PURAVANKARA

Puravankara Projects Limited

Regd. Office: #130/1, Ulsoor Road, Bengaluru – 560 042.

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 27th Annual General Meeting (AGM) of the Members of PURAVANKARA PROJECTS LIMITED will be held on Tuesday, the 24 September 2013 @ 12.00 Noon, at The Taj West End Hotel, # 25, Race Course Road, Bengaluru– 560 001, India, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31 March 2013 and the Statement of Profit and Loss for the year ended on that date and the reports of the Directors and Auditors thereon.

2. To declare the Final dividend on equity shares.

3. To appoint a Director in place of Mr. Anup S Shah, who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint Auditors and to fix their remuneration and in this regard to pass the following resolution with or without any modification as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/S. Walker, Chandiok & Co, Chartered Accountants (Firm Registration No. 001076N), the retiring statutory auditors of the Company, be and are hereby appointed as the statutory auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting, on a remuneration to be fixed by the Board of Directors of the Company.

By Order of the Board

FOR **PURAVANKARA PROJECTS LIMITED**

Nani R Choksey
Deputy Managing Director

Bengaluru
06 August 2013

Registered Office:
#130/1, Ulsoor Road,
Bengaluru – 560 042.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY(IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

Proxies submitted on behalf of a Limited Company, Society etc, must be supported by appropriate resolution as applicable. A proxy form is enclosed for this purpose.

2. Members / Proxies are requested to bring their copy of the Annual Report and the Attendance Slip sent herewith, duly filled, to the Annual General Meeting. Members who have opted for e-mailing of the Annual Report and the Accounts are kindly requested to bring the printout thereof when they attend the Annual General Meeting.

3. Members/Proxies are requested to kindly take note of the following:

(i) Attendance Slip, as sent herewith, is required to be produced at the venue duly filled-in and signed, for attending the meeting;

(ii) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

The Members who hold shares in electronic form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio No., in the attendance slip for attending the meeting.

4. The Register of Members and the Share Transfer Books of the Company will remain closed from 18 September 2013 to 24 September 2013 (both days inclusive).

The dividend on equity shares, if declared at the Annual General Meeting, would be paid on or after 03 October 2013,

(a) to those members holding shares in physical form, whose names would appear on the Register of Members of the Company, as at the close of business hours of 24 September 2013, after giving effect to all valid transfers in physical form lodged with the Company on or before 17 September 2013 and

(b) In respect of the shares held in electronic form, on the basis of the details furnished by National Securities Depositories Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as at the close of business hours of 17 September 2013.

5. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board resolution authorising their representative to attend and

vote on their behalf at the Meeting.

6. Members holding shares in electronic form may please note that dividend in respect of the shares held by them will be credited to their bank account as per the details furnished by the respective Depositories to the Company as per the applicable regulations of the Depositories and the Company will not be in a position to entertain any direct request from such members for change / deletion in such bank details. Further, instructions, if any, already given by members in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form. Members may therefore give instructions regarding bank accounts in which they wish to receive dividend, to their Depository Participants (DP).

7. The Company proposes the payment of dividend, if declared, through National Electronic Fund Transfer (NEFT), National Electronic Clearing Services (NECS) (or) by way of dispatch of physical dividend warrants with Bank Details as furnished by the members. Members holding shares in Physical form are advised to immediately submit the NEFT/Bank Details along with IFSC code to the Company's Registrar and Transfer Agent – Link Intime India Pvt. Ltd. (Link Intime) or notify the changes, if any, to them and Members holding the shares in Electronic form are advised to submit the Bank Details along with IFSC code to their respective DP or notify the changes, if any, in their Bank Details to their respective DP.

NECS Mandate Form is being sent along with the Annual Report so as to enable the shareholders to update their address and bank particulars and ensure timely and faster credit of dividend to their bank account.

8. For effecting changes in address/bank details/ECS (Electronic Clearing Service) mandate, members are requested to notify immediately:

(i) Link Intime, if shares are held in Physical form; and

(ii) their respective Depository Participant (DP), if shares are held in Electronic form.

9. The Annual Report of the Company, circulated to the Members of the Company, is available on the Company's website - www.puravankara.com. Members are requested to visit the same for more information about the Company.

10. The Investor-related queries may also be addressed to the Company, at investors@puravankara.com (or) to the Registrar & Share Transfer Agent, Link Intime India Pvt. Ltd. at the following address:

C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West), Mumbai – 400 078,
Maharashtra, India, Tel. no: +91-22-25946970
Fax no: +91-22-25946969
e-mail: rnt.helpdesk@linkintime.co.in
Further, in all correspondences with the

Company and/or Registrar & Share Transfer Agent, Folio No. (or) DP & Client ID No., as the case may be, must be quoted.

As per the provisions of the Companies Act, 1956, facility for making nomination is available for shareholders in respect of the shares held by them. Nomination form can be obtained from Link Intime.

11. All documents mentioned in the Notice will be available for inspection at the Annual General Meeting. The Register of Directors' Shareholding, maintained under Section 307 of the Companies Act, 1956, will be available for inspection at the Registered Office 14 days before and on the day of the Annual General Meeting and 3 days after the Annual General Meeting, for perusal of the members.

12. Members are requested to note that a dividend not encashed or claimed within 7 years from the date of declaration, needs to be transferred from the Company's Unpaid Dividend Account to the Investor Education and Protection Fund (IEPF) of the Central Government, pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956. Since the period of 7 Years is yet to expire, the Company is not mandated to transfer the same.

Due dates for Transfer to IEPF:

Financial Year Ending	Type of Dividend	Date of Declaration of Dividend	Date by which required to be transferred to the Investor Education and Protection Fund of the Central Government	Unpaid/ Unclaimed Amount (in ₹)
31 March 2008	Final	16 September 2008	15 September 2015	82,514
31 March 2010	Final	29 June 2010	28 June 2017	-
31 March 2011	Final	24 September 2011	23 September 2018	146,705
31 March 2012	Final	21 August 2012	20 August 2019	94,916
31 March 2013	Interim	17 April 2013	16 April 2020	Not applicable

Further, Members wishing to claim the dividend, which remains unclaimed are requested to make their claims immediately from the Company by corresponding with the Company Secretary, at the Registered Office of the Company (or) the Company's Registrar & Transfer Agents - Link Intime, for issuance of duplicate / revalidated dividend warrant/s.

13. Brief profile of the Director retiring by rotation and eligible for re-appointment as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges is annexed to the Notice.

14. Green Initiative in Corpoate Governance
The Ministry of Corporate Affairs (MCA), vide Circular Nos. 17/2011 dt. 21 April 2011 and 18/2011 dt. 29 April 2011 respectively), has undertaken a 'Green Initiative' and allowed companies to share documents with its shareholders through electronic mode.

Members who have not registered their e-mail addresses so far are requested to support this green initiative by registering/ updating their e-mail addresses so that they can receive the Annual Report and other communication from the Company electronically:

- in respect of shares held in Electronic form - with their Depository Participants and
- in respect of shares held in Physical form - with the Registrar & Share Transfer Agent.

By Order of the Board

FOR **PURAVANKARA PROJECTS LIMITED**

Nani R Choksey
Deputy Managing Director

Bengaluru
06 August 2013

Registered Office:
#130/1, Ulsoor Road,
Bengaluru – 560 042.

Additional Information in Terms of Clause 49 of the Listing Agreement in Respect of Director(s) being proposed for re-appointment.

Name of the Director	Mr. Anup S Shah (DIN 00317300)
Date of Birth	25 June 1956
Date of last Appointment on the Board	01 June 2005
Qualifications	Bachelor's degree in Commerce from H.R. College, Mumbai and a Bachelor's degree in Law from Government Law College, Mumbai.
Nature of expertise in specific functional areas	He has over 32 years of experience in the legal field. He is the senior and managing partner of Anup S Shah Law Firm. His areas of expertise include commercial documentations, property related transactional works, property due diligence, corporate and commercial litigation, property related advisory works, land laws, arbitration and alternative dispute resolution. He answers readers' queries through "Legal Eagle", a weekly article in The Times of India, Bengaluru.
Directorship held in other Companies in India	1. Provident Housing Ltd. 2. Sobha Developers Ltd. 3. Bhoruka Power Corporation Ltd.
Membership in Other Committees	Sobha Developers Ltd. (Chairman)
Number of shares held as on 31 March 2013	Nil
Relationship with other Directors	None

Note:

Directorship in Foreign companies, alternate directorships, Directorships in Private Companies and membership in governing councils, chambers and other Bodies are not included. Membership / Chairmanship in Audit Committee and Shareholder Grievance Committees of other Companies are included.

PURAVANKARA

Puravankara Projects Limited

Regd. Office: #130/1, Ulsoor Road, Bengaluru – 560 042.

ATTENDANCE SLIP

Annual General Meeting on 24 September 2013

Name & Address of shareholder	DP Client Id No./ Folio No.	No. of Shares held

I hereby record my presence at the Annual General Meeting (AGM) of the Company on Tuesday, the 24 September 2013 @ 12.00 Noon, at The Taj West End Hotel, # 25, Race Course Road, Bengaluru – 560 001, India,

If shareholder, please sign here	If proxy, please sign here

Shareholders/Proxies are requested to fill up the attendance slip and hand it over at the venue. Members/Proxies are also requested to bring their copy of AGM Notice to the meeting as no copies will be distributed at the venue.

PURAVANKARA

Puravankara Projects Limited

Regd. Office: #130/1, Ulsoor Road, Bengaluru – 560 042.

FORM OF PROXY

Annual General Meeting on 24 September 2013

DP Client Id No./ Folio No. ....

I/We... of
.... resident of ....
....being a member(s) of above named
Company hereby appoint..of ....
.... resident of...
....failing him/her ....
.... of ....
resident of .... as my/our proxy
to vote for me/us on my/our behalf at the Annual General Meeting (AGM) of the Company to be held on Tuesday, the 24 September 2013 @ 12.00 Noon, at The Taj West End Hotel, # 25, Race Course Road, Bengaluru – 560 001, India and at any adjournment thereof.

Signed this... Day of................................, 2013

Affix
Re. 1
Revenue
Stamp

Signature of the Shareholder...

NOTE: The proxy in order to be effective should be duly stamped, completed & signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. The Proxy need not be a member of the Company.

PURAVANKARA

Puravankara Projects Limited

National Electronic Clearing Service (Credit Clearing) Mandate form

Puravankara Projects Limited 130/1, Ulsoor Road, **Bengaluru – 560 042.**	For **SHARES HELD IN PHYSICAL MODE** please complete the form and mail to
	For **SHARES HELD IN ELECTRONIC MODE** please complete the form and mail to

Dear Sir(s),

Sub: Change in mode of payments to NECS

I hereby consent to have the amount of dividend on my equity shares credited through National Electronic Clearing Service (NECS). The Particulars are: ....

1. Folio No./DP ID No. & Client ID No.: ....
(Folio No. given in Equity Share certificate(s) / Client ID no. given by your DP

2. Shareholder's Name ....

3. Shareholder's address: ....
....

4. Particulars of the Bank

• Bank name: ....

• Branch and address ....
....

• Telephone No. of Bank ....

• Mantion the 9 digit-code number of the Bank and branch appearing on the MICR Cheque issued by the Bank

....

(Please attach the photocopy of a cheque or a cancelled bank cheque issued by your bank for accuracy of your code number)

• Account type (Please ✓ tick) Saving ☐ Current ☐ Cash Credit ☐

• Account number (as appeared on the cheque book) ....

5. Data from which mandate should be effective ....

I hereby declare that particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the Company/ Registrar and Share Transfer Agents of the Company responsible. I also undertake to advise any change in the particulars of my account to facilitate updation of records for purposes of credit of dividend amount through NECS.

Signature of the First / Sole shareholder

PURAVANKARA

Puravankara Projects Limited
130/1, Ulsoor Road, Bengaluru-560 042
Tel: +91-80-25599000/43439999, Fax: +91-80-25599350

INVEST IN LIFE

PURAVANKARA PROJECTS LIMITED
ANNUAL REPORT 2012-13

INVEST IN LIFE

PURAVANKARA PROJECTS LIMITED
ANNUAL REPORT 2012-13

Inside...

Dedicated to all Puravankara employees
Driven by the passion to not just create better homes
But to make this a better world to live in.

At Puravankara...

We recognise the fact that when our customers buy our properties, they are actually investing in 'life'.

To that extent, we become a part of their lives. This is a responsibility that we understand and fully embrace.

Puravankara vision

We envision a future wherein Puravankara is a household name, the world over. A future wherein our brand symbolises unique landmarks and superior community living of the highest standards of quality and customer delight.

The 'You' philosophy

At Puravankara, all our endeavours revolve around just one entity – our customers. Their needs, dreams and aspirations are pivotal to our decisions. We call this the 'You' philosophy.

Our vision and the 'You' philosophy have catalysed financial transformation.

- From 2.48 mn sq. ft of sales in 2009-10 to 3.96 mn sq. ft in 2012-13
- From realisations of ₹2,412 per sq. ft in 2009-10 to ₹3,842 per sq. ft in 2012-13
- From a single brand in 27 years to two well-established brands in 2012-13 (Puravankara and Provident)
- From revenues of ₹480 cr in 2009-10 to ₹1,248 cr in 2012-13
- From an operating profit of ₹174 cr in 2009-10 to ₹353 cr in 2012-13
- From a net profit of ₹145 cr in 2009-10 to ₹243 cr in 2012-13
- From 28,316 customers in 31 March 2010 to 41,220 in 31 March 2013
- From 431 employees as on 31 March 2010 to 1,016 on 31 March 2013

Our big numbers

2011-12	2012-13
2.44 Mn sq. ft of property sales achieved in 2011-12	**3.96** Mn sq. ft of property sales achieved in 2012-13
1,748 Apartments sold in 2011-12	**3,043** Apartments sold in 2012-13
3,586 ₹per sq. ft realisations (average) in 2011-12	**3,822** ₹per sq. ft realisations (average) in 2012-13
815 ₹cr revenue (net) in 2011-12	**1,248** ₹cr revenue (net) in 2012-13
195 ₹cr Operating profit in 2011-12	**353** ₹cr Operating profit in 2012-13

2011-12	2012-13
24 % Operating profit margin in 2011-12	28 % Operating profit margin in 2012-13
142 ₹cr Cash profit in 2011-12	251 ₹cr Cash profit in 2012-13
136 ₹cr Net profit in 2011-12	243 ₹cr Net profit in 2012-13
10.91 % ROCE in 2011-12	12.96 % ROCE in 2012-13
8.04 % RONW in 2011-12	12.82 % RONW in 2012-13

We envision a future wherein Puravankara is a household name, the world over.

