹
Sources of Funds			
Shareholders' Funds			
Share capital	3	1,067,121,675	1,067,121,675
Reserves and surplus	4	14,696,697,124	13,785,207,845
		15,763,818,799	**14,852,329,520**
Loans	5	**11,587,125,210**	**8,810,655,156**
Deferred Tax Liability	6	**3,214,007**	**8,649,584**
		27,354,158,016	**23,671,634,260**
Application of Funds			
Fixed Assets			
Cost	7	743,790,151	642,035,308
Less: Accumulated depreciation/amortization		316,553,089	279,693,958
Net book value		**427,237,062**	**362,341,350**
Capital work-in-progress including capital advances		**34,121,976**	-
Investments	8	**1,189,411,710**	**1,191,067,268**
Properties Held for Development	9	**11,604,820,093**	**13,527,720,074**
Current Assets, Loans and Advances			
Cash and bank balances	10	998,994,088	782,151,422
Inventories		283,842,906	226,811,381
Trade debtors	11	1,143,518,871	1,112,004,657
Properties under development	12	11,623,125,449	6,811,507,950
Properties held for sale	13	706,245,710	852,453,104
Loans and advances	14	3,287,170,511	2,883,044,521
		18,042,897,535	**12,667,973,035**
Less: Current Liabilities and Provisions			
Current liabilities	15	3,649,170,908	3,796,114,355
Provisions	16	295,159,452	281,353,112
		3,944,330,360	**4,077,467,467**
Net Current Assets		**14,098,567,175**	**8,590,505,568**
		27,354,158,016	**23,671,634,260**
Significant accounting policies	**1**		

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

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

For Walker, Chandiok & Co
Chartered Accountants

For and on behalf of the Board of Directors

per **Aashish Arjun Singh**
Partner

Ravi Puravankara
Chairman and Managing Director

Nani R Choksey
Deputy Managing Director

Ashish Puravankara
Joint Managing Director

Kiran Chappar
Company Secretary

Bangalore
13 May 2011

Bangalore
13 May 2011

Puravankara Projects Limited

Consolidated Profit and Loss Account

	Note	Quarter ended 31 Mar 2011 ₹	Quarter ended 31 Mar 2010 ₹
Revenues	**17**	**1,552,180,737**	**1,228,080,207**
Cost of Revenues	**18**	1,128,998,412	784,191,246
Gross Profit		**423,182,325**	**443,888,961**
Selling expenses	**19**	69,972,782	32,562,942
General and administrative expenses	**20**	77,022,489	72,849,236
Operating Profit		**276,187,054**	**338,476,783**
Net finance income/(charges)	**25**	2,482,367	2,822,555
Profit before tax and share of profit in associates, net		278,669,421	341,299,338
Share of profit in associates, net		(40,285,642)	56,704,753
Profit before tax		**238,383,779**	**398,004,091**
Provision for tax	**26**	69,647,279	(39,275,080)
Profit after tax		**168,736,500**	**437,279,171**
Earnings per share : Basic and diluted	**27**	**0.79**	**2.05**

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

per **Aashish Arjun Singh**
Partner

Bangalore
13 May 2011

For and on behalf of the Board of Directors

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

Bangalore
13 May 2011

Puravankara Projects Limited

Consolidated Profit and Loss Account

	Note	Year ended 31 Mar 2011 ₹	Year ended 31 Mar 2010 ₹
Revenues	**21**	**5,992,089,285**	**4,783,619,708**
Cost of Revenues	**22**	4,028,022,109	2,748,125,813
Gross Profit		**1,964,067,176**	**2,035,493,895**
Selling expenses	**23**	260,146,880	170,512,310
General and administrative expenses	**24**	288,021,166	282,449,110
Operating Profit		**1,415,899,130**	**1,582,532,475**
Net finance income/(charges)	**28**	54,442,186	15,904,736
Profit before tax and share of profit in associates, net		1,470,341,316	1,598,437,211
Share of profit in associates, net		(11,605,559)	152,827,150
Profit before tax		**1,458,735,757**	**1,751,264,361**
Provision for tax	**29**	279,675,029	298,079,275
Profit after tax		**1,179,060,728**	**1,453,185,086**
Earnings per share : Basic and diluted	**30**	**5.52**	**6.81**

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
Deputy Managing Director

Ashish Puravankara
Joint Managing Director

Kiran Chappar
Company Secretary

Bangalore
13 May 2011

Bangalore
13 May 2011

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.

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

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

d. Revenue recognition

Revenues from projects

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

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

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

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

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

Rental income

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

Interior Income

Interior income is recognized as and when the services are rendered, at rates agreed upon with customers.

e. Properties held for sale

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

f. Properties held for development

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

g. Fixed assets

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

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

h. Depreciation

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

i. Borrowing Costs

Borrowing costs that are attributable to the acquisition and/or construction of qualifying assets are capitalized as part of the cost of such assets, in accordance with Accounting Standard 16 – “Borrowing Costs”. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the profit & loss account as incurred.

j. Advertisement and Promotional expenses

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

k. Impairment of Assets

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

l. Cash and cash equivalents

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

m. Inventory

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

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

n. Foreign currency transactions

(a) Initial Recognition

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

(b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

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

o. Leases

Finance Leases

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

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

Operating leases

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

p. Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 Employee Benefits “AS 15”.