Introduction

Even as we are in the midst of one of the most challenging economic slowdowns in memory, the business of Puravankara Projects could not be more relevant than it is today.

Our business is grounded in an irreversible reality, evident not just in India, but the world over.

Urbanisation.

Urbanisation is changing the world more dramatically than ever before. Two factors are driving this irreversible trend: increasingly centralised wealth generation opportunities and a lower centralised cost of various services.

Urbanisation a global trend

Urbanisation is increasingly evident in the statistics:

In 1900, 13% of the world population was urban. Thereafter, the global urban population increased from 220 mn in 1900 to 732 mn in 1950 or 29% of the world population (Source: UN Population Division).

In a little over a century, the world has changed more rapidly than ever before in its recorded existence. By 2007, 50% of the world population was living in cities. In 2007, for the first time in history, over half of the world population of 3.3 bn people began to live in urban areas with a further 500 mn people urbanised by 2012 and 60% of the world population projected to be urbanised by 2030 (Source: FIG Surveyors).

Correspondingly, the 'large' has become 'larger'. The number of global megacities (those with a population of 10 mn +) has risen from 2 in 1950 to 20 in 2005 and a projected 27 by 2020. Interestingly, over half of all the dramatic upheaval is occurring and will continue to occur in Asia.

Asia is possibly going through the biggest socio-economic churn in the world, marked by industrialisation and income growth, and consequently, urbanisation. The result is that the developing regions of the world have more than doubled the number of urban dwellers in comparison to their developed counterparts (2.3 bn vs. 0.9 bn). By 1968, the urban population of the developing regions surpassed that of the more developed regions; this trend has sustained and is likely to continue, given the population growth in the developing regions.

India and urbanisation

India has a young and rapidly growing population but needs thriving cities in order to realise this demographic dividend. It is estimated that Indian cities could generate 70% of net new jobs created up to 2030, produce around 70% of the Indian GDP, and drive a near four-fold increase in per capita income across the nation (Source: McKinsey).

Based on this reality, India's urban population could soar from 340 mn in 2008 to 590 mn in 2030. Whereas it took India nearly 40 years (1971 to 2008) for its urban population to increase by nearly 230 mn, it will take the country only half that time to add the next 250 mn.

However, India is under-equipped to address this phenomenon. In per capita terms, India's annual capital spending of USD 17 is only 14% of China's USD 116 and less than 6% that of the US (USD 292). India will need to accelerate its urban investment; build between 700 mn and 900 mn sq. m of residential and commercial space annually to meet this growing urban demand (Source: McKinsey); invest USD 1.2 trillion in urban capital expenditure over 20 years, equivalent to USD 134 per capita per year, almost eight times the current level of spending.

This is the contextual background for this annual report. It will present the reader insights into our business model, sectoral focus and sustainable prospects.

Project landmarks

Puravankara successfully acquired around 59 acres for the development of its Sunworth property at historical costs a good two years after negotiations commenced through a prudent leverage of its reputation, cash position and negotiation capabilities.

Global proportion of the urban population increase

Year	Urban population (mn)	Proportion (%)
1900	220	13
1950	732	29
2005	3,200	49
2030	4,900	60

Source: UN Population Division

CHAPTER 1

The Journey

"From a base of 28,316 customers in March 2010 to a family of 41,220 Puravankara customers today."

Ravi Puravankara,
Chairman and Managing Director

India is the world's fourth largest economy, projected to emerge as the third largest by 2025.

The country will need more homes, offices, civic and industrial infrastructure to restore the inequity of yore. This implies a greater role for the country's construction and real estate sectors. Credible estimates indicate that India will need over USD one trillion during the Twelfth Five Year Plan period to create new infrastructure and decongest what exists.

Interestingly, much of the infrastructural creation will occur in and around the cities. Those living in urban India will buy more homes to accommodate their growing families and fulfill ensuing needs. As India becomes more prosperous, those living in rural areas will gravitate towards cities. Counter-intuitively, a country classified as agrarian even as recently as a few decades ago, will create a high 70% of all its prospective employment in its cities. Even as India encompasses 53 urban agglomerations with a population in excess of a mn (2011 census), this number is expected to increase to over 68 in the next few years.

The fact that India is expected to add 250 mn people to its cities by 2030 will inevitably translate into a greater need for urban residential accommodation. The country is already grappling with an estimated shortfall of over 18 mn housing units, which may be a conservative assessment as it does not account for growing incomes that would graduate aspirations and accelerate the country's residential appetite.

Convergence

Puravankara is in the right sector, at the right time, with the right business model.

Over the last few years, Puravankara created three distinct market segments to address the growing scope of its business – one segment focuses on premium residential needs, the second focuses on mid-income housing and a third segment is engaged in construction and development (captive and third party) services. Two of the most severe slowdowns in a span of four years would have been justification enough for this consolidation.

Yet, Puravankara has scripted one of the most contrarian expansion stories in the Indian real estate sector.

Puravankara is competently placed to capture the potential value of the national housing shortage. We are addressing the sizeable appetite for premium residences in India through our parent Puravankara brand; we are engaged in servicing the growing demand for mid-income housing through Provident Housing Ltd, a wholly-owned subsidiary, and we are addressing the need for back-end construction and development services through Starworth Infrastructure & Construction Ltd, a 100% subsidiary. Puravankara believes that the proverbial 'rising tide will lift all boats' (albeit in unequal proportions) will hold true. Companies that are appropriately structured to capitalise on the industry upturn will benefit the most.

Competently poised

I am confident that Puravankara is among those companies for pertinent reasons:

We are unique in the ownership of two complementary brands – Puravankara and Provident – that address diverse customer segments without cannibalisation.

Brand Puravankara is entrenched across the fast-growing realty markets of South India.

We are singularly positioned to capitalise on the mid-income housing growth, with our 'premium affordable' Provident proposition, by virtue of being at least four years ahead of the market curve.

We have not been complacent with our first-mover advantage; rather, we have set a good pace of growth: whereas the delivery of our first 1,300 Provident apartments took a 1,000 days, we expect to deliver the next 2,000 in less than a third of the time by deploying templated designs and cutting-edge precast technology, thereby enhancing our speed and reducing costs.

The amalgamation of volume, speed, quality, delivery and attractive price-value proposition has translated into a unique Provident business model. This is strategically poised to address the nationwide demand for premium affordable homes at the expanding centre of the national residential pyramid.

I feel certain that the Puravankara Group is suitably structured to capitalise on one of the most attractive sectoral opportunities the world over.

A sizeable opportunity

India is an attractive market for real estate development companies for the following reasons:

Number of customers	Number of customers	Number of Puravankara employees	Number of Puravankara employees	Cumulative investments in the business (₹ cr)
28,316	41,220	431	1,016	1,300
FY10	FY13	FY10	FY13	FY10-13

■ In a number of national pockets, the country's customer population is growing faster than the availability of residential stock.

■ There are two 'Indias' from a residential perspective: a relatively niche 'India' that has the capacity to buy expensive world-class residences; a broader 'India' that is probably growing faster than the capacity of the country's organised sector to service it.

■ There is a sizeable untapped opportunity even after aggregating these two 'Indias': real estate development accounts for 11% of China's GDP (Source: McKinsey), a country with comparable demographics, whereas in India the corresponding number is half.

■ I believe that prospects of the luxury and 'premium affordable' residential segments are fairly assured: catalysed by a need for residences beyond the functional (recreational), rising disposable incomes, growing middle-class, steady interest rates, conveniently tenured home loans, increase in nuclear families and, of course, urbanisation.

■ Best of all, in India, a home ranks at the top in the hierarchy of purchasable entities as it represents an emblem of vocational success.

Home ownership is considered a bankable security irrespective of economic vagaries.

The prospects of robust and sustainable growth make real estate a sector with considerable potential in the medium and long-term.

The question no longer is whether the companies engaged in the sector will grow (which is often the case in many sectors); the question is how much, how profitable and how sustainable that growth could be.

Big picture

We create value to outlast a customer's lifetime.

Our gratification lies in the smiles that light up our customers' faces when they enter their homes for the first time.

It is an honour and privilege to be able to launch numerous homes and quadruple our presence with the goal of emerging as a USD one bn real estate organisation in the coming years.

With my very best regards,

Ravi Puravankara,
Chairman & Managing Director

Value in a nutshell

The Provident proposition pioneers the concept of 'premium affordable' housing. These are premium homes equipped with best-in-class amenities, designed to sell at affordable prices on an account of a rigorous value-engineering and cost management process.

Key summary

■ India is expected to add 250 mn people to its cities by 2030, which will inevitably translate into a heightened need for urban residential accommodation

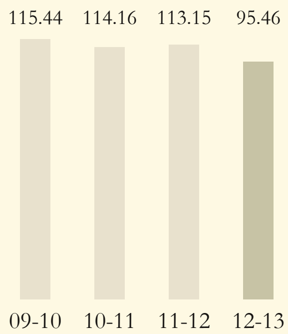
■ Puravankara and Provident are competently poised, providing residential realty solutions that straddle the value chain

■ The Group possesses a robust land bank, creating attractive opportunity for prospective development

■ The Group expects to emerge as a USD 1 bn (revenues)

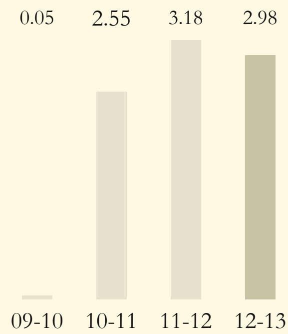
Financial transformation

Land bank (mn sq. ft)



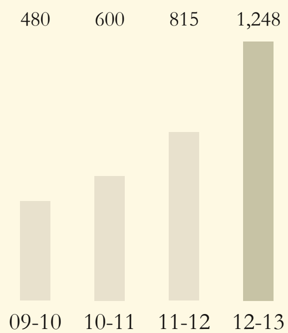
A stable land bank…

Realty development (mn sq. ft)



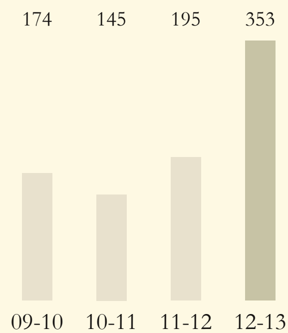
…has resulted in completion of developed (and handed over) space...

Turnover (gross) (₹ cr)



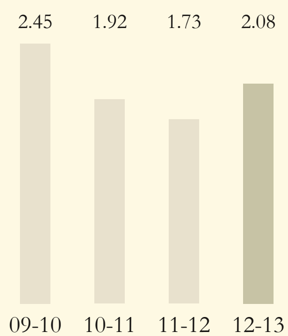
…leading to a galloping turnover…

Operating profit (₹ cr)



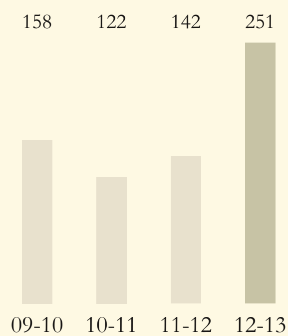
…which, coupled with cost control, strengthened our operating profit…

Interest cover (times)



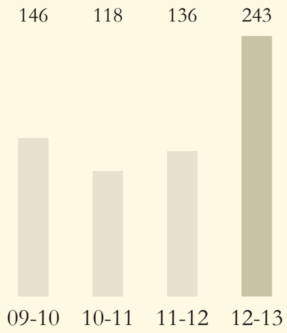
…with a comfortable interest coverage ratio…

Cash profit (₹ cr)



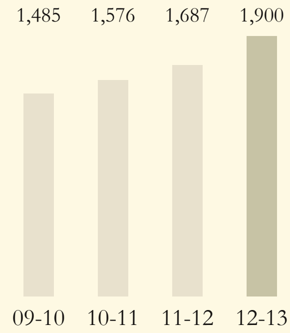
…and rising cash profits…

Post-tax profit (₹ cr)



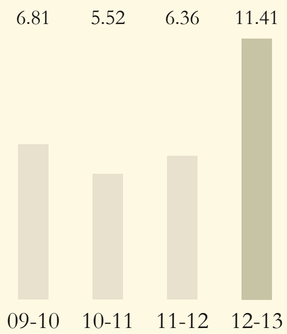
...and an attractive bottomline; we are poised to make growth profitable and sustainable.

Networth (₹ cr)



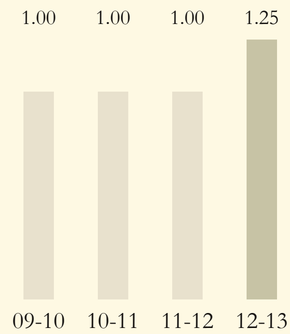
Our growing ability to prudently ploughback surpluses...

Earnings per share (₹)



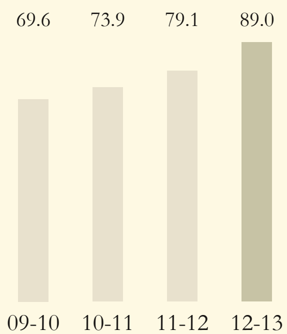
...improved our earnings...

Dividend per share (₹)



...and contributed to consistency in shareholder returns...

Book value per share (₹)



...and growing per share book value

At Puravankara, we are focused on growth and strengthening shareholder value.

The epicentre of Puravankara's success lies in a deeply competitive business model with the potential to generate greater revenues and profits in the foreseeable future.

CHAPTER 2

Brick by Brick

"Puravankara: From a local to a regional to a progressively national presence."

Ashish Puravankara,
Joint Managing Director,
Puravankara Projects Limited

In most large organised businesses, raw material ownership is incidental to a company's success. In real estate, the converse is true; long-term raw material ownership is critical to a company's survival.

There is good reason for the criticality of long-term raw material ownership, especially in India. Growth has been confined to cities, most of them congested, indicating a dearth of large and developable spaces. Consequently, there has been frenzied acquisition of developable property and land banking, as an insurance against economic downturns.

The land banking frenzy

Yet another reason for overzealous land banking is the steady appreciation of land value across the country over the last decade. As such, acquisition of developable land has often been preemptive, fuelled by the rationale that land value escalation is likely to exceed the cost of its acquisition.