Provident fund

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

Gratuity

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

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

Vacation pay

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

Other short-term benefits

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

q. Stock based compensation

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

r. Taxes on income

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

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

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

s. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

t. Provisions and contingent liabilities

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

2. Group Structure

The operational subsidiaries and associates consolidated under the Group as at 31 March 2011 comprise the entities listed below:

Name of the Entity	Country of Incorporation	Effective Shareholding	
		31-Mar-11	31-Mar-10
Overseas Subsidiary Companies			
Puravankara Lanka Holding Private Limited	Sri Lanka	100%	100%
Puravankara Projects Lanka Private Limited	Sri Lanka	100%	100%
Purva Corporation	British Virgin Islands	100%	100%
Indian Subsidiary Companies			
Prudential Housing and Infrastructure Development Limited	India	100%	100%
Centurion Housing and Construction Private Limited	India	100%	100%
Melmont Construction Private Limited	India	100%	100%
Purva Realities Private Limited	India	100%	100%
Purva Marine Properties Private Limited	India	100%	100%
Nile Developers Private Limited	India	100%	100%
Vaigai Developers Private Limited	India	100%	100%
Starworth Infrastructure and Construction Limited	India	100%	100%
Provident Housing Limited	India	100%	100%
Associate Companies			
Keppel Puravankara Development Private Limited	India	49%	49%
Propmart Technologies Limited	India	32.83%	32.83%
Keppel Magus Development Private Limited	India	36.26%	36.26%
Sobha Puravankara Aviation Private Limited	India	49.75%	-

	Quarter ended 31 Mar 2011 ₹	Quarter ended 31 Mar 2010 ₹
3 Share Capital		
Authorised		
320,000,000 Equity shares of ₹ 5 each (31 Mar 2010- 320,000,000) equity shares of ₹ 5 each	1,600,000,000	1,600,000,000
Issued, subscribed and paid up		
213,424,335 (31 Mar 2010- 213,424,335) equity shares of ₹ 5 each fully paid-up	1,067,121,675	1,067,121,675
	1,067,121,675	**1,067,121,675**
4 Reserves and Surplus		
Share Premium	**7,988,811,915**	**7,988,811,915**
General Reserve	**463,400,000**	**400,500,000**
Debenture Redemption Reserve	**12,945,915**	**96,300,863**
Profit and Loss Account		
Balance at the beginning of the quarter	6,387,520,158	4,260,489,259
Add: Net profit for the quarter	168,736,500	1,453,185,086
Less: Transfer to Debenture Redemption Reserve	12,945,915	61,883,477
Less: Proposed Dividend	213,424,335	213,424,335
Less: Tax on distribution of dividend	35,447,114	36,271,466
Less: Transfer to General Reserve	62,900,000	102,500,000
Balance at the end of the quarter	**6,231,539,294**	**5,299,595,067**
	14,696,697,124	**13,785,207,845**
5 Loans		
Secured Loans	11,208,624,539	8,725,655,156
Unsecured Loans - overdraft from bank	369,500,671	-
Unsecured Loans - short term loan from associate	9,000,000	-
Unsecured Loans - short term loan from bank	-	85,000,000
	11,587,125,210	**8,810,655,156**

	Year ended 31 Mar 2011 ₹	Year ended 31 Mar 2010 ₹
3 Share Capital		
Authorised		
320,000,000 Equity shares of ₹ 5 each (31 Mar 2010- 320,000,000) equity shares of ₹ 5 each	1,600,000,000	1,600,000,000
Issued, subscribed and paid up		
213,424,335 (31 Mar 2010- 213,424,335) equity shares of ₹ 5 each fully paid-up	1,067,121,675	1,067,121,675
	1,067,121,675	**1,067,121,675**
4 Reserves and Surplus		
Share Premium	**7,988,811,915**	**7,988,811,915**
General Reserve	**463,400,000**	**400,500,000**
Debenture Redemption Reserve	**12,945,915**	**96,300,863**
Profit and Loss Account		
Balance at the beginning of the year	5,299,595,067	4,260,489,259
Add: Net profit for the year	1,179,060,728	1,453,185,086
Add: Debenture Redemption Reserve written back	77,600,863	-
Less: Transfer to Debenture Redemption Reserve	12,945,915	61,883,477
Less: Proposed Dividend	213,424,335	213,424,335
Less: Tax on distribution of dividend	35,447,114	36,271,466
Less: Transfer to General Reserve	62,900,000	102,500,000
Balance at the end of the year	**6,231,539,294**	**5,299,595,067**
	14,696,697,124	**13,785,207,845**
5 Loans		
Secured Loans	11,208,624,539	8,725,655,156
Unsecured Loans - overdraft from bank	369,500,671	-
Unsecured Loans - short term loan from associate	9,000,000	-
Unsecured Loans - short term loan from bank	-	85,000,000
	11,587,125,210	**8,810,655,156**

		31 Mar 2011	31 Mar 2010
		₹	₹
Secured Loans			
Term loans	(a)	7,428,264,276	5,122,967,850
Debentures	(b)	1,500,000,000	550,000,000
Cash Credit & Other loans	(c)	2,280,360,263	3,052,687,306
		11,208,624,539	**8,725,655,156**

(a) Term Loans

i. On 30 May 2008 the Company entered into a term loan agreement with ICICI Home Finance Company Limited for a term loan of ₹ 1,250 million. Out of the sanctioned limit, the Company had drawn ₹ 1,130 million as on 31 March 2009 and the balance of ₹ 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, Chairman and Managing Director, Mr.Nani R Choksey, Deputy Managing Director and Mr. Ashish Puravankara, Joint Managing Director 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 ₹ 78.1 million due on 15 June 2009. The outstanding as on 31 March 2011 was ₹ 781.25 million.

ii. On 3 June 2008, the Company entered into an agreement with ICICI Bank for a term loan facility up to a maximum of ₹ 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, Chairman and Managing Director, Mr.Nani R Choksey, Deputy Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company. The loan is repayable in 12 monthly instalments starting from 15 March 2011. The outstanding as on 31 March 2011 was ₹ 1,145.83 million. Another term loan of ₹ 750 million was sanctioned by ICICI Bank Limited on 04 March 2011 considering the same security. Company has entered into a facility agreement on 05 March 2011 with ICICI Bank Limited and drawn a sum of ₹ 400 million out of it. This loan is repayable in 16 monthly instalments starting from March 2012. Outstanding balance of this additional term loan from ICICI Bank Limited was ₹ 400

iii. On 4 December 2008 the Company entered into an agreement with Life Insurance Corporation of India for a loan of ₹ 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, Chairman and Managing Director of the Company. The loan is repayable in 14 equal quarterly instalments commencing from January 2010. The outstanding as on 31 March 2011 was ₹ 1,285.71 million.