The result is that the acquisition of land parcels has often evoked frenetic responses in India: developers have frequently paid exorbitant amounts for the acquisition of land parcels with significant downsides, procured debt at a high cost and with little regard to profitable land deployment. Inevitably, these purchases have translated into prohibitive developed real estate costs, effectively thwarting upwardly mobile middle-class aspirations and resulting in high-cost unsold inventory.

Fortunately, Puravankara has not succumbed to these compunctions.

Puravankara's conservatism

Puravankara's distinctive competitive characteristic is our cautious and conservative approach to land acquisition and inventorisation of this principal raw material. We recognise that the most critical factor behind a real estate company's failure is the untimely acquisition of expensive land parcels.

The following guidelines define our four-decade long insight into land acquisition:

- We 'foresee' developmental potential of the acquired property and its vicinity.
- We assess infrastructural investments in the neighbourhood.
- We scrutinise land deeds and titles for their transparency.
- We leverage our cash surplus to negotiate aggressively.
- We engage in joint development agreements wherein the partner provides land as equity and we leverage our construction and developmental expertise via a shared revenue/ area arrangement.
- We embrace cutting-edge technologies; we invest in aluminium formwork at our projects to reduce time schedules and labour requirement.

Conservatism in the numbers

Our disciplined approach has paid-off: As on FY13, almost 28.06 mn sq. ft (economic interest 16.30 mn sq. ft) of space are tied up under joint development agreement.

This discipline is the foundation that has elevated Puravankara from a local to a regional to a national developer. Our in-depth insight into property acquisition has augmented the proportion of non-Bengaluru land bank from 34% in 2010 to 42% in 2013; we expanded from a presence in eight cities in 2010 to nine cities in 2013.

It is noteworthy that the company funded the acquisition of 50% of its land bank by leveraging its networth, mitigating the pressure to monetise with speed and selecting to do so at the opportune time.

The epicentre of Puravankara's success lies in a deeply competitive business model with the potential to generate greater revenues and profits in the foreseeable future.

Strategic direction

Going forward, I envision that Puravankara will grow through the following initiatives:

- Increasingly engaging in projects that lead to larger annuity incomes.
- Launching our first residential project outside South India shortly.
- Extending the Provident model of 'premium

Development potential (mn sq. ft)	Developed space in Bengaluru since inception up to March 31 (mn sq. ft)	Developed space in Chennai since inception up to March 31 (mn sq. ft)	Developed space in Kochi since inception up to March 31 (mn sq. ft)
109.61	15.00	1.10	0.27
FY13	FY13	FY13	FY13

affordable' housing across the country.

- Engaging in a larger share of Joint Development Agreements (JDAs), thereby optimising our cash outlay.
- Retaining our IRR focus by driving revenues on the one hand and optimising costs on the other.

I expect that the convergence of these initiatives will transform us into one of the largest real estate companies in India as well as protect our value, effectively establishing Puravankara as one of the most profitable developers in the country.

Our strategic volume-value focus is likely to translate into enhanced value for our shareholders.

Growth trajectory

A developmental pipeline of over 9 mn sq. ft for immediate launch, a formidable presence across South India and a burgeoning footprint beyond will transform the Puravankara Group into a nationally-pervasive real estate organisation.

Key summary

- Growing city congestion has resulted in suburban developmental expansion.
- Strategic land bank acquisition has enabled the Group to extend beyond Bengaluru.
- The Group embraced joint development agreements to accelerate implementation and strengthen local presence.
- Puravankara has a robust land bank and is poised for future development.
- Growing volume and realisations will create considerable value for Puravankara shareholders.

Our geographical evolution

Location	Number of projects	Development space (mn sq. ft)
Bengaluru	35	15.00
Chennai	2	1.10
Coimbatore	-	-
Kochi	1	0.27
Mumbai	5	0.14

Puravankara projects at a glance (ongoing)

Project	Location	Size (acres)	USPs
Purva Whitehall	Bengaluru	2.71	Project close to conveniences such as IT hubs, schools and colleges, hospitals, malls; exclusive 3 and 4-BHK luxurious offerings at the heart of city (located at centre of the IT corridor of Bengaluru)
Purva Season	Bengaluru	10.89	Largest parcel of land being developed by any category 'A' builder in CV Raman Nagar, one of the biggest 7-star clubhouses compared with any of our Purva projects, international standard amenities, central BMS (building management system) with international standard security
Purva Midtown	Bengaluru	4.25	Luxurious living in the heart of the city; located close to ITPL and CBD areas; excellent connectivity to the metro, bus stations and cinema halls
Purva Skywood	Bengaluru	12.75	Loaded with amenities and just a few minutes drive away from the IT hubs; highest open space of around 87%; cricket pitch for sport enthusiasts
Purva Atria Platina	Bengaluru	2.38	Located in one of the posh areas of Bengaluru; building standards adhere to 'Green Building' concepts; state-of-the-art specifications such as imported marble and bathroom fittings
Purva Venezia	Bengaluru	26.40	Inspired from the magical landscape of Venice with one of the largest water bodies of Bengaluru; use of the MIVAN technology (beams, columns and slabs) ensuring high structural stability; project facing 1,600 acres of lush greens of GKVK; located close to the new airport; minimum common walls; every apartment is like a corner apartment offering sunshine and privacy

From	To
20.25 mn sq. ft in 2011	28.04 mn sq. ft of developmental space in 2012-13

Project	Location	Size (acres)	USPs
Purva Highland	Bengaluru	17.3	One of the largest swimming pools in Bengaluru; use of MIVAN technology ; near the upcoming metro ensuring good connectivity (Nice Junction/ Anjanapura Road - Ph -2)
Purva Windermere	Chennai	55.19	Land parcel of 55 acres within city limits; excellent connectivity to prime spots in the city (airport, OMR, Mount Road, GST Road, among other areas)
Purva Swanlake	Chennai	10.38	Project on the main OMR Road; close proximity to major IT offices (TCS, Infosys, Wipro, CTS among others); offers view of the sea and the Muthukad Lake
Purva Bluemont	Coimbatore	17	One of the biggest residential projects within city limits; close proximity to the airport, the railway station and major business centres
Purva Oceana	Kochi	1.41	Situated in a prime location, Marine Drive; offering excellent view of the sea, backwaters, shipyard etc.
Purva Grandbay	Kochi	5.28	Situated in a Marine Drive; project comprises aesthetically conceptualised and spacious living spaces
Purva Eternity	Kochi	6.28	Situated at prime location, walking distance from collectorate office and IT Parks; project built in close proximity to proposed smart city (IT SEZ)
Purva Moonreach	Kochi	1.61	Situated on the Sea Port - Airport Road; close connectivity to major business centres and NH47

CHAPTER 3

Passion & Compassion

"Sustainable CAGR in the coming years."

Jackbastian K. Nazareth,
Group Chief Executive Officer

In the business of real estate development, success will increasingly be determined by the intangibles governing the business, as opposed to the tangibles (with the exception of land).

At Puravankara, we are convinced that competitiveness is not determined by the 'what' but by the 'how' underlying operations influence a Company's efficiency.

Process-driven Company

Puravankara outperformed the sectoral average because of a progressive investment in best-in-industry processes. Going forward, returns from investments in tangible drivers are expected to be range-bound and subject to diminishing returns, but returns from investment in intangible drivers could be more enduring.

In recognition of the prominence of intangibles in sustainable growth, Puravankara restructured its organisational blueprint. We segregated project execution functions into the following streams:

- **Pre-planning**: Dedicated team responsible for extensive onsite and adjacent surveys and the completion of multiple processes leading up to project launch.

- **Contracts**: Team tasked with scrutinising NOCs, identifying hurdles and affecting resolution through vendor collaborations.

- **Core execution:** Focused team allocating 40% of the time in training and the rest in project execution.

The result: enhanced focus on each stream, progressive specialisation via an in-depth understanding of prevailing sectoral and Puravankara benchmarks, a target-driven approach to elevate the benchmarks and a well-honed insight into the impact of incremental changes on productivity.

Nuts and bolts

The segregation of responsibilities has enabled sub-teams to focus on the following nuts and bolts of our operations:

- Extensive legal, architectural and technical appraisals to ensure course corrections at the project modelling stage thereby reconciling vision with on-ground reality.
- Comprehensive research to define and structure key project propositions with a view to strengthen project viability and marketability.
- Prudent pricing creating compelling value for the customer and Company; one Bengaluru-based project in a high-competition area registerd bookings of 50% within 6 months of launch.
- Periodic project review meetings, leveraging the superior (EVM methodology to accurately estimate project progress; EVM is a dedicated real estate modelling technology embraced by reputed realty companies across the world).
- Reinforcement of a process management checklist, which provides insight into all pertinent organisational functions.

Institutionalising cutting-edge technologies such as Primavera and the implementation of ERP provide real-time project information.

Faster, higher, stronger

Pre-planning

- Detailed pre-planning agenda to accelerate new project launches.

Contracts

- Ongoing documentation checks.
- Proactive supply of material and labour.
- Tie-up with resource partners.
- Engendering a collaborative approach in value engineering.

Core execution

- Synergising the profile of all employees engaged in core execution to reduce overload.
- Empowering employees with Primavera software training.
- Imparting extensive in-house training through the Puravankara Academy of Excellence.
- Adopting labour wellness practices.

Quality

- Comprehensive and ongoing quality checks.
- Manpower equipped with extensive quality training.

Validation

Our heightened focus on intangibles was validated during a challenging 2012-13. Even as the national economy slowed and a number of customers deferred purchases of what is arguably the largest expenditure item in their lives, Puravankara performed creditably.

Launches

We launched more, we sold more and we earned more. Period.

- Apartment sales increased from 1,748 units in 2011-12 to 3,043 in 2012-13.
- EBIDTA margin stood at 46.41% in 2012-13.
- Profit after tax strengthened 79.35% to Rs 243 cr in 2012-13.

In the face of macroeconomic challenges, Puravankara retained its place among the most profitable real estate development companies in India.

Under the bonnet

Our improved financials are the result of a well-conceived strategy intended to maximise sales, revenues and foster dual-brands.

This strategy translated into the following financial results:

- Record sales of 3.96 mn sq. ft (2.44 mn in 2011-12); Puravankara brand sales accounted for 52% (69% in the previous year); Provident brand sales accounted for 46% (28% in the previous year).
- Average Puravankara realisations rose 16% to ₹4,560 per sq. ft; average Provident realisations surged 11% to ₹2,981 per sq. ft.
- Puravankara and Provident brands reported industry-leading EBIDTA margins of 48% and 40% respectively.
- A Bangalore based project of ours in one of the key micro markets had a capital appreciation of over 25% within six months of launch.

Result

Puravankara's existing strategy implies a growing divergence between investments and returns; which implies growing revenues without a corresponding increase in recruitment, this implies a progressive strengthening of processes translating into higher margins.

Our scalability is clearly reflected in our numbers: While we developed 1.08 mn sq. ft between FY04-07, the pace of development grew to 5.05 mn sq. ft between FY08-10 and surged to 8.71 mn sq. ft between FY10-13 – a compounded annual growth rate of 28% between FY04 and FY13, among the fastest in India's real estate industry.

A Bangalore based project of ours in one of the key micro markets had a capital appreciation of over 25% within six months of launch.

Our development scorecard

- Operational projects in Kolkata 7.95% comprising 2.23 mn sq. ft
- Operational projects in Bengaluru 50.71% comprising 14.22 mn sq. ft
- Operational projects in Chennai 24.82% comprising 6.96 mn sq. ft
- Operational projects in Kochi 6.63% comprising 1.86 mn sq. ft
- Operational projects in Coimbatore 6.61% comprising 1.85 mn sq. ft
- Operational projects in Mangalore 1.50% comprising 0.42 mn sq. ft
- Operational projects in Hyderabad 1.78% comprising 0.50 mn sq. ft

"Puravankara kicked-off an innovative PRM (Project Review by Management) based on internationally accepted EVM (Earned Value Management) principles for all projects across all regions. This resulted in cycle time reduction in project decisions and improved cost efficiency."

Vijay Pandey, *Senior Vice President, Planning and Process*

A futuristic Puravankara

- We intend to accelerate our expansion outside South India through opportunistic land banking and project development.
- We intend to commence developmental work outside South India.
- We expect to launch almost 9 mn sq. ft (saleable) of proposed development space, entailing projects in Bengaluru, Chennai and Coimbatore.
- We plan to forge a larger proportion of joint development agreements with landowners who possess strategically located land banks across key micro-markets.

Puravankara is among the most awarded in India's real estate sector, winning several accolades at various prestigious forums and events in 2012-13 including:

2013 – Transformational Leadership at the NDTV Property Awards 2013

2013 – Residential Dwellings below 1,500 sq. ft for Provident Welworth City at the CREDAI Real Estate Awards, Karnataka 2013

2013 – Affordable Housing of the Year for Provident Welworth City at the Realty Plus Excellence Awards

2013 – Environment Friendly Project of the Year (Residential) for Purva Highland at the ET Now Awards for Retail Excellence

2013 – Popular Choice - Affordable Housing of the Year for Provident Welworth City at the ET Now Awards for Retail Excellence

2013 – Young Achiever's Award for Ashish Puravankara at the ET Now Awards for Retail Excellence

2013 – Most Admired Upcoming Project of the Year for Purva Windermere at the ET Now Awards for Retail Excellence

2013 – Enterprising CEO of the Year for Jackbastian Nazareth at the ET Now Awards for Retail Excellence

2012 – Mid-Range Housing Project of the Year award for Purva Venezia at Bangalore Real Estate Awards

Total space under development in Bengaluru –

14.22

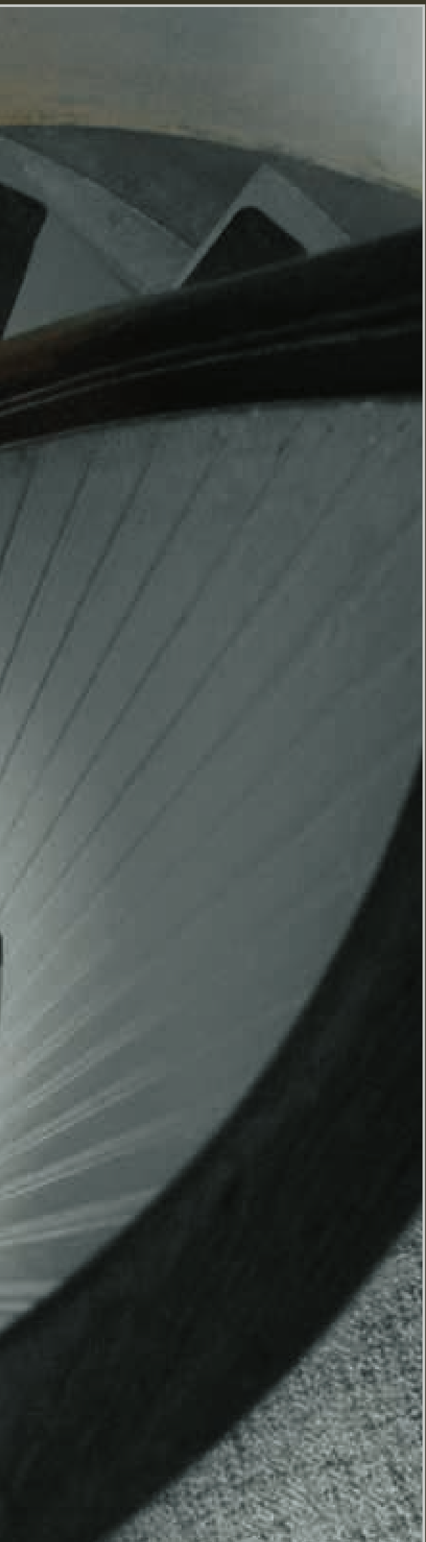
mn sq. ft

Total space under development in non-Bengaluru areas –

13.82

mn sq. ft

Revenue CAGR growth (%)	Operating profit CAGR growth (%)	Cash profit CAGR growth (%)	Net profit CAGR growth (%)	Realisations CAGR growth (%)
38	27	17	19	17
FY10-FY13	FY10-FY13	FY10-FY13	FY10-13	FY10-13



F oresight works like a climbing stairways.
It takes the Company to a different level.

CHAPTER 4

Structures & Systems

"From a random sales-driven approach to a scientific IRR-driven inventory management methodology."

A. Anil Kumar,
Chief Financial Officer

At Puravankara, we recognise that in a challenging real estate sector, success is governed by the ability to manage realisations and costs with the objective of achieving desired profitability.

At Puravanakara, profitability is not an uncontrolled and unpredictable variable; it is a planned target prior to project commencement; it is a goal that must be exactingly achieved – neither lower nor higher – in the interest of enterprise sustainability.

This fiscal tenet guides our business decisions. We believe that success is not achieved simply by maximising profits during industry up-trends; it is derived from sustaining the desired project IRR through favourable and challenging market cycles. When we earn less than the desired project IRR, it affects the value-creation engine that could potentially affect the Company's gearing and prospective profitability; when the earning is greater than the enunciated project IRR, the price-value proposition is affected and that could lead to a slower liquidation of the Company's offerings. Therefore, both – higher and lower – have implications for our profits and profitability.

At Puravankara, the successful management of this delicate balance has translated into a win-win proposition: optimal entry-level price points for 'early bird' customers, progressive appreciation in the value of their asset, a positive word-of-mouth that attracts a larger number of customers during prospective project launches. This accelerated offtake and revenue inflow neutralises the cost of funds and enhances our profitability. The potential loss in revenue on account of our unwillingness to raise the sticker price of our apartments, beyond what the project IRR warrants, is often more than offset by the volumes we sell.

Strategic

At Puravankara, we have been able to achieve our desired IRR through the following strategic imperatives:

■ The ability to recover almost 35-40% of overall project costs by completing a portion of bookings within four months of launch.

■ The financial fortitude to hold the remaining inventory in anticipation of higher realisations towards project completion.

■ The controlled release of apartments at progressively higher realisations.

■ The ability to indemnify our cash flow against inflation; the ability to invest in scale, processes and technologies to optimise overall costs, widening the delta between apartment realisations and development costs in line with the desired IRR.

As a result, Puravankara reported one of the highest consolidated EBIDTA margins of 46% in 2012-13; amidst reports of limited bank funding for real estate companies in a cash-starved economy. The Group had an operating surplus and closed the year with a cash balance of 227 cr.

Credible balance sheet

This strategy has translated into viable balance sheet numbers.

■ 90% of our debt comprised working capital finance/ project term loans that was linked to the completion of specific projects and progressively liquidated as these projects were completed and handed over.

■ Our net debt to equity stood at 0.81 in 2012-13 (0.74 in 2011-12).

Key initiatives

Going forward, Puravankara is expecting a 2013-14 topline target of Rs 1,500-1,600 cr and sustained EBIDTA margins, and to enhance organisational and shareholder value.

Revenue (₹ cr)	Revenue growth over 2011-12 (%)	EBIDTA margin (%)	Net profit (₹ cr)	Net profit margin (%)
1,248	53	46	243	19
FY13	FY13	FY13	FY13	FY13

Our key financial strengths

- Emerged operating cash flow-positive in 2012-13.
- Established ability to derive preset net asset values through strategic inventory releases.
- Consistent ability to report one of the highest EBIDTA margins in India's real estate sector.
- Optimised marketing spends to 4.94% of turnover (5.01% in 2011-12) through a successful leverage of word-of-mouth publicity and social media presence.
- Carrying cost of land at ₹119 per sq. ft.
- Comfortable interest cover of 2.08; term loan debt of ₹1,342 cr as against a networth of ₹1,900 cr.
- Sale value (income booked but not accrued) of ₹877 cr as on 31 March 2013.
- Largest scale projects in Bengaluru and Chennai (almost 28 mn sq. ft under development) resulting in economies of scale.
- Completely unencumbered promoter holding (89.96% equity stake).

Project landmarks

Some of our landmark projects:

- Venezia, exemplifying capital appreciation – from ₹2,576 per sq. ft during the soft launch to ₹5,334 per sq. ft when the last apartment was sold.
- Welworth City, exemplifying internationally-styled façade with the project spread over 44 acres.
- Cosmo City, exemplifying internationally-styled façade and lobby, with the entire project spread over 31 acres.
- Sunworth reported bookings of almost 700 apartments within a few days of launch.

Key summary

- Strategic release of inventory to balance demand and supply, and achieve preset IRRs.
- Sustained EBIDTA and net profit margins despite challenging market conditions.
- Unencumbered promoter holding.

CHAPTER 5

Niche Positioning

"From negative contribution by Provident Housing in 2009-10 to 42% in 2012-13."

Madhu V.,
Managing Director,
Provident Housing Limited, 100% subsidiary of Puravankara Projects Limited

Two sweeping realities of the Indian real estate sector include a residential deficit in excess of 18 mn units and a growing desire to own ‘premium affordable’ accommodation.

For decades, the housing deficit and provision of affordable premium homes were thought to be irreconcilable – until Puravankara launched Provident in 2008. The Provident brand has demonstrated that the two variables can converge.

The Provident Housing Limited was established in response to this burgeoning demand for mid-income housing. It is a ‘premium affordable’ proposition, entailing best-in-class amenities, albeit at a price tag commensurate with Middle Income Group budgets.

As the results indicate, the proposition has been well-received:

- Realisations rose from ₹2,016 per sq. ft in 2010-11 to ₹2,679 per sq. ft in 2011-12 and ₹2,981 per sq. ft in 2012-13.
- Provident turnover grew 61% to ₹409 cr.
- EBIDTA grew 71% to ₹164 cr.

Correspondingly, Provident Housing transformed in stature from a fledgling business segment to an organisation driver:

- From 4% of the Company’s turnover in 2009-10 to 33% in 2012-13.
- From (2%) of the Company’s bottomline in 2009-10 to 42% in 2012-13.

The positive divergence 33% of Group turnover contribution and 42% of PAT contribution from Provident – indicates that the business has crossed critical mass and will contribute sizeably to revenues, margins and profits over the foreseeable future.

Idea whose time has come

Provident is an idea whose time has come.

There is growing recognition that the upwardly mobile Indian is no longer content with a functional home but seeks lifestyle-oriented appurtenants at affordable prices. This largely un-served urban segment is burgeoning; it encompasses innumerable first-time home buyers. Marked by an explosion in the growth of young professionals, with rising disposable incomes and aspirations, Provident is the right product for the right customer at the right time.

Provident Housing delivers affordable best-in-class homes, not by cutting corners but by cutting costs: designing efficiently, reengineering each construction process, minimising wastage, synchronising the best talent in design and construction through outsourcing, leveraging cutting-edge technology, turning projects around quickly and strengthening customer service.

It is a matter of some pride that even as this concept is just gaining traction in a mature sector, we have already transformed our first-mover advantage into a critical mass: 1,294 Provident apartments have already been handed over; the Company expects to hand over 2,000 Provident apartments in 2013-14.

The result is not just an increase in Provident revenues but a gradual 'Providentisation' of the Company: more than doubling its revenues since FY 2011. Interestingly, what has been a reduction in the average per sq. ft realisations (since Provident apartments are priced lower than Puravankara) has been more than offset by increased volumes. Furthermore, the segment reported an increase in average realisations by 48% (₹2,016 per sq. ft in 2010-11 to ₹2,981 per sq. ft in 2012-13), more than adequately countering the increase in land banking costs.

The result is that Provident contributes significantly to overall corporate profit and profitability.

Business value

Emboldened by the success of the brand, Provident embarked on one of the country's largest-ever apartment launches (Sunworth): 5,952 apartments across 62 towers on 59 acres on Mysore Road, near to the NICE Junction in proximity to the Bengaluru–Mysore Highway.

The 'premium affordable' proposition is comprehensively validated: 465 apartments were sold in the first week of the Phase I launch in January 2013, and 120 apartments in the second week of the same month translating into ₹190 cr in bookings. The Company sold a total of 1,784 apartments across Welworth City, Cosmo City, Harmony, Sunworth and Skyworth projects (685 apartments in 2011-12), representing sales of over 1.84 mn sq. ft (0.7 mn sq. ft sold in 2011-12).

Space sold under Provident (mn sq. ft)	Growth in space sold over 2011-12 (%)	Average realisations (₹ per sq. ft)	Average growth in realisations over 2011-12 (%)	Number of apartments handed over	Number of new projects launched
1.84	170	2,981	11	1,294	2 (6.44 mn sq. ft)
FY13	FY13	FY13	FY13	FY13	FY13

Competitive advantages

Provident is poised to accelerate growth on account of the following advantages:

■ Strong equity of its parent brand Puravankara.

■ First-mover advantage in the burgeoning 'premium affordable' segment.

■ Presence in South India, a region marked by end-use (as opposed to speculative purchase).

■ Committed team; turnover per person exceeding ₹3 cr in 2012-13.

■ Substantial increase in Provident networth from ₹97 cr in FY12 to ₹199 cr in FY13.

■ More than 1,200 apartments completed and handed over and a further 1,000-plus apartments to be handed in the next two – three months, providing the platform for a sound referral system.

■ A 59 acre land bank fully paid for; new lands under joint development at competitive rates.

Growing the business

Going forward, Provident is expected to generate revenues through projected sales of 2.5 mn sq. ft in 2013-14 and an estimated launch of approximately 4,500 apartments in 2014-15. For a business with no sales until 2010, Provident expects to close 2015-16 with aggregated sales in excess of 12,000 apartment units, one of the fastest growth rates in the category.

In doing so, Provident nurtures the ambition that its brand name will become synonymous with the word 'home' in India.

Provident's launches in 2012-13

■ **Sunworth, Bengaluru. B+G+12 storey project. 5,952 apartments. 59 acres. Launch:** January 2013. Designed to maximise sunlight and fresh air.

■ **Skyworth, Mangalore. B+G+12-storey project. 324 apartments. 4 acres. Launch:** February 2013. Offers breathtaking views of the city by virtue of its hilltop location (45m above sea level).

The Provident value proposition

■ A typical 1,100 sq. ft 3-BHK apartment optimises space; robust value-engineering helps reduce the apartment cost.

■ Large township projects amortise fixed utility costs over a larger land parcel.

■ Aesthetic and cost-effective design.

■ Well-designed façade and elevation.

Key summary

■ Sold 1.84 mn sq. ft of space in 2012-13 in landmark projects as Welworth City, Cosmo City, Sunworth, Skyworth and Harmony.

■ Strengthened average realisations from ₹2,016 per sq. ft in 2010-11 to ₹2,981 sq. ft in 2012-13.

■ Provident revenues in the Group's turnover rose to 33% in 2012-13.

■ Proposed launch of over 7 mn sq. ft over the next two years including Phase II, III and IV of Sunworth.

Provident projects at a glance (ongoing)

Project	Location	Status	Key USPs
Provident Skyworth	Mangalore	Launched	Sea view, near the city and the National Highway
Provident Sunworth Phase-I	Bengaluru	Construction started	Design that maximises sunlight and fresh air
Provident Welworth City	Bengaluru	Phase-I and II completed; Phase III under construction	Large township with 22,000 sq. ft club house, 9000 sq. ft swimming pool, 75% open spaces
Provident Harmony	Bengaluru	Construction Started	Proximity to CBD
Provident Cosmo City	Chennai	Sectors C&D completed. Sector and Sector A under construction- Sector B in advanced stage	Located near Siruseri IT Park
Green Park	Coimbatore	Launched in August 2013	4 km from Coimbatore Railway Station

CHAPTER 6

Customer Centric

"At Puravankara, we achieved realisations growth from ₹3,248 per sq. ft in 2010-11 to ₹4,560 in 2012-13."

Anand Narayanan,
President - Sales and Marketing

The American litterateur Mark Twain once quipped, “Invest in land, son. They’ve stopped making it now.”

As an extension, investments in land – and developed real estate – have appreciated over time, driven by an increase in income and aspirations.

At Puravankara, we have progressively enriched our developed properties with the objective of achieving higher realisations per square foot of constructed area sold than our retrospective averages and prevailing rates in the vicinity without compromising liquidity of our inventory. Both sales velocity and higher realisations have been our focus, without one dominating the other.

This blend has been achieved through due rigour to consumer segment-driven insights, and development of properties with commensurate features at attractive price bands, packaged through innovative marketing programmes.

Our competence in this area is evident in the numbers: brand Puravankara reported an increase in average realisations in each of the five years leading up to 2012-13 economic slowdown notwithstanding. In 2012-13, even as the Company sold 2.1 mn sq. ft compared with 1.68 mn sq. ft in 2011-12, average realisations increased from ₹3,930 per sq. ft to ₹4,560 per sq. ft. The combination of volume-value translated into larger profits and margins during the year under review.