iv. On 6 October 2009, Provident Housing Limited entered into an agreement with LIC Housing Finance Limited for a term loan of ₹ 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 2011 was ₹ 480 million.

v. On 11 May 2010 the Company and Mr. Ravi Puravankara, Chairman and Managing Director of the Company entered into an agreement with India Bulls Financial Services Limited for a loan of ₹ 900 million. This facility is secured by mortgage of land at Marine Drive Kochi. The loan is repayable in 54 equated monthly instalments commencing from January 2011. The outstanding as on 31 March 2011 was ₹ 866.90 million.

vi. On 16 June 2010 the Company was sanctioned a loan of ₹ 2,000 million by Standard Chartered Bank towards the refinancing of existing debt on Purva Skywood and construction cost of Purva Skywood, out of which ₹ 1,200 million has been drawn as of 31 March 2011. This facility is secured by mortgage of the properties together with all buildings and structures thereon, both present and future and scheduled receivables of certain specified projects and is also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company and Mr. Ashish Puravankara, Joint Managing Director of the Company. The loan is repayable in 18 monthly instalments commencing from July 2012. The outstanding as on 31 March 2011 was ₹ 1,200 million.

vii. On 10 August 2010, Puravankara Projects Ltd and Centurions Housing and Constructions Private Limited entered into an agreement with Reliance Home Finance Private Limited for a term loan of ₹ 450 million. This facility is secured by mortgage of the property together with all buildings and structures thereon, both present and future at Marine Drive, Kochi, present and future scheduled receivables of the project and the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company. The loan is repayable in 18 equated monthly instalments commencing from February 2011. The outstanding as on 31 March 2011 was ₹ 400 million.

viii. On 10 August 2010, Puravankara Projects Ltd and Centurions Housing and Constructions Private Limited entered into an agreement with Reliance Consumer Finance Private Limited for a term loan of ₹ 300 million. This facility is secured by mortgage of the property together with all buildings and structures thereon, both present and future at Marine Drive, Kochi, present and future scheduled receivables of the project and the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company. The loan is repayable in 21 equated monthly instalments commencing from November 2010. The outstanding as on 31 March 2011 was ₹ 228.57 million.

ix. On 22 September 2010 the Company entered into an agreement with Kotak Mahindra Prime Limited for a loan of ₹ 250 million. This facility is secured by mortgage of lands at Chengalpet taluk, Kancheepuram district, the receivables and is also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company and Mr. Ashish Puravankara, Joint Manager Director of the Company . The loan is repayable in 27 monthly instalments commencing from September 2011. The outstanding as on 31 March 2011 was ₹ 250 million.

x. On 26 October 2010 term loan facility of ₹ 350 million was sanctioned by HDFC Limited. The Company entered into a term loan facility agreement with HDFC Limited on 01 January 2011 and drawn ₹ 220 Million out of it. This facility is secured by mortgages of land at Kakanad, Kochi with building constructed thereupon, present and future receivable of sold and unsold units and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara Joint Managing Director of the Company . Loan is repayable in 21 monthly instalments starting from October 2011. Outstanding balance as on 31 March 2011 was ₹ 220 Million.

xi. On 26 October 2010 term loan facility of ₹ 340 million was sanctioned by HDFC Limited. The Company entered into a term loan facility agreement with HDFC Limited on 02 February 2011 and drawn ₹170 Million out of it. This facility is secured by mortgages of land at Ernakulam Marine Drive with building constructed thereupon, present and future receivables of sold and unsold units and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara Joint Managing Director of the Company . Loan is repable in 21 monthly instalments starting from November 2011. Outstanding balance as on 31 March 2011 was ₹ 170 Million.

(b) Debentures

The Company has issued 150 secured redeemable non convertible debentures of ₹10 million each, 75 on 31 January 2011 and 75 on 31 March 2011. These debentures are secured by mortgage of land & building constructed/to be constructed thereon situated at Medavakkam & Pallikaranai village, Tamilnadu, receivables of sold and unsold units and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara Joint Managing Director of the Company . These debentures are due for redemption at ₹ 250 million every quarter starting from 01 November 2012.

(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 ₹ 150 million which was further enhanced to ₹ 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 2011 was ₹ 500.70 million.

ii. On 20 June 2008 the Company entered into an agreement with IDBI Bank for a working capital facility of ₹ 1,000 million which is secured against the properties of the Company and personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company. The outstanding as on 31 March 2011 was ₹ 944.03 million.

iii. On 20 November 2008, the Company has availed a Secured Overdraft facility from Andhra Bank for ₹ 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, Chairman and Managing Director, Mr. Nani R Choksey, Deputy Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company. The outstanding as on 31 March 2011 was ₹ 801.19 million.

iv. On 8 January 2008 the Company entered into a term loan agreement with HSBC for ₹ 1,350 million which was originally payable in quarterly instalments from October 2008 till October 2009 and ₹ 350 million was payable in quarterly instalments, from January 2009 till October 2009. However, this loan was restructured in June 2009 such that the instalments due as of 29 June 2009 and also remaining amounts were migrated into overdraft on the due dates of the instalments as per the earlier repayment schedule.The resultant overdraft is repayable in 13 monthly instalments after a moratorium of 14 months. From June 2009 to December 2009 an amount of ₹ 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 2011 on this overdraft account was ₹ 15.12 million.

v. 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 2011 was ₹ 19.33 million.

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

	31 Mar 2011	31 Mar 2010
	₹	₹
Term loans	3,707,052,274	1,800,706,301
Debentures, Overdrafts and Other loans	83,280,936	1,305,247,613
	3,790,333,210	3,105,953,914

Unsecured Loans

i. On 12 March 2009 Deutsche Bank has sanctioned a short term working capital facility of ₹ 400 million to the Company. This facility is secured by the personal assets of Mr. Ravi Puravankara, Chairman and Managing Director of the Company. In October 2010 an amount of ₹ 236.40 million has been migrated from term loan to overdraft. The outstanding in overdraft account as on 31 March 2011 was ₹ 369.50 million.

6 Deferred Tax Liability (Net)

Deferred tax liability arising on account of depreciation	4,718,158	8,649,584
Less: Deferred tax asset arising on account of:		
Expenses allowable on payment basis		
Gratuity	524,355	-
Leave encashment	456,595	-
Bonus	523,201	-
	3,214,007	**8,649,584**

Puravankara Projects Limited

7. Fixed Assets

(₹)

Category of assets	Cost				Accumulated Depreciation/Amortization				Net Book Value	
	As at 1 Apr 2010	Additions during the period	Deletions during the period	As at 31 Mar 2011	As at 1 Apr 2010	Charge for the period	Deletions during the period	As at 31 Mar 2011	As at 31 Mar 2011	As at 31 Mar 2010
Tangible Assets										
Buildings	37,074,680	-	-	37,074,680	2,226,867	574,101	-	2,800,968	34,273,712	34,847,813
Plant & Machinery	267,135,400	112,828	-	267,248,228	72,032,877	10,816,029	-	82,848,906	184,399,322	195,102,523
Office Equipment	13,268,444	942,602	-	14,211,046	3,367,527	711,617	-	4,079,144	10,131,902	9,900,917
Computers	23,020,310	8,859,245	-	31,879,555	13,084,367	3,420,864	-	16,505,231	15,374,324	9,935,943
Furniture & Fixtures	13,262,495	956,466	-	14,218,961	5,051,817	1,041,940	-	6,093,757	8,125,204	8,210,678
Vehicles	69,980,152	21,056,521	1,274,855	89,761,818	28,013,587	7,094,093	730,625	34,377,055	55,384,763	41,966,565
Shuttering Material	198,115,907	69,200,000	-	267,315,907	146,004,112	11,029,109	-	157,033,221	110,282,686	52,111,795
Intangible Assets										
Computer Software	20,177,920	1,902,036	-	22,079,956	9,912,804	2,902,003	-	12,814,807	9,265,149	10,265,116
Total	**642,035,308**	**103,029,698**	**1,274,855**	**743,790,151**	**279,693,958**	**37,589,756**	**730,625**	**316,553,089**	**427,237,062**	**362,341,350**
Last year	**632,136,264**	**10,485,826**	**586,782**	**642,035,308**	**169,224,805**	**110,940,154**	**471,001**	**279,693,958**	**362,341,350**	

	Quarter ended 31 Mar 2011 ₹	Quarter ended 31 Mar 2010 ₹
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 2010- 4,410,000) of ₹10 each at par	779,461,429	790,751,296
17,640,000 13.25% cumulative, redeemable, convertible Preference Shares (31 Mar 2010- 17,640,000) of ₹10 each at par	176,400,000	176,400,000
Keppel Magus Development Private Limited		
362,600 Equity shares (31 Mar 2010- 362,600) of ₹ 610 each	223,600,281	223,915,972
Sobha Puravankara Aviation Private Limited		
995,000 Equity shares (31 Mar 2010- NIL) of ₹ 10 each	9,950,000	-
	1,189,411,710	**1,191,067,268**
9 Properties Held for Development		
At the beginning of the period	13,697,431,009	13,393,283,992
Add : Additions during the period	170,393,217	134,436,082
Less: Transferred to Properties Under Development	2,263,004,133	-
	11,604,820,093	**13,527,720,074**
10 Cash and Bank Balances		
Cash in hand	3,940,673	4,750,579
Balances with Banks:		
In current accounts	591,709,382	620,972,631
In deposit accounts	403,344,033	156,428,212
	998,994,088	**782,151,422**
11 Trade Debtors		
(Unsecured and considered good)		
Debts outstanding over six months	606,777,519	587,143,423
Debts outstanding less than six months	536,741,352	524,861,234
	1,143,518,871	**1,112,004,657**
12 Properties Under Development		
Land cost	5,594,675,004	3,030,098,510
Material and construction cost	13,608,691,362	8,337,645,457
Profit recognized to-date	4,840,397,192	3,057,886,297
Less: Progress payments received and receivable	12,420,638,109	7,614,122,314
	11,623,125,449	**6,811,507,950**
13 Properties Held for Sale		
At the beginning of the period	730,601,079	872,806,749
Add : Additions during the period	5,222,089	64,074,445
Less: Sales during the period	25,315,364	84,428,090
Less: Write downs during the period	4,262,094	-
	706,245,710	**852,453,104**

	Year ended 31 Mar 2011 ₹	Year ended 31 Mar 2010 ₹
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 2010- 4,410,000) of ₹10 each at par	779,461,429	790,751,296
17,640,000 13.25% cumulative, redeemable, convertible Preference Shares (31 Mar 2010- 17,640,000) of ₹10 each at par	176,400,000	176,400,000
Keppel Magus Development Private Limited		
362,600 Equity shares (31 Mar 2010- 362,600) of ₹ 610 each	223,600,281	223,915,972
Sobha Puravankara Aviation Private Limited		
995,000 Equity shares (31 Mar 2010- NIL) of ₹ 10 each	9,950,000	-
	1,189,411,710	**1,191,067,268**
9 Properties Held for Development		
At the beginning of the period	13,527,720,074	13,924,347,522
Add : Additions during the period	906,594,342	314,810,839
Less: Deletions during the period	104,105,194	691,669,822
Less: Transferred to Properties Under Development	2,725,389,129	19,768,465
	11,604,820,093	**13,527,720,074**
10 Cash and Bank Balances		
Cash in hand	3,940,673	4,750,579
Balances with Banks:		
In current accounts	591,709,382	620,972,631
In deposit accounts	403,344,033	156,428,212
	998,994,088	**782,151,422**
11 Trade Debtors		
(Unsecured and considered good)		
Debts outstanding over six months	606,777,519	587,143,423
Debts outstanding less than six months	536,741,352	524,861,234
	1,143,518,871	**1,112,004,657**
12 Properties Under Development		
Land cost	5,594,675,004	3,030,098,510
Material and construction cost	13,608,691,362	8,337,645,457
Profit recognized to-date	4,840,397,192	3,057,886,297
Less: Progress payments received and receivable	12,420,638,109	7,614,122,314
	11,623,125,449	**6,811,507,950**
13 Properties Held for Sale		
At the beginning of the period	852,453,104	973,503,851
Add : Additions during the period	52,576,762	157,213,723
Less: Sales during the period	194,522,062	268,901,343
Less: Write downs during the period	4,262,094	31,997,712
Add: Write backs during the period	-	22,634,585
	706,245,710	**852,453,104**