Right place, growing presence

This volume-value focus has served us well in the markets in which we operate.

The Company has grown its presence across 38 years in South India, which is one of the fastest growing regions in India.

South India is an affordability-driven market; more than 80% of new launches in the last two years were priced below ₹4,000 per sq. ft. The market is largely end-user driven, (as opposed to speculative and preemptive acquisition), which minimises the incidence of resale and facilitates a steady price appreciation. As a result, the South India's real estate market has been relatively resilient compared to Mumbai and Delhi-NCR.

Our customer is typically personified as a salaried middle management executive, a 40-year-old male who probably works in either IT/ITeS, engineering, manufacturing or financial services. It has been our endeavour to have a more profound understanding of our clients to build products that suit them and attract other customers. Over the last 15 to 18 months, our reliance on IT and ITeS has declined substantially de-coupling our fortunes from the aforementioned industries. 25% of our customers over the last six quarters were non-residents, broad-basing our ability to market our products. Puravankara is one of the few real estate developers in the market to have its own business intelligence and strategy departments, which shapes our products, processes and marketing strategy.

The targeted customer segments have ensured that apartment prices are dictated by demand-supply economics along with a features-driven approach and not by short-term speculation. This has resulted in price stability and cash flow generation through early stage sales without compromising price realisations.

This consumer-centric approach has two distinct advantages: we launched 518 apartments in Bengaluru 2012-13; almost 40% were sold within two months of soft launch; judicious inventory management enabled realisations to hold firm despite an increase in supply, generating value for the Company.

Moreover, end user purchase has created 'bustling communities' as opposed to speculation-driven 'ghost towns'.

Superior service

At Puravankara, our ability to garner a price premium is the result of our customer-centricity, as reflected in the following initiatives:

- Focused team of CRM executives and CRM team leaders for each of our projects, thereby giving customers direct access to our staff for post-sales support.
- Maintaining a healthy ratio of one executive for every 150 customers has ensured that each executive has the time and bandwidth to handle all assigned customers.
- Refer-a-Friend schemes have allowed customers to refer our products to their friends, relatives and colleagues.
- Projects backed by attractive home finance solutions underwritten by reputed banks.
- Strong social media presence, enabling customers to get to know about the Puravankara brand online and receive regular updates.

An online customer survey initiated in the last quarter of 2012-13 resulted in over 1,000 customers participating. An overwhelming majority of them told us that the number one reason for their choosing our products was the 'credibility' of brand Puravankara.

Blueprint 2013-14

Over 2013-14, we intend to reinforce our price realisations to about ₹5,000 per sq. ft, and expect to sell a little over 2 million square feet including new project launches.

This consumer-centric approach has two distinct advantages: we launched 518 apartments in Bengaluru in 2012-13; almost 40% were sold within two months of soft launch; judicious inventory management enabled healthy realisations despite an increase in supply, thereby generating value for the Company.

Growing premia per sq. ft

Puravankara project	Puravankara market price (₹ per sq. ft)	*Prevailing market price (₹ per sq. ft)
Purva Skywood	6,000	4,124
Purva Whitehall	6,190	4,338
Purva Midtown	5,100	3,710
Purva Season	6,030	4,945
Purva Atria	8,400	6,527
Purva Venezia	5,000	4,087
Purva Windermere	5,000	4,239

**Source: PropEquity*

“ Purva Swanlake, one of our landmark projects comprising 729 apartments, will be handed over shortly. Purva Windermere is a large sized-project spread over 55 acres, bagged the prestigious “Most Admired Upcoming Project Award” instituted by Economic Times. Primus, our first commercial project in Tamil Nadu will be ready for handover in the coming months.”

Rajasekaran, *Vice President Technical-Chennai.*

“In 2012-13, we accelerated our four projects in Kerala: Purva Oceana, which is 100% complete and in the process of handover; as we did with Purva Grand Bay; Purva Eternity, where finishing jobs are underway and handover is soon to commence, and Purva Moon Reach Tower A, in which all 78 apartments of the first 20-storey tower have been sold, completed and are ready for handover.

Ranjit Thomas, *Regional Head (SVP) Kerala*

"We commissioned our first office outside South India (in Gurgaon) to market our South Indian properties and explore developmental opportunities"

Ashish Jindal, *Regional Head - North*

Key summary (2011-12 to 2012-13)

- Average Puravankara realisations increased 16% year-on-year and stood at ₹4,560 per sq. ft during the year ended 2012-13 on account of our strong brand equity and ability to command a premium.
- Sold 2.1 mn sq. ft of space in 2012-13, up from 1.68 mn sq. ft in 2011-12; up by 24%.
- Projects well received in the non-Bengaluru markets (Chennai, Kochi, Mangalore and Coimbatore).
- Exploring expansion of operations in markets outside South of India.

Space sold (mn sq. ft)	Growth in space sold over 2011-12 (%)	Average realisations (₹ per sq. ft)	Average growth in realisations over 2011-12	Number of new projects launched
2.1	24	4,560	16	2
FY13	FY13	FY13	FY13	FY13

CHAPTER 7

Resource Sustenance

"We were able to moderate resource costs despite inflation."

Koka Ramaiah Naidu,
Procurement Director

In the business of real estate development, the product is typically sold first and delivered later.

The tenure of gestation makes this business particularly challenging: since most apartments are delivered after project launch, the Company is required to absorb cost increases in the interim without being able to pass these increases to customers. This makes cost-management critical to real estate business viability.

Sizeable consumer base

At Puravankara, we concurrently managed 28.04 mn sq. ft of real estate space in 2012-13.

During this financial year, we successfully procured around 12,000 MT of steel, equivalent to the weight of over 1,700 African elephants; we procured almost 8 lac 50-kg bags of cement, which, when placed one on top of the other, would scale Mount Everest over 41 times.

The sizeable – and increasing - quantity of raw materials make it necessary for the Company to design projects efficiently with the objective of wastage minimisation and negotiate effectively to derive the most compelling price-value.

Challenging 2012-13 highlights

The Puravankara organisational structure made it possible to address these challenging realities in effective ways:

Our operational integration across the realty value chain – design, modelling, procurement, construction and finishing – enabled economies-of-scale, aggregate savings and a competitive business engine.

The procurement department focused on direct cost reduction, optimising inventory and holding costs, long-term vendor contracts and the prudent use of technology to streamline operations.

For instance, we leveraged the steel distributor network in Chhattisgarh and West Bengal to counter a sharp increase in steel costs in Karnataka (following the mining ban), resulting in net savings.

We added nearly 80 vendors and entered into long-term rate contracts, promising offtake volumes in exchange for stable prices.

Blueprint, 2013-14

Going forward, we expect to leverage ERP to streamline processes and practices, forge tie-ups with steel servicing centres to enhance the quality of finishing, strengthen customisation, explore pre-cast construction technology for Provident projects, and enter into online reverse auctions to optimise costs.

These initiatives will not only optimise material sourcing, but also strengthen the customer value proposition, accelerate offtake and grow Provident into a generic household name.

Case study

For the Oceana residential property in Kochi, we achieved material savings, which we invested in the creation of a superior lobby and waiting area with quality flooring and installation of high-definition television sets.

At Puravankara, we innovate. We replaced expensive cast iron manhole covers with fibre-reinforced plastic covers in 2012-13. This translated into superior aesthetics and lower costs. Furthermore, we used nano-technology-coated products to impart a high-tech finish.

Key summary

Extensively engaged in value-engineering to optimise resource costs.

- Diversified the sourcing base to obtain best competitive rates and ensure continual resource availability.
- Created tie-ups with steel service centres to ensure high customisation and ready-to-use steel on-site.

Case study

Our ear-to-the-ground approach enabled savings through procurement of the entire budgeted quantity of sanitaryware for the Skywood project in a single installment, prior to an imminent price increase. The resultant savings amply offset the incremental inventory cost.

Total raw material costs (₹ cr)	Project expenses as a percentage of turnover	Savings in raw material costs as a percentage of total operating costs over FY12 (bps)	Number of active vendors
592	47	280	350
FY13	FY13	FY13	FY13

Our endeavours revolve around just one entity – " YOU" . Your needs, dreams and aspirations are pivotal to our decisions.

CHAPTER 8

Intelligence & Intellect

"Productivity enhancements are reflected in increasing revenues per employee."

Vijayendra Kumar,
Senior Vice President, Human Capital and Administration

In a business where success determinants are uniform across companies – steel, cement and land – the difference eventually comes down to people.

The intellectual capital quotient determines the extent of a real estate company's success.

Over the last few decades, the country's real estate sector was dismissed as unorganised and promoter-driven. Against this milieu, companies such as Puravankara brought in professionalism, corporate credibility, systems-orientation, career pathing, respect for meritocracy, stable employment and functional specialisation.

As a result, Puravankara is today a 1,016-person organisation with an experience bank of more than 10,600-person years. The Company is regarded as a leading industry employer, with management continuity reflected in the fact that almost 11 employees of the senior-level team having been with the organisation for 10 years or more.

Evolution

Nearly a decade ago, when Puravankara was a growing organisation, the management recognised the need for comprehensive professionalisation.

This need was founded in an emerging industry trend: since projects were becoming larger and multi-locational, it was impossible for a small team to manage growing scale and complexity. The sector was increasingly regulated and projects were evolving from the functional to lifestyle-oriented. Consequently, many real estate companies recognised the need to redefine themselves as multi-competence organisations.

Puravankara was one of the earliest real estate companies in India to usher professionalism. The Company recruited professionals across diverse functions: strategy, acquisition, procurement, and customer management, legal, finance, human resources among others. We instituted a multi-layered merit-based recruitment process across cities, competencies and qualifications. Nearly 21.25% of the Company comprised professionals (chartered accountants, MBAs, cost accountants etc.) as on 31 March 2013. We also conducted an extensive survey to identify talent, create a professional pipeline and encourage cross-functional training in light of the declining average organisational age (from 40 years to 34 today).

At Puravankara, we strive to foster ties with our employees at a personal level. For instance, we appointed a senior executive for the express purpose of interacting with employees across the organisation and sharing feedback with the management. We provide SIMs and walkie-talkies to all our on-site staff to overcome in-accessibility site constraints and facilitate on-the-spot decision making. It may be reasonable to surmise that on account of these initiatives, Puravankara was recognised as the sector's 'Employer of the Year' by Realty Plus magazine in 2011.

Developments, 2012-13

Puravankara strengthened its people management during the financial year under review through the following initiatives:

- **Stronger team:** The Company recruited around 600 mid- and senior-level executives from prestigious institutions such as IIM, IIT, NIT, NIMMS, among others, to strengthen its strategy, marketing and quality and finance functions.

- **Appraisal:** The Company embarked on a scientific appraisal system that aligns performance with pay.

- **Survey:** We engaged in an extensive employee satisfaction survey to assess employee

Key summary

- Mandated two person-days of training at the state-of-the-art Puravankara Academy of Excellence.
- Encouraged cross-functional training as a precursor to employee role-switching.
- Unleashed the power of productivity and increasingly linked performance with pay.

benefits, remuneration, training and job clarity, among others variables, in the lead-up to implementation.

• **Training:** We established the Puravankara Academy in Excellence in Bengaluru, investing two days of compulsory training (soft and hard skills) per employee – imparted by in-house and external specialists.

• **Engagement:** We conducted an 'open house' in January 2013 when over 60 calls were made by various employees on queries, grievances, etc. and answered directly by the CEO.

These initiatives resulted in reduced attrition.

Outlook

Going forward, the Company expects to leverage the Primavera software and ERP to enhance productivity, train across functions, switch role profiles to enhance multi-tasking, invest a minimum of 14,000 person-hours in training, engage in need-based recruitment and conduct sector-wide knowledge sharing. Furthermore, HRM software implementation will streamline key HR-centric functions including leave management and appraisals, among others.

The Company recruited around 600 mid and senior-level executives from prestigious institutions such as IIM, IIT, NIT, NIMMS, among others, to strengthen its strategy, marketing and quality and finance functions.

Revenue per employee CAGR growth (%)	Average organisational age	Salary cost as a percentage of turnover	Salary cost as a percentage of turnover	Member strength as on 31 March
3.34	34	5.91	6.46	1,016
FY10-13	FY13	FY13	FY12	FY13

CHAPTER 9

Redefining Infrastructure

"From inception three years ago to a ₹ 510 cr order book in 2012-13."

Sasikumar,
Technical Director,
Starworth Infrastructure and Construction Limited, a 100% Puravankara subsidiary

In the business of real estate development, even as companies develop properties for clients, they depend on external vendors to execute the work on their behalf.

When Puravankara embarked on its significant growth agenda, it recognised the risks associated with such an arrangement: the Company would be completely dependent on the efficiency of its vendors; the Company had to identify vendors who would deliver the project on schedule; the Company would need to partner with vendors who would provide affordable construction services.

Aware of the fact that the biggest variable affecting the viability of Puravankara's business was outside its control, the Company made one of the most decisive extensions to its business model: backward integration in construction (through a wholly-owned subsidiary).

Rationale

Puravankara's rationale for establishing Starworth Infrastructure and Construction Limited was three-fold: one, offering captive construction support to address a growing business segment; two, bringing advanced global construction practices into the country, generating construction time-cost savings and strengthening the parent company's competitiveness; three, leveraging its large-scale project expertise to evolve its captive construction practices into a profitable merchant offering.

The rationale for Starworth's existence is already evident: what started as a back-end service provider is today a profitability driver. The subsidiary made a significant breakthrough during the financial year under review by bagging an external construction assignment following a competitive bidding process.

The overall result is that Starworth grew from the ground-up in 2010-11 to ₹510 cr in 2012-13; its impressive growth during the financial year under review represents significant performance in the construction industry. The rationale for the subsidiary's existence was evidenced beyond order book accretion: the subsidiary reported turnover doubled to ₹103 cr in 2012-13 with attractive profitability at the operating (EBIDTA) and net contribution levels.

Strengths

Over the last few years, Starworth has emerged as a respected service provider on account of the following competencies:

- Robust project modelling leading to stronger bidding effectiveness.
- Disciplined development approach ensuring on-schedule project completion.
- Organised and readily available labour pool.
- Creation of a comprehensive process manual resulting in the adoption of best and safest on-site practices.
- Ability to sub-contract relatively non-core project components, enhancing the focus on key project portions (civil, mechanical, electrical and plumbing).
- Adequate availability of stores and spares, minimising project interruptions.

Key highlights, 2012-13

Leveraging its growing competence, Starworth doubled its order book in FY13 to ₹510 cr including third party contracts for a 19-storey residential building and the construction of roads for an international villa development, following competitive bidding against established companies.

Outlook

Starworth (established in 2009) commenced business operations in 2010 with a construction project entailing development of 59 villas in Bengaluru. Regulatory and land hurdles notwithstanding, the project will be handed over by the third quarter of fiscal 2013.

Starworth intends to grow its order book to around ₹800 cr in 2013-14 with a larger proportion of third party projects, bid for projects across states (Tamil Nadu, Kerala and Andhra Pradesh) and continue to sub-contract the non-core construction portions of projects.

Key summary

- Starworth's order book grew sizeably to ₹510 cr in 2012-13.
- Outsourced non-core jobs to focus on the core civil and MEP (mechanical, electrical, plumbing) jobs.
- Focused on strengthening prequalification criteria to aid extensive bidding for in-house and third party projects.

Leveraging its growing competence, Starworth doubled its order book in FY13 to ₹510 cr

Order book as on 31 March (₹ cr)	Order book growth vis-à-vis 2011-12 (%)	Turnover (₹ cr)	Total projects in hand
510	100	103	8
FY13	FY13	FY13	FY13

CHAPTER 10

Governance & Compliance

"From a sensitive stakeholder approach to an institutionalised governance approach."

Nani R Choksey,
Deputy Managing Director

At Puravankara, we recognise that we are engaged in business to enhance value for our stakeholders. We also recognise that this value is most effectively delivered through a stringent governance-oriented culture.

In the real estate business, the importance of governance is unprecedented. The product is sold to the customer based on design and the end-product is typically delivered years later. The delivered product must not only conform to the design but also utilise the best of materials (even where these are not visible and verifiable) and be handed over on schedule. Therefore, governance is not incidental but critical to the Company's existence.

Puravankara addresses the issue of governance at two levels – instituting initiatives that are in compliance with the principles of Corporate Governance, as per the Listing Agreement with the Bombay and National Stock Exchange, implementing initiatives that extend beyond the letter of the law.

Puravankara's commitment to governance is enshrined in our operating culture – one that values transparency, accountability and de-risking, leading to sustainability.

The Board's role

At Puravankara, governance is driven top-down. The Board of Directors provides the broad governance direction: the values and standards to be applied throughout the business. The Directors are responsible for determining the Company's extent of risk exposure along with risk management initiatives and internal control procedures. The Board reviews performance and provides counsel to the senior management in the day-to-day running of the business. It is responsible for protecting shareholder interests and ensuring effectiveness.

The Board reviews decisions related to strategy, acquisitions, risk management, internal control, borrowing facilities and significant financial and operational matters. The Board also considers legislative, environmental, health and safety, legal, governance and employment issues. The Board is supported by independent directors Anup Shah, Pradeep Guha and R.V.S Rao.

During 2012-13, the Board held five formal Board meetings and numerous other meetings to discuss and review progress on matters affecting the Group.

Extra-statutory initiatives

At Puravankara, we take pride in not just complying with statutory governance stipulations but also in going beyond regulatory mandates. Our extra-statutory initiatives have resulted in the following:

- Announcement of audited quarterly results, a marked departure from the prevailing industry practice.
- Zero instances of cheque bouncing, validating the credibility of our operations.

Going forward, the Company expects to undertake studies on global-best practices in the area of Corporate Governance leading to enhanced implementation.

Key summary

- Strengthened governance through the release of audited quarterly as well as financial results.
- 50% of the Board comprised independent directors.
- Progressively embrace global-best practices in Corporate Governance.

Board composition	Collective experience across diverse industries (person-years)	Number of Corporate Governance committees	Number of Board meetings held
6	194	3	5
FY13	FY13	FY113	FY13

About us

Legacy
Over three-and-a-half decades of comprehensive experience in property development, real estate development and construction.

Promoters
Ravi Puravankara (Chairman and Managing Director) and Ashish Puravankara (Joint Managing Director).

Spread
23 live projects (as on 31 March 2013) in major cities in South India.

Track record
Successful completion of 41 residential projects spanning over 16.35 mn sq. ft (as on 31 March 2013).

Puravankara projects
Landmark projects include Seasons, Windermere, Venezia, Highlands and Riviera, among others.

Provident projects
Sunworth, Skyworth, Harmony, Cosmo City and Welworth City.

Subsidiaries
Two 100% subsidiaries, Starworth Infrastructure and Construction Limited (engaged in captive and third party real estate development) and Provident Housing Limited (development of 'premium affordable' apartments for the mid-income segment).

Market capitalisation and listing
Market capitalisation of around ₹ 2,000 cr (as on 31 March 2013); equity shares listed on the BSE and NSE with a free float of 2.13 cr equity shares (as on 31 March 2013).

Promoter holding
Promoter holding of 89.96% (as on 31 March 2013); promoter shares are unencumbered.

Dividend
Proposed a final dividend of ₹1 per Equity Share (FV of ₹5) for 2012-13.

Approved and paid an interim dividend of ₹2.50 per Equity Share (FV of ₹5) for non-promoter shareholders.

Key 2012-13 highlights
- Launched 7.28 mn sq. ft of space (6,794 units across Provident and Puravankara brands), the highest in our existence (0.84 mn sq. ft for Puravankara, 6.44 mn sq. ft for Provident).
- Group reported record sales of 3.96 mn sq. ft (2.44 mn in 2011-12); Puravankara brand sales accounted for 52% (69% in the previous year); Provident brand sales accounted for 46% (28% in the previous year).
- Puravankara and Provident brands reported industry-leading EBIDTA margins of 48% and 40% respectively.

Our key business drivers

Land bank
Over 81.57 mn sq. ft developable area of land across strategic pockets of India with a low historical FSI cost of land at ₹119 per sq. ft.

Brand
Strong recall of our brands, Puravankara and Provident which symbolise trust, customer service, quality and luxury.

Diversified
Leadership presence in India's 'premium affordable housing segment through our 100%-subsidiary Provident. Offering internal and third party construction and developmental services in real estate through our 100%-subsidiary, Starworth Infrastructure and Construction.

Geographical spread
Evolved rapidly from a local to a regional to becoming a national developer.

Robust quality practices
ISO 9001:2000 certified, meeting international quality benchmarks and embracing stringent processes across the value chain to ensure tight control on quality standards.

Cutting-edge technology
Ownership of a fleet of construction equipment including heavy earth moving machines, concreting plants, road equipment, quarry equipment, transportation equipment, fabrication and erection plants.

Human resources
Senior management team possesses a collective experience of 194 person-years in the real estate sector. The state-of-the-art Puravankara Academy of Excellence mandates two person-days of training to each employee every year and endeavours to rejuvenate the intellectual capital of the Company.

Balance sheet strength
Optimum net debt-equity ratio of 0.81 (as on 31 March 2013) with a networth of ₹1,900 cr (31 March 2013), cash and bank balances of ₹227 cr (31 March 2013) and ROCE growth of 205 bps to 12.96% (31 March 2013).

Our leadership team

Ravi Puravankara

Founder, Chairman and Managing Director

Ravi Puravankara is the promoter of the Puravankara Group. He has been in the real estate sector since 1975. Fuelled by his vision, the Group has established sizeable presence across India, Sri Lanka and the UAE. Ravi was the President of the International Real Estate Federation (FIABCI), Indian Chapter, Paris and received a 'Lifetime Achievement' Award at the Realty Plus Excellence Awards, 2012.

Ashish Puravankara

– Joint Managing Director

Ashish Puravankara received his Bachelor's degree in Business Administration from Virginia State University and Master's degree in Business Administration from Willamette University in Oregon, USA. Ashish is responsible for establishing Provident Housing Ltd. and is instrumental in implementing industry-best practices with a focus on reducing project delivery time.

Nani R. Choksey

– Deputy Managing Director

Nani Choksey has over 37 years of experience in real estate development, construction and finance sectors. He has been with the Puravankara Group since its inception in 1975, is a Founder Director, and has played a pivotal role in the Company's growth.

Our leadership team

Jackbastian K. Nazareth

– Group Chief Executive Officer

Jackbastian Nazareth is an industry veteran with over 23 years of experience in real estate development, corporate affairs, financial management and civil engineering consultancy. He is instrumental in setting up benchmark practices in customer relationship management and brand building. Jack received his Bachelor's degree in Civil Engineering from Karnataka University and MBA from the Goa Institute of Management.

Vasudevan Madhu

– Managing Director, Provident Housing Limited

V. Madhu is an I.A.S. (Retd.) officer with 33 years of work experience with the Karnataka government. He has held several prestigious positions including Principal Secretary Infrastructure Development, Principal Secretary Revenue Department, Managing Director Bangalore Metro and Cabinet Secretary, Rashtrapati Bhavan, among others. His academic track record includes a first-rank in BSc (Chemistry) and a gold medal in MSc (Chemistry).

Anil Kumar A.

– Chief Financial Officer, Puravankara Projects Ltd.

Anil Kumar has over 20 years of experience across a gamut of functions including treasury, finance, accounts, audit, investments and capital market operations both domestic and overseas. He has been in the real estate sector for nearly a decade. Anil is a qualified Chartered Accountant, Company Secretary and a Certified Public Accountant from the US. He received his Bachelor of Commerce Degree from Bangalore University.

Anup Shah

– Independent Director

Anup Shah received his bachelor's degree in commerce from HR College in Mumbai and bachelor's degree in law from Government Law College, Mumbai. He has over 32 years of experience in the legal field with expertise in commercial and property due diligence, corporate and commercial litigation and property-related matters. He is the renowned columnist of 'Legal Eagle', a weekly feature in *The Times of India,* Bangalore.

R.V.S Rao

– Independent Director

R.V.S Rao has over 40 years of experience in the fields of banking and finance. As a USAID consultant, he led the team that reviewed operations and made recommendations for Housing Finance Company, Ghana. He also led the consultancy team which advised the National Development Bank of Sri Lanka on the establishment of its mortgage finance business.

Pradeep Guha

– Independent Director

Pradeep Guha received his BA from Mumbai University and management diploma from the Asian Institute of Management, Manila. He has over 37 years of experience in the fields of media, advertising, marketing and branding. He has been associated with the print media for 29 years and was President of The Times of India Group and served on its Board of Directors. He is the Vice-President and Area Director of International Advertising Association, Asia Pacific region.

Directors' Report

The Directors are pleased to present their report for the Financial Year Ended 31 March 2013.

Financial performance

For the financial year ended 31 March 2013, Puravankara Projects Limited recorded Revenues of ₹8,178.43 million as compared to ₹5,285.94 millions in the previous fiscal, showing an increase of 54.72%. Profit after tax was ₹1,122.81 million as compared to ₹473.96 million for the previous year ended 31 March 2012, an increase of 136.90%. A sum of ₹310.01 million was appropriated to Debenture Redemption Reserve and ₹112.3 million to the General Reserve.

The Group consolidated revenue stood at ₹12,484.80 million as compared to ₹8,155.68 million in the previous fiscal, showing an increase of 53.08%. Profit after tax stood at ₹2,434.35 million during the Financial Year 2012-13 as compared to ₹1,357.30 million, an increase of 79.35%.

Dividend

The Board had declared a Special – one time – Interim dividend amounting to ₹2.50 (Rupee Two and Paise Fifty only) per equity share as distribution on 21,426,495 shares excluding promoter and promoter group-shareholders. The dividend pay-out on this amounted to ₹53.57 million.

Additionally, the Board has recommended an annual dividend for all shareholders including the additional equity shareholders, pursuant to the concluded Institutional Placement Programme of the Company amounting to ₹1.00 (Rupee One only) (20%) per equity share, which if declared at the Annual general Meeting, would be paid on or after 03 October 2013.

(a) to those members holding shares in physical form, whose names would appear on the Register of Members of the Company, as at the close of business hours of 24 September 2013, after giving effect to all valid transfers in physical form lodged with the Company on or before 17 September 2013 and

(b) In respect of the shares held in electronic form, on the basis of the details furnished by National Securities Depositories Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as at the close of business hours of 17 September 2013.

Debentures

During the year your Company has not issued any additional Debentures. Your Company has been regularly servicing the interest and principal obligations on the debentures for the financial year ended 31 March 2013.

As of date of this Report, your company has redeemed both the existing Debentures excepting one Debentures series of ₹200.00

million for which intimation of redemption has already been given to the BSE.

The total debentures outstanding as on the date of this report is ₹104.00 million

Fixed Deposits

During the year your Company did not invite and accept any fixed deposits from public and as such, there existed no outstanding principal or interest as on the Balance Sheet date.

Directors

As per article107 of the Articles of Association, Anup S Shah, Director of the Company, is liable to retire by rotation in the forthcoming Annual General Meeting and being eligible for re-appointment offer himself for re-appointment as a director.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm that:

a) in preparation of the annual accounts the applicable accounting standards have been followed;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the year ended 31 March 2013 and of the profit of the Company for that period;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

d) the annual accounts of the Company have been prepared on a 'going concern' basis.

Auditors & Auditors' Report

Walker Chandiok & Co, Chartered Accountants, statutory auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received from Walker Chandiok & Co a consent letter to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

The Consolidated Auditors' Report and the Stand-alone Auditors Report to the shareholders for the year ended 31 March 2013 does not contain any qualification

Subsidiaries

The Company has in all 20 Subsidiaries (including a step-down subsidiary in Sri Lanka) out of which 16 Companies are in India and 4 are abroad (6 - Public Limited Companies & 14 - Private Limited Companies). Of these, only Provident Housing Ltd. is a Material Non-listed Indian Subsidiary Company (MNLIS) as defined under the Listing Agreement

In pursuance to Clause 49(III) of the Listing Agreement, Anup S Shah, an Independent Director on the Board of the Company is also on the board of Provident Housing Ltd., which is a materially non-listed Indian Subsidiary Company. No Investments were effected by Provident Housing Ltd. during the year. The Audit Committee of the Company reviews the Financial Statements of the said Subsidiary and its Minutes are also placed before the Board of Directors of the Company.