	31 Mar 2011	31 Mar 2010
	₹	₹
14 Loans and Advances		
(Unsecured and considered good)		
Advances to suppliers *	657,180,650	444,327,391
Advances for land contracts *	1,086,464,485	1,151,732,819
Deposits	736,142,848	521,324,651
Loans to associates *	241,232,927	174,067,759
Advance tax (net of provision)	57,143,113	62,435,660
Taxes and duties recoverable	356,248,298	385,417,621
Prepaid expenses *	24,975,647	1,416,721
Other advances *	127,782,543	142,321,899
	3,287,170,511	**2,883,044,521**

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

	31 Mar 2011	31 Mar 2010
15 Current Liabilities		
Trade creditors	963,582,830	576,839,585
Advances received from customers	2,258,115,064	2,559,855,057
Duties and taxes payable	44,053,950	11,054,327
Security deposits	20,182,233	30,796,146
Dues to related parties	256,905,932	457,690,877
Other liabilities	106,085,608	159,785,019
Unpaid Dividend	245,291	93,344
	3,649,170,908	**3,796,114,355**
16 Provisions		
Provision for gratuity	22,407,150	15,709,003
Provision for vacation pay	23,880,853	15,948,308
Proposed dividend	213,424,335	213,424,335
Tax on proposed dividend	35,447,114	36,271,466
	295,159,452	**281,353,112**

	Quarter ended 31 Mar 2011 ₹	Quarter ended 31 Mar 2010 ₹
17 Revenues		
Revenue from projects	1,544,397,035	1,221,122,768
Rental income	2,182,091	5,081,955
Income from interiors and others	5,601,611	1,875,484
	1,552,180,737	**1,228,080,207**
18 Cost of Revenues		
Construction cost		
Material and contract costs	628,242,441	473,320,436
Staff costs	55,320,886	37,437,914
Depreciation	5,639,866	66,107,382
Other direct costs	321,924,927	89,108,389
	1,011,128,120	665,974,121
Land cost	117,870,292	118,217,125
	1,128,998,412	**784,191,246**
19 Selling Expenses		
Staff costs	10,176,636	9,532,137
Advertising and sales promotion	41,123,535	9,986,610
Sales incentives and commission	2,950,504	2,047,540
Brokerage and referral charges	12,836,814	9,102,537
Travel and conveyance	1,766,967	1,252,924
Communication	455,458	288,389
Depreciation	662,868	352,805
	69,972,782	**32,562,942**
20 General and Administrative Expenses		
Staff costs	39,020,606	42,598,882
Depreciation	3,613,928	2,859,696
Rates and taxes	6,153,614	6,204,063
Repairs and maintenance - others	7,107,401	1,110,014
Legal and professional charges	7,077,946	6,216,918
Audit fees	1,175,000	875,750
Communication costs	1,935,412	1,447,254
Printing and stationery	1,333,562	916,159
Travelling and conveyance	5,297,679	3,764,241
Security charges	3,823,439	3,623,862
Foreign exchange loss/(gain)	(85,509)	467,955
Miscellaneous expenses	569,411	2,764,442
	77,022,489	**72,849,236**

	Year ended 31 Mar 2011 ₹	Year ended 31 Mar 2010 ₹
21 Revenues		
Revenue from projects	5,967,591,332	4,729,118,939
Rental income	10,900,623	25,178,057
Income from interiors and others	13,597,330	29,322,712
	5,992,089,285	**4,783,619,708**
22 Cost of Revenues		
Construction cost		
Material and contract costs	2,730,008,137	1,095,943,727
Staff costs	186,607,540	140,272,784
Depreciation	23,309,806	98,009,575
Other direct costs	562,530,611	428,090,506
	3,502,456,094	1,762,316,592
Land cost	525,566,015	985,809,221
	4,028,022,109	**2,748,125,813**
23 Selling Expenses		
Staff costs	41,254,874	33,097,305
Advertising and sales promotion	167,886,956	110,696,972
Sales incentives and commission	10,226,606	5,461,217
Brokerage and referral charges	31,081,375	14,101,203
Travel and conveyance	6,081,033	3,827,284
Communication	1,745,518	1,912,473
Depreciation	1,870,518	1,415,856
	260,146,880	**170,512,310**
24 General and Administrative Expenses		
Staff costs	147,563,510	142,928,342
Depreciation	12,409,432	11,514,723
Rates and taxes	22,934,592	33,164,488
Repairs and maintenance - others	26,749,674	21,673,675
Legal and professional charges	22,862,000	25,743,342
Audit fees	3,125,000	2,678,657
Communication costs	7,772,909	8,372,760
Printing and stationery	5,589,956	3,732,352
Travelling and conveyance	19,799,946	15,283,466
Security charges	14,921,573	13,115,526
Foreign exchange loss/(gain)	(1,230,658)	(672,832)
Miscellaneous expenses	5,523,232	4,914,611
	288,021,166	**282,449,110**

	Quarter ended 31 Mar 2011 ₹	Quarter ended 31 Mar 2010 ₹
25 Finance Income/(Charges)		
Interest expenses on loans and cash credits	(393,784,683)	(296,231,947)
Loan and other processing charges	(67,962,787)	(11,253,912)
Discount on issue of debentures	(1,458,333)	-
Less:		
Expended as part of Cost of Revenue	127,804,384	73,760,600
Capitalized and included in Properties Under Development	286,640,122	201,653,383
Capitalized and included in Properties Held for Development and Advances for land contracts	34,404,553	22,575,126
Less: Finance Income:		
Bank deposits	9,943,431	1,602,322
Loan to associates	2,575,666	2,776,208
Interest received from customers	4,320,014	7,940,775
	2,482,367	**2,822,555**

26 Provision for Tax

Current tax	71,452,485	(814,672)
Tax of earlier years	-	(21,800,000)
Deferred tax charge/(credit)	(1,805,206)	(16,660,408)
	69,647,279	**(39,275,080)**

The Company has claimed a tax deduction of ₹ 213 million till date under section 80IB of the Income tax act, 1961 resulting in tax benefit of ₹ 78 million in one of the project which was due for completion as of 31 March 2011. Management has applied for the completion certificate with the local authorities and the same is pending till date. However, based on the architect's certificate obtained in lieu of the completion certificate, management believes that the deduction under the said section would be allowed.

27 Earnings Per Share

Weighted average number of shares outstanding during the quarter	213,424,335	213,424,335
Add: Dilutive effect of stock options	193,200	483,000
Weighted average number of shares used to compute diluted EPS	213,617,535	213,907,335
Net profit after tax attributable to equity shareholders	168,736,500	437,279,171
Earnings per share:		
Basic	0.79	2.05
Diluted	0.79	2.04
Nominal value per equity share	5.00	5.00

	Year ended 31 Mar 2011 ₹	Year ended 31 Mar 2010 ₹
28 Finance Income/(Charges)		
Interest expenses on loans and cash credits	(1,406,273,147)	(1,156,451,395)
Loan and other processing charges	(158,280,790)	(66,648,144)
Discount on issue of debentures	(1,458,333)	-
Less:		
Expended as part of Cost of Revenue	428,403,322	247,745,358
Capitalized and included in Properties Under Development	942,033,582	815,519,027
Capitalized and included in Properties Held for Development and Advances for land contracts	154,636,496	131,215,520
Less: Finance Income:		
Bank deposits	25,010,446	13,043,518
Loan to associates	9,350,168	10,927,569
Others	40,800,001	-
Interest received from customers	20,220,441	20,553,283
	54,442,186	**15,904,736**

29 Provision for Tax

Current tax	267,411,528	312,187,036
Tax of earlier years	17,699,078	-
Deferred tax charge/(credit)	(5,435,577)	(14,107,761)
	279,675,029	**298,079,275**

The Company has claimed a tax deduction of ₹ 213 million till date under section 80IB of the Income tax act, 1961 resulting in tax benefit of ₹ 78 million in one of the project which was due for completion as of 31 March 2011. Management has applied for the completion certificate with the local authorities and the same is pending till date. However, based on the architect's certificate obtained in lieu of the completion certificate, management believes that the deduction under the said section would be allowed.

30 Earnings Per Share

Weighted average number of shares outstanding during the period	213,424,335	213,424,335
Add: Dilutive effect of stock options	193,200	483,000
Weighted average number of shares used to compute diluted EPS	213,617,535	213,907,335
Net profit after tax attributable to equity shareholders	1,179,060,728	1,453,185,086
Earnings per share:		
Basic	5.52	6.81
Diluted	5.52	6.79
Nominal value per equity share	5.00	5.00

Puravankara Projects Limited

31 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 2011 have been provided below:

The weighted average exercise price for options movement during the quarter ended 31 March 2011 is as follows:

	31 Mar 2011	31 Mar 2010	
	Shares arising out of options (Numbers)	**Shares arising out of options (Numbers)**	**Weighted average exercise price ₹**
At the beginning of the quarter	193,200	483,000	465.86
Granted during the quarter	-	-	-
Forfeited during the quarter	-	-	-
Lapsed during the quarter	-	-	-
Cancelled during the quarter	-	-	-
Exercised during the quarter	-	-	-
At the end of the quarter	193,200	483,000	465.86
Excercisable at the end of the quarter	193,200	-	465.86

The weighted average exercise price of the options outstanding at 31 March 2011 was ₹ 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 2011 ₹	Quarter ended 31 Mar 2010 ₹
Net profit, as reported	168,736,500	437,279,171
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
Proforma net income	168,736,500	434,108,579
Earnings per share – Basic		
As reported	0.79	2.04
Pro forma	0.79	2.03
Earnings per share – Diluted		
As reported	0.79	2.04
Pro forma	0.79	2.03

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

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

Puravankara Projects Limited

32 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 2011 have been provided below:

The weighted average exercise price for options movement during the year ended 31 March 2011 is as follows:

	31 Mar 2011	31 Mar 2010	
	Shares arising out of options (Numbers)	Shares arising out of options (Numbers)	Weighted average exercise price ₹
As at 1 April 2010	483,000	966,000	465.86
Granted during the year	-	-	-
Forfeited during the year	289,800	-	-
Lapsed during the year	-	483,000	-
Cancelled during the year	-	-	-
Exercised during the year	-	-	-
As at 31 March 2011	193,200	483,000	465.86
Excercisable at the end of the year	193,200	-	465.86

The weighted average exercise price of the options outstanding at 31 March 2011 was ₹ 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 2011 ₹	Year ended 31 Mar 2010 ₹
Net profit, as reported	1,179,060,728	1,453,185,086
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	5,727,592	15,387,419
Proforma net income	1,173,333,136	1,437,797,667
Earnings per share – Basic		
As reported	5.52	6.79
Pro forma	5.49	6.72
Earnings per share – Diluted		
As reported	5.52	6.79
Pro forma	5.49	6.72

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

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

Puravankara Projects Limited

33 Leases

Properties taken on operating lease

The lease expense for cancellable and non-cancellable operating leases was ₹ 8,274,093 and ₹ 31,540,424 for the quarter and year ended 31 March 2011 respectively and ₹ 8,372,347 and ₹ 35,778,781 for the quarter and year ended 31 March 2010 respectively. Lease commitments under the non-cancellable operating leases as at the Balance Sheet date were as follows:-

	Particulars	**31 Mar 2011**	**31 Mar 2010**
		₹	₹
a)	Within one year	1,925,603	1,598,005
b)	Within one to five years	1,208,419	2,402,786
	Total	**3,134,022**	**4,000,791**