Statement relating to Subsidiaries

The Board of Directors in its meeting held on 17 April 2013, in compliance with Circular No.2 of 2011 dated 08 February 2011 issued by the Ministry of Corporate Affairs (MCA), has approved the presentation of audited consolidated financial statements of Puravankara Projects Limited (the 'Company') with its Subsidiaries and further, consented not to attach the balance sheet of the subsidiaries to the Annual Report 2012-2013 of the Company. Your Company has annexed to this report (page no. 140) the information regarding each subsidiary pertaining to capital, reserves, total assets, total liabilities details of investment, turnover, profit before taxation, provision for taxation, profit after taxation/loss and proposed dividend.

Your Directors hereby inform you that the audited annual accounts and related information of the subsidiaries will be available for inspection on any working day during business hours at the Registered Office of the Company.

Consolidated Financial Statements

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates, Clause 32 of the Listing Agreement entered into with the Stock Exchanges, the audited Consolidated Financial Statements forms part of this Annual Report.

Raise of Additional Capital

The Securities Contracts (Regulations) Rules 1957, as amended, as on 04 June 2010 and 09 August 2010 requires that at least 25% of the outstanding Equity shares are held by the public on or before 03 June 2013 (the 'Minimum public Shareholding Requirement. Pursuant to the said requirement, SEBI had amended clause 40A of the listing agreement listing out various options available to any Company for reducing the promoter holding. The company had engaged with SEBI along with the appointed Book Running Lead Managers to clarify and seek options in addition to those prescribed under Clause 40A. After deliberations, the Company had opted for issuing additional shares not exceeding 23,725,351 equity shares through the Institutional Placement Programme ('IPP') along with an Offer for Sale ('OFS') by the Promoters to bring the promoters shareholding to 75%.

The Company filed its Red-Herring prospectus dated 17 May 2013 for the IPP and was opened for subscription to Qualified Institutional Buyers on 22 May 2013 and was completed on the same day. The issue was oversubscribed by 1.49 times and the issue price was fixed at ₹81 per share with the same face value of ₹5/- per share and all the allotment formalities were completed on 28 May 2013.

The OFS by the promoters was opened for subscription on 23 May 2013 and was completed on the same day with an oversubscription of 1.63 times.

With the above two transactions, the promoter holding in the Company stands at 75% post issue. The Company has raised total capital ₹1921.76 million through IPP. The IPP monies received by the Company have been used to pay/prepay existing debt as listed out in the use of proceeds in the Prospectus.
The financial effect of these transactions have been duly recorded for the quarter ended 30 June 2013.

Brief Summary of the monies raised through IPP is as under:

₹ million

Towards Share Capital	118.63
Towards Share premium	1,803.13
Less: IPP Expenses	(153.54)
Net IPP proceeds	₹1,768.22

The Company has completed all the formalities in connection with the SEBI / Stock Exchanges & MCA authorities.

Personnel

As required under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of the employees are set out in the Annexure to this Report. However, having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the aforementioned information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such information may write to the Company Secretary at the Registered Office of the Company.

Energy, Technology Absorption and Foreign Exchange

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo:

Technology Absorption: Your Company firmly believes that adoption and use of technology is a fundamental business requirement for carrying out business effectively and efficiently.

While the industry is labor intensive, we believe that mechanization of development through technological innovations will be the way to achieve the huge demand supply gap in the industry. We are constantly upgrading our technology to reduce costs and achieve economies of scale.

We have also invested in automating our processes to accelerate the decision making process and have successfully implemented Primavera software during the year for the entire group. We have also been upgrading our existing Oracle systems through customizations to address the needs of the business. We have also commenced work on implementing an entity wide ERP platform during the year. We intend to continue this process of investments in innovative techniques.

Energy: The Company is in the business of property development and does not require large quantities of energy. However, wherever possible energy saving measures are being taken across all its projects.

Foreign Exchange: Foreign exchange earned during the year ended 31 March 2013 is equivalent to ₹11.60 million and the expenditure is equivalent to ₹70.37 million.

Corporate Governance

A separate section on Corporate Governance and a certificate from the statutory auditors of the Company regarding the compliance of the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement entered into with the stock Exchanges form a part of this Annual Report.

Management Discussion and Analysis

A separate section on Management Discussion and Analysis as stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchanges forms a part of this Annual Report.

Employee Stock Options

On 01 July 2006 the Members of the Company approved the Puravankara Projects Limited 2006 Employee Stock Option Scheme. The details of the Scheme to be disclosed as per the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are provided under the Notes to the Financial Statements.

Corporate Social Responsibility

Your Company recognizes the importance and value being responsible to the community at large. Over the years, your Company has committed resources towards responsible management of the environment, humane work conditions for on-site laborers and skill-building community interventions.

Your Company has undertaken various initiatives to the benefit of the community, including support of old age homes, orphanages and under-privileged children. Your Company lends support to welfare organizations such as the Democratic Youth Federation of India (Karnataka), the little sisters of the poor and the Santhwan Special School for mentally challenged children, scholastic awards to economically disadvantaged students through Ujwal Trust. While our community service resolve is strong, we appreciate that much more can be done.

Going forward, your Company intends to augment its community service through outreach, skill building, social infrastructure development initiatives and primary education to the underprivileged. Furthermore, your Company will encourage its employees to invest their time in social-service activities. In doing so, our endeavor is to reinforce corporate social responsibility as a core company value.

Depository System

The Company's equity shares are compulsorily tradable in electronic form. As on 31 March 2013, 0.0002% of the Company's total equity paid-up capital representing 403 shares (7 Shareholders) is in physical form and the remaining capital is in electronic form. In view of the numerous advantages offered by the Depository system, the Members holding shares in physical form are advised to avail of the facility of dematerialization.

Acknowledgements

Your Directors express their grateful appreciation for the assistance and co-operation received from the financial institutions, banks, government authorities, customers, vendors and shareholders during the said financial year. Your Directors would also like to once again place on record their appreciation to the employees at all levels, which through their dedication, co-operation, support and smart work have enabled the Company to move towards achieving its Corporate Objectives.

For and on behalf of the Board of Directors

Ravi Puravankara
Chairman and Managing Director

Bengaluru
06 August 2013

STATUTORY SECTION

Report on Corporate Governance

CONTENTS:

1.Company's Philosophy on Code of Governance

The Company believes that Good Corporate Governance is essential for achieving long term Corporate Goals and enhancing value for all the stakeholders. The philosophy of the Company on Corporate Governance is to attain a high level of accountability, transparency and fairness in its functioning and conduct of business with due emphasis on statutory compliances in letter and spirit. The Management acknowledges and appreciates its responsibility towards society at large.

At Puravankara, we define Corporate Governance as a systemic process by which companies are directed and controlled to enhance their wealth generating capacity. Puravankara strives for excellence with the objective of enhancing shareholder value and protecting the interest of stakeholders. Decisions are based on a set of principles influenced by the values, context and culture of the organisation. All functions of the Company are discharged in a professionally sound, competent and transparent manner.

2.Corporate Governance Structure

Board of Directors	Committees of the Board	Committees of the Board
Ravi Puravankara	Mandatory Committees	Non Mandatory
Nani R. Choksey	-Audit Committee	-Compensation Committee
Ashish Puravankara	-Investor Grievance Committee	-Management Sub Committee
Anup S Shah		
Pradeep Guha		
RVS Rao		

3.Board of Directors

The Board of Directors of the Company comprises of Six (6) directors, of which Three(3) are Executive Directors & the remaining Three(3) are Independent Directors, being eminent persons with considerable professional expertise & experience. The Board comprises of a balanced combination of Executive Directors & Independent Directors (50:50), which is in compliance to the requirements of Clause 49(I)(A) of the Listing Agreement.

Matters of Policy and other relevant and significant information is furnished regularly to the Board. To provide better Corporate Governance & transparency, your Board has constituted an Audit Committee, Investors' Grievance Committee, Remuneration Committee and Management Sub-Committee to look into various aspects for which they have been constituted.

In compliance to the Companies Act, 1956 and / or the Listing Agreement with the Stock Exchanges, Boards approvals are obtained and Minutes of the Committee meetings are regularly placed before the Board. Further matters which are of significant importance are also placed before the Board.

According to Section 275, Section 278 of the Companies Act, 1956, Maximum limit on the Directorship is fixed at 15(Fifteen) Companies (excluding alternate Directorship, Private Companies which is not a holding / subsidiary of a Public Company, unlimited Companies). Further under Clause 49(I)(C) of the Listing Agreement, Directors can hold membership upto 10 Committees and act as a Chairman in not more than 5 of such Committees.

None of the Directors are disqualified under Section 274(1)(g) of the Companies Act, 1956, read together with Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act) Rules, 2003.

Necessary disclosures have been received from all the Directors in compliance to the aforesaid requirements:

Directors	Designation	Relationship with other Directors	Date of Appointment as Director	Directorships*	Committee Memberships #	Chairmanship of Committees $
Ravi Puravankara	Chairman & Managing Director(E)	Father of Ashish Puravankara	03 June 1986	7	2	-
Ashish Puravankara	Joint Managing Director(E)	Son of Ravi Puravankara	14 July 2000	13	1	-
Nani R. Choksey	Deputy Managing Director(E)	-	03 June 1986	11	1	-
Anup S Shah	Independent Director(I)	-	01 June 2005	4	2	2
RVS Rao	Independent Director(I)	-	26 December 2006	3	4	2
Pradeep Guha	Independent Director(I)	-	26 December 2006	4	3	-

E – Executive Director, I – Independent Director

* Denotes Directorships in Public (Listed & Unlisted), Private Companies (subsidiaries of a Public Company)& in pursuance to Section 278 of the Companies Act, 1956.

# Denotes Memberships of Audit Committee and Shareholders Grievance Committee only ((Mandatory Committees) after excluding Membership of Remuneration Committees and / or Compensation Committee (Non Mandatory Committee), in pursuance to Clause 49(I)(C) of the Listing Agreement.

Meetings - Board of Directors

According to Section 285 of the Companies Act, 1956, a Board Meeting is required to be held in every Quarter & at least 4 (Four) such meetings shall be held in every year. According to Clause 49(I)(C) of the Listing Agreement, the Maximum time gap between any two Board Meetings cannot be more than 4 Months, which has been complied with. Further, the Quorum for the Board Meeting is one-third (1/3rd) of the Total Strength (excluding interested Directors, (if any) (or) 2 Directors, whichever is higher.

Board Meetings of the Company are normally held at the Corporate Office of the Company located at Bengaluru.

During the year 5 Board Meetings of the Board of Directors were convened and held on 08 May 2012, 08 August 2012, 07 November 2012, 28 January 2013 & 14 February 2013. The meetings of the Board vis-à-vis attendance of the directors are provided herein below:

BM's	**1**	**2**	**3**	**4**	**5**			
BM Date	08 May 2012	08 August 2012	07 November 2012	28 January 2013	14 February 2013	BM's Held	BM's Attended	Attendance at the last AGM
BM Place	Bengaluru	Bengaluru	Bengaluru	Bengaluru	Bengaluru			
Ravi Puravankara	✔	✔	✔	✔	✔	5	5	✕
Ashish Puravankara	✔	✔	✔	✔	✕	5	4	✔
Nani R Choksey	✔	✔	✔	✔	✔	5	5	✔
Anup S Shah	✔	✔	✔	✕	✔	5	4	✔
R V S Rao	✔	✔	✔	✔	✔	5	5	✔
Pradeep Guha	✔	✔	✕	✔	✕	5	3	✕
Total Board Strength	6	6	6	6	6			
No. of Directors Present	6	6	5	5	4			

BM - Board Meeting

Circular Resolutions passed by the Board of Directors

A Circular Resolution was passed by the Board of Directors on 13 June 2012, approving the Appointment of Anil Kumar A. as the Chief Financial Officer of the Company.

Remuneration to Whole-time Directors & Independent Directors:

Remuneration to the Managing Director and Whole-time Directors and Independent Directors: for the Financial Year 2012-13 are tabulated hereunder.

The Board of Directors in its meeting held on 17 April 2013 approved the payment of Commission of ₹1,100,000 (Rupees One Million & Hundred Thousand Only) for each of the Independent Directors of the Company for the financial year ended 31 March 2013. Further, each of the Independent Directors were paid Sitting Fees of ₹15,000 for attending each Meetings of the Board of Directors and the Audit Committee, held during the Financial Year 2012-2013.

Further, the Company paid a sum of ₹3,665,415 to M/S. Anup S Shah Law Firm during the year for various professional services rendered by the said law firm of which Anup S Shah is a partner. Provident Housing Limited, a wholly owned subsidiary of the Company, paid a sum of ₹201,245 to M/S. Anup S Shah Law Firm during the year for various professional services rendered by them.

Summary of Compensation paid to Directors for the Financial Year 2012-13

₹ Million

Name	Gross Remuneration	Contribution to Provident Fund	Incentive / Commission	Sitting Fee	Total
Ravi Puravankara	21.28	1.15	-	-	22.43
Ashish Puravankara	12.52	0.01	-	-	12.53
Nani R Choksey	11.55	0.60	-	-	12.15
Anup S Shah	-	-	1.10	0.09	1.19
RVS Rao	-	-	1.10	0.13	1.23
Pradeep Guha	-	-	1.10	0.09	1.19
Total	45.35	1.76	3.30	0.31	50.72

Period of tenure of the Managing Director and the Whole-time Directors:

The Managing Director and the Whole-time Directors have been appointed for a period of 5 years commencing from 01 April 2011 – 31 March 2016 and the said appointments were approved by the members of the Company in the 25th Annual General Meeting of the Company held on 24 September 2011.Further, either the Board of Directors or the Managing Director and Whole-time Directors may terminate their appointment by serving 3 (three) months' prior written notice to the other party, or such other terms including notice period as may be mutually agreed by the Board and the said Directors.

Details pursuant to clause 49 IV(G)(I) of the Listing Agreement in respect of directors seeking re-appointment.

Name of the Director	Anup S Shah (DIN 00317300)
Date of Appointment on the Board	01 June 2005
Date of Birth	25 June 1956
Qualifications	Bachelor's degree in Commerce from H.R. College, Mumbai and a Bachelor's degree in Law from Government Law College, Mumbai.
Nature of expertise in specific functional areas	He has over 32 years of experience in the legal field. He is the senior and managing partner of Anup S Shah Law Firm. His areas of expertise include commercial documentations, property related transactional works, property due diligence, corporate and commercial litigation, property related advisory works, land laws, arbitration and alternative dispute resolution. He answers readers' queries through "Legal Eagle", a weekly article in The Times of India, Bengaluru.
Directorship held in other Companies in India	1. Provident Housing Ltd. 2. Sobha Developers Ltd. 3. Bhoruka Power Corporation Ltd.
Membership in Other Committees	Sobha Developers Ltd. (Chairman)
Number of shares held as on 31 March 2013	Nil
Relationship with other Directors	None

Note:

Directorship in Foreign companies, alternate directorships, Directorships in Private Companies and membership in governing councils, chambers and other Bodies are not included. Membership/ Chairmanship in Audit Committee and Shareholder Grievance Committees of other Companies are included.