Sublease

The Company has sub let one of the properties under a non cancellable operating lease agreement. Lease income was ₹ 2,182,091 and ₹ 10,723,623 for the quarter and year ended 31 March 2011 respectively and ₹ 5,081,955 and ₹ 25,178,057 for the quarter and year ended 31 March 2010 respectively. Minimum amount of future lease rental receivable under the non-cancellable operating lease agreement is:-

		31 Mar 2011	**31 Mar 2010**
		₹	₹
a)	Within one year	-	4,553,947
b)	Within one to five years	-	274,020
		-	**4,827,967**

34 Other commitments and contingencies

a)	Demand from Service Tax Department	46,430,204	17,100,000
b)	Demand from Commercial Tax Department	22,322,464	-
c)	Deduction under section 80 IB of the Income tax act, 1961	132,167,877	-
d)	Company's share in claims not acknowledged as debts of associates	56,350,000	-

The Company has claimed deduction under section 80 IB of the Income tax act, 1961 on two projects based out at Cochin. The time limit specified by the cited section above for completing the two projects was 31 March 2011. However, the Company was not able to complete the same within the prescribed time limit primarily on account of court stay in one of the projects and poor state of reclamation of the land in the other. Based on the legal opinion obtained on the above, the management believe that the deduction under the cited section above will not be denied.

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.

35 Related party transactions

(i) Parties where control exists

Key Management Personnel:

Mr. Ravi Puravankara

(ii) Relatives of Key Management Personnel:

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

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

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

Puravankara Projects Limited

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

Nature of Transaction	Associates		Key Management Personnel		Relatives of Key Management Personnel		Other Related Parties	
	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10
Transactions during the quarter:								
Interest on loans								
Keppel Puravankara Development Private Limited	579,039	534,434	-	-	-	-	-	-
Keppel Magus Development Private Limited	1,996,627	2,241,774	-	-	-	-	-	-
Loans given to								
Propmart Technologies Limited	3,100,000	20,300,000	-	-	-	-	-	-
Loans repaid to								
Ravi Puravankara	-	-	55,530,000	45,000,000	-	-	-	-
Loans repaid by								
Keppel Magus Development Private Limited	-	1,000,000	-	-	-	-	-	-
Security and maintenance expenses								
Handiman Services Limited	-	-	-	-	-	-	15,147,049	18,017,625
Rental expenses								
Dealwel	-	-	-	-	-	-	-	520,932
Brokerage expenses								
Propmart Technologies Limited	68,165	78,778	-	-	-	-	-	-
Remuneration								
Ravi Puravankara	-	-	5,088,000	5,088,000	-	-	-	-
Ashish Puravankara	-	-	-	-	2,527,374	2,502,339	-	-
Balances at the quarter end:								
Loans given to								
Propmart Technologies Limited	126,100,000	68,285,000	-	-	-	-	-	-
Keppel Puravankara Development Private Limited	29,511,677	27,240,736	-	-	-	-	-	-
Keppel Magus Development Private Limited	85,621,251	78,542,023	-	-	-	-	-	-
Dealwel Estates Private Limited	-	-	-	-	-	-	23,318	-
Loans taken from								
Sobha Puravankara Aviation Private Limited	9,000,000	-	-	-	-	-	-	-
Advances for land contracts paid to								
Geeta S Vhatkar	-	-	-	-	142,300,016	142,300,016	-	-
Security Deposits paid to								
Dealwel	-	-	-	-	-	-	1,500,000	1,500,000
Puravankara Investments	-	-	-	-	-	-	4,500,000	4,500,000
Dues from								
Aarti Panjabi	-	-	-	-	-	28,660,750	-	-
Dues to								
Handiman Services Limited	-	-	-	-	-	-	1,616,116	5,171,061
Puravankara Investments	-	-	-	-	-	-	19,778,540	19,778,540
Purva Development	-	-	-	-	-	-	1,776,276	1,776,276
Purva Properties and Resorts Private Limited	-	-	-	-	-	-	15,000	15,000
Ravi Puravankara	-	-	233,720,000	430,950,000	-	-	-	-

Puravankara Projects Limited

(v) 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-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10
Transactions during the year:								
Interest on loans								
Keppel Puravankara Development Private Limited	2,270,940	2,167,384	-	-	-	-	-	-
Keppel Magus Development Private Limited	7,079,228	8,760,185	-	-	-	-	-	-
Loans given to								
Propmart Technologies Limited	159,445,800	22,450,000	-	-	-	-	-	-
Dealwel Estates Private Limited	-	-	-	-	-	-	23,318	-
Loans taken from								
Ravi Puravankara	-	-	192,039,280	96,406,614	-	-	-	-
Puravankara Investments	-	-	-	-	-	-	-	480,000
Sobha Puravankara Aviation Private Limited	9,000,000	-	-	-	-	-	-	-
Loans repaid to								
Ravi Puravankara	-	-	389,269,280	85,406,614	-	-	-	-
Loans repaid by								
Keppel Magus Development Private Limited	-	1,000,000	-	-	-	-	-	-
Propmart Technologies Limited	101,630,800	350,000	-	-	-	-	-	-
Security and maintenance expenses								
Handiman Services Limited	-	-	-	-	-	-	62,333,632	74,563,618
Rental expenses								
Dealwel	-	-	-	-	-	-	173,644	2,034,114
Brokerage expenses								
Propmart Technologies Limited	728,322	635,251	-	-	-	-	-	-
Remuneration								
Ravi Puravankara	-	-	17,952,000	17,952,000	-	-	-	-
Ashish Puravankara	-	-	-	-	10,034,391	8,884,356	-	-

36 Employee benefits

A. Defined benefit plan

The Company has gratuity and vacation pay as defined benefit retirement plans for its employees. As at 31 March 2011 and 31 March 2010 the plan assets were invested in insurer managed funds.

Disclosures as required by AS 15 for the year ended 31 March 2011 are as under:

	31 Mar 2011		31 Mar 2010	
	Gratuity	**Vacation Pay**	**Gratuity**	**Vacation Pay**
	₹	₹	₹	₹
1 The amounts recognized in the Balance Sheet are as follows:				
Present value of the obligation as at the end of the year	52,456,657	23,880,853	44,801,683	15,948,308
Fair value of plan assets as at the end of the year	(30,049,507)	-	(29,092,680)	-
Net liability/(asset) recognized in the Balance Sheet	**22,407,150**	**23,880,853**	**15,709,003**	**15,948,308**
2 The amounts recognized in the Profit and Loss Account are as follows:				
Service cost	7,363,146	9,330,306	10,076,475	5,708,482
Interest cost	3,394,159	1,106,453	846,111	936,802
Expected return on plan assets	(4,388,687)	-	(1,816,057)	-
Past service cost	-	-	23,745,068	-
Net actuarial (gain)/loss recognized in the year	329,529	(184,626)	197,342	(37,132)
Expense recognized in the Profit and Loss Account of the year	**6,698,147**	**10,252,133**	**33,048,939**	**6,608,152**
3 Changes in the present value of defined benefit obligation				
Defined benefit obligation as at beginning of the year	44,801,683	15,948,308	10,891,235	14,079,902
Service cost	7,363,146	9,330,306	10,076,475	5,708,482
Interest cost	3,394,159	1,106,453	846,111	936,802
Past Service cost	-	-	23,745,068	-
Actuarial losses/(gains)	(2,045,409)	(184,626)	(127,521)	(37,132)
Benefits paid	(1,056,922)	(2,319,588)	(629,685)	(4,739,746)
Defined benefit obligation as at the end of the year	**52,456,657**	**23,880,853**	**44,801,683**	**15,948,308**
4 Changes in the fair value of plan assets				
Fair value as at the beginning of the year	29,092,680	-	17,799,945	-
Expected return on plan assets	4,388,687	-	1,816,057	-
Actuarial (loss)/ gains	(2,374,938)	-	(324,863)	-
Contributions	-	2,319,588	10,431,226	4,739,746
Benefits paid	(1,056,922)	(2,319,588)	(629,685)	(4,739,746)
Fair value as at the end of the year	**30,049,507**	-	**29,092,680**	-
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	2%	2%	2%	2%
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 ₹ 2,355,695 and ₹ 7,912,449 for the quarter and year ended 31 March 2011 respectively and ₹ 1,933,429 and ₹ 7,593,755 for the quarter and year ended 31 March 2010 respectively.

37 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 includes ₹ 181,350,350 from the sale of land for the year ended 31 March 2011 and ₹ 1,632,153,150 for the year ended 31 March 2010 .

39 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	**Deputy Managing Director**	**Joint Managing Director**	**Company Secretary**

Bangalore
13 May 2011

Puravankara Projects Limited

Consolidated Cash Flow Statement

	Year ended 31 Mar 2011 ₹	Year ended 31 Mar 2010 ₹
A. Cash flow from operating activities		
Profit before tax	**1,458,735,757**	**1,751,264,361**
Adjustments for:		
Depreciation and amortization	37,589,756	110,940,154
(Profit) / loss on sale of fixed assets	(8,770)	(136,219)
Finance Income/ (Charges), net	(54,442,186)	(15,904,738)
Share of (profit)/loss in associates	11,605,559	(152,827,150)
Operating profit before working capital changes	**1,453,480,116**	**1,693,336,408**
Movements in working capital :		
(Increase) / Decrease in trade debtors	(31,514,214)	33,967,851
(Increase) / Decrease in inventories	(57,031,525)	(29,466,535)
(Increase) / Decrease in loans and advances	(337,643,766)	(116,961,300)
(Increase) / Decrease in properties under development	(3,441,180,595)	(19,033,232)
(Increase) / Decrease in properties held for sale	146,207,394	121,050,747
Increase / (Decrease) in current liabilities and provisions	115,390,360	(854,413,492)
Cash (used in) / received from operations	**(2,152,292,230)**	**828,480,447**
Direct taxes paid	(279,818,059)	(273,147,321)
Net cash from / (used in) operating activities	**(2,432,110,289)**	**555,333,126**
B. Cash flows from investing activities		
Purchase of fixed assets and capital work in progress	(137,151,674)	(10,485,826)
Loans to associates	(159,445,800)	(22,450,000)
Proceeds from sale of fixed assets	553,000	252,000
Loans repaid by associates	101,630,800	1,350,000
Investment in Associates	(9,950,000)	-
Properties held for development	2,077,536,477	508,074,503
Net investment in bank deposits and margin monies	(246,915,821)	(21,986,373)
Interest received	81,421,284	26,507,277
Net cash from /(used in) investing activities	**1,707,678,266**	**481,261,581**
C. Cash flows from financing activities		
Proceeds from term loans	4,483,829,671	1,540,000,000
Repayment of term loans	(1,880,703,020)	(1,124,567,075)
Proceeds from debentures	1,500,000,000	-
Repayment of debentures	(550,000,000)	-
Premium on redemption of debentures	(18,700,000)	-
Proceeds from /(repayments of) short-term borrowings	(776,656,597)	249,571,001
Loans from related parties	188,484,335	96,886,614
Loans repaid to related parties	(389,269,280)	(85,406,614)
Dividends paid including taxes	(249,543,854)	(130)
Interest paid	(1,613,082,387)	(1,220,853,293)
Net cash generated from / (used in) financing activities	**694,358,868**	**(544,369,497)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**(30,073,155)**	**492,225,210**
Cash and cash equivalents at the beginning of the period	**625,723,210**	**133,498,000**
Cash and cash equivalents at the end of the period	**595,650,055**	**625,723,210**
Components of cash and cash equivalents		
Cash and bank balances (as per Note 10 to the financial statements)	998,994,088	782,151,422
Less: Bank deposits and margin monies considered separately	403,344,033	156,428,212
	595,650,055	**625,723,210**

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
Deputy Managing Director

Ashish Puravankara
Joint Managing Director

Kiran Chappar
Company Secretary

Bangalore
13 May 2011

Bangalore
13 May 2011