Shares & Stock Options held by the Directors as on 31 March 2013:

Name	Equity Shares	Percentage of Shareholding	Stock Options
Ravi Puravankara*	191,988,480	89.96%	Nil
Ashish Puravankara	4,800	-	Nil
Nani R. Choksey	1,920	-	Nil
Anup S Shah	Nil	N.A.	Nil
RVS Rao#	2,000	-	Nil
Pradeep Guha	Nil	N.A.	Nil
Total Shares issued by the Company	213,424,335	100%	

held jointly with Lakshmi R. Rao

*The Institutional Placement Programme (IPP) of the Company was completed on 28 May 2013 and the Offer For Sale (OFS) by Ravi Puravankara was completed on 23 May 2013, as a result of this the Shareholding of Ravi Puravankara got reduced to 75%.

Code of Conduct – Board Members & Senior Management

The Board has laid down a Code of Conduct for the Board of Directors and the Senior Management of the Company which is also posted on the website of the Company. All the Board members and the Senior Management have affirmed compliance with the Code for the year ended 31 March 2013.

Further necessary declaration by the Chairman & Managing Director, Group – Chief Executive Officer and the Chief Financial Officer is annexed to this report as well as available on the website of the Company.

4.Committees of the Board of Directors

The Company has the following committees of the Board;

a. Audit Committee

b. Investors Grievance Committee

c. Compensation Committee

d. Management Sub-Committee

a. Audit Committee

The Audit Committee was constituted on 09 April 2003 & its Meetings are normally held at the Corporate Office of the Company located at Bengaluru, before the Board Meeting.

According to Clause 49(II)(A) of the Listing Agreement & u/s 292A of the Companies Act, 1956, every Public Company having a Paid-up Capital of ₹50.00 million & above is required to constitute an Audit Committee to review the Half-yearly and Annual Financial statements.

According to Clause 49(II)(B), a Meeting is required to be held in every Quarter and at Least 4(Four) such meetings shall be held in every year with a Maximum time Gap of 4 Months between any two Meetings, which has been complied with.

Clause 49 of the Listing Agreement entered into with the Stock Exchanges makes it mandatory to constitute an Audit Committee. The broad role of the said Committee is to review:

i. financial reporting process;

ii. adequacy of internal control systems;

iii. the financial statements for approval of the Board; and

iv. the performance of statutory and internal auditors.

The Committee comprises of RVS Rao, Anup S Shah, Pradeep Guha and Ravi Puravankara as the members. Anup S Shah acts as the Chairman of the Committee and V P Raguram, Company Secretary, acts as the Secretary of the Committee. No Quorm has been specified u/s 292A of Companies Act, 1956. However under Clause 49 (II) (B) of the Listing Agreement, the Quorum for the Meeting is one-third (1/3rd) of the Members on the Committee (or) 2 Members, whichever is higher and also that atleast two Independent members should be present.

During the year 5 Audit Committee Meetings were convened and held on 08 May 2012, 13 June 2012, 08 August 2012, 07 November 2012 & 28 January 2013. The meetings of the Audit Committee vis-à-vis attendance of the members are provided herein below. Anup S Shah represented the Audit Committee as its Chairman to answer shareholders' queries in the Annual General Meeting of the Company held on 21 August 2012.

Audit Committee Meetings during the Financial Year

ACM	**1**	**2**	**3**	**4**	**5**		
Date of Meeting	**08 May 2012**	**13 June 2012**	**08 August 2012**	**07 November 2012**	**28 January 2013**	**ACM's Held**	**ACM's Attended**
Anup S Shah	✔	✔	✔	✔	✕	5	4
R V S Rao	✔	✔	✔	✔	✔	5	5
Pradeep Guha	✔	✕	✔	✕	✔	5	3
Ravi Puravankara	✔	✔	✔	✔	✔	5	5
Total Committee Strength	4	4	4	4	4		
No. of Members Present	4	4	4	3	3		

ACM - Audit Committee Meeting

b. Investors Grievance Committee

The Investor Grievance Committee was constituted on 26 December 2006 & its Meetings are normally held at the Corporate Office of the Company located at Bengaluru, before the Board Meeting.

The Committee comprises of RVS Rao, Nani R. Choksey and Ashish Puravankara as the members. RVS Rao acts as the Chairman of the Committee. V P Raguram, Company Secretary, acts as the Compliance Officer. Further, the quorum for the Investors Grievance Committee Meetings is 2 members.

According to Clause 49(I)(C) Explanation 2 of the Listing Agreement, it is mandatory to constitute an Investors Grievance Committee. The basic function of the Committee is to address shareholders' complaints/grievances pertaining to:

i. transfer of shares;

ii. dividends;

iii. dematerialisation of shares;

iv. replacement of share torn/mutilated share certificates;

v. non receipt of rights/bonus/split share certificates; and

vi. other related issues.

During the year the Committee met on 28 January 2013 and the meetings of the Investor Grievance Committee vis-à-vis attendance of the members are provided herein below.

IGC	1		
Date of Meeting	28 January 2013	IGC's Held	IGC's Attended
R V S Rao	✔	1	1
Ashish Puravankara	✔	1	1
Nani R Choksey	✔	1	1
Total Committee Strength	3		
No. of Members Present	3		

IGC - Investors Grievance Committee

Investor Grievances - Sources of Complaints:

Particulars	Balance as on 1 April 2012	Received during the year	Resolved during the year	Balance as on 31 March 2013
Complaints Received	0	52	52	0
Total	0	52	52	0

c. Compensation Committee:

The Compensation Committee was constituted on 28 June 2006 and its Meetings are normally held at the Corporate Office of the Company located at Bengaluru, before the Board Meeting.

The Committee comprises of Ravi Puravankara, RVS Rao, Anup S Shah and Pradeep Guha. Ravi Puravankara acts as the Chairman and V P Raguram, Company Secretary, acts as the Secretary of the Committee. The quorum for the Compensation Committee Meeting is 2 members.

The Compensation Committee sets out the role, composition, authority, responsibilities and operations of the Committee. The Committee assists the Board in establishing remuneration policies and practices which:

i. enable the Company to attract and retain Managing Director / Whole-time Directors who will create sustainable value for Members and other stakeholders; and

ii. fairly and responsibly reward Whole-time Directors having regard to the performance of the Group, the performance of the director and the external compensation environment.

During the year no Meetings were held by the Compensation Committee.

d. Management Sub-Committee

The Management Sub-Committee was constituted on 29 March 2007 and its Meetings are normally held at the Corporate Office of the Company located at Bengaluru.

The Committee comprises of Ravi Puravankara, Nani R. Choksey and Ashish Puravankara as the members. V P Raguram, Company Secretary, acts as the Secretary of the Committee. Further the quorum for the Management Sub-Committee Meetings is 2 Executive Directors.

The Management Sub-Committee of the Board of Directors has been vested with executive powers to manage all matters pertaining to investments, formation of subsidiaries, borrowings (other than debentures), statutory compliances and other routine business activities.

5.General Body Meetings:

Details of Annual General Meetings (AGM) held during the last 3 Years are as follows:

Financial Year	Nature of Meeting	Day, Date & Time	Venue	Special Resolutions
2011-2012	26th AGM	Tuesday, 21 August 2012 @ 12.00 Noon	The Taj West End Hotel, No. 25, Race Course Road, Bengaluru - 560 001.	i. Payment of a Commission to Non-Executive Directors (other than Managing and Whole Time Directors) for a sum not exceeding 1% of Net profit, for each Financial Year commencing from 01 April 2012–31 March 2017. ii. Appointment of Amada Puravankara as an employee of Starworth Infrastructure & Constructions Ltd, a wholly owned subsidiary of the Company
2010-2011	25th AGM	Saturday, 24 September 2011 @ 12.00 Noon	The Taj West End Hotel, No. 25, Race Course Road, Bengaluru - 560 001.	i. Re-appointment of Ravi Puravankara as the Managing Director of the Company and approving the upper limit of remuneration ii. Re-appointment of Ashish Puravankara as Jt. Managing Director of the Company and approving the upper limit of remuneration iii. Re-appointment of Nani R. Choksey as Deputy Managing Director of the Company and approving the upper limit of remuneration

Financial Year	Nature of Meeting	Day, Date & Time	Venue	Special Resolutions
2009-2010	24th AGM	Tuesday, 29 June 2010 @ 10.30 A.M.	The Gateway Hotel # 66, Residency Road Bengaluru - 560 025.	Nil

Extra-Ordinary General Meeting (EGM):

Details of Extra-Ordinary General Meetings (EGM) held during the Financial Year is as follows:

During the Financial Year	Day, Date & Time	Venue	Special Resolution
2012-2013	Friday, 15 March 2013 @ 10.00 A.M.	The Gateway Hotel, # 66, Residency Road, Bengaluru 560 025, India,	Further Issue of Securities

Passing of Resolutions by Postal Ballot

During the year under review no Ordinary (or) Special Resolutions were passed through postal ballot.

6.Compliance & Disclosures

1. The Company has complied with all the requirements, to the best of its knowledge and understanding, of the Listing Agreement entered into with the Stock Exchanges and the regulations, guidelines issued by the Securities Exchange Board of India (SEBI). The Stock Exchanges, SEBI or any other statutory authority have not imposed any penalties or strictures relating to capital market transaction since listing of the equity shares.

2. There are no materially significant related party transactions entered by the Company with related parties that may have a potential conflict with the interests of the Company.

3. The Company has duly complied with the requirements of the regulatory authorities on capital market. There are no penalties imposed

nor any strictures have been passed against the Company during the last three years.

4.There is no audit qualification.

5.The mandatory requirements laid down in Clause 49 of the Listing Agreement have been duly complied by your Company and the status on adoption of non-mandatory requirements are as follows:

a. The Company has not fixed a period of 9 years as the tenure for the Independent Directors on the Board of the Company.

b. The Board of Directors of the Company has constituted a Compensation Committee on 28 June 2006. The terms of reference to the Committee is specified elsewhere in this report.

c. The Company does not send Half-yearly financial results, including summary of significant events in the last six months since the same are being posted on the website of the Company as well as published in newspapers.

d. The Board of Directors of the Company has a combination of Executive and Non-Executive Directors. Further the Non-Executive Directors are professionals in their respective fields.

e. The Company is yet to devise a mechanism for evaluating the performance of Non-Executive Directors by a peer group.

f. The Company has not adopted the Whistle Blower Policy and the Company has not denied access to any employee to approach the Management of the Company on any issues.

7.Means of Communication

(a) Financial Results:

The Financial Results (Quarterly, Half yearly & Yearly), post approval of the Board of Directors are furnished to NSE / BSE, within 15 Minutes after the completion of the Board Meeting.

Further, the Financial results of the Company are normally published in “Financial Express & Samyukta Karnataka” within 48 hours after their approval by the Board and are displayed on the Company’s website - www.puravankara.com. along with Audited Financial Statements, Results Advertisement and Investor Corporate presentations.

(b) Other Business updates including New Project Launches:

These are disseminated through NSE (http://www.nseindia.com/) & BSE. (http://www.bseindia.com/).

8.General Shareholder Information

Outstanding GDRs / ADRs / Warrants / any other Convertible Instruments

The Company has not issued any GDRs / ADRs / Warrants / any convertible instruments.

Plant Locations

As Puravankara belongs to real estate

development industry, we do not have any plant locations.

We have various projects spread across Bengaluru, Chennai, Hyderabad, Cochin, Kolkata, Coimbatore, Mysore, Mumbai and Colombo. We have our branch offices at Bengaluru , Chennai, Kochi, Mumbai, Coimbatore and the UAE.

Share Transfer System

The share transfers in physical form are processed within a period of 15 days from the date of receipt

subject to the documents being valid and complete in all respects.

Equity Shares in Suspense Account

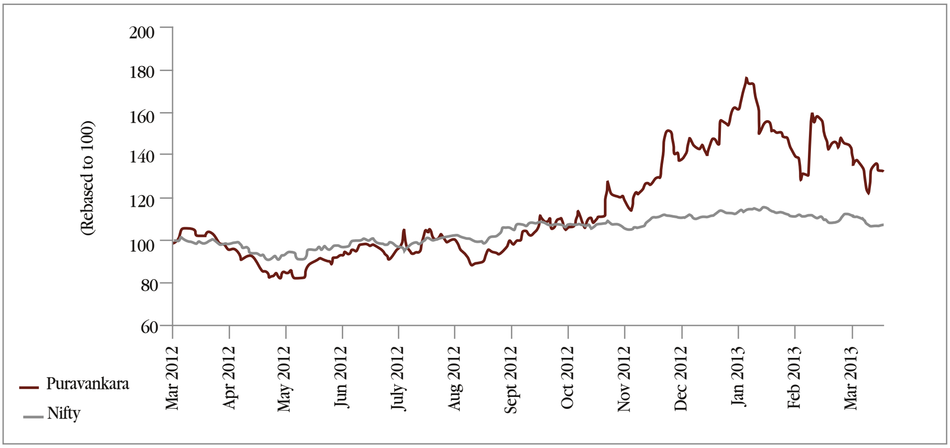
As per Clause 5A of the Listing Agreement, details of Equity shares lying in the suspense account as on 31 March 2013 is as follows:

Particulars	Aggregate No. of Shareholders and the outstanding shares in the suspense Account lying as on 01 April 2012	No. of Shareholders to whom shares were transferred from suspense account during the year.	Aggregate No. of Shareholders and the outstanding shares in the suspense Account lying as on 31 March 2013
No. of Shareholders	24	0	24
No. of Shares	2,560	Nil	2,560
Suspense Account Details:			
Bank Name		HDFC Bank Ltd.	
Current Account No.		05230350002129	
Current Account -		PURAVANKARA PROJECTS LIMITED UNCLAIMED SUSPENSE A/c	
DP		HDFC Bank Ltd.	
DP ID		ID IN301549	
Demat Account No.		IN301549 37397596	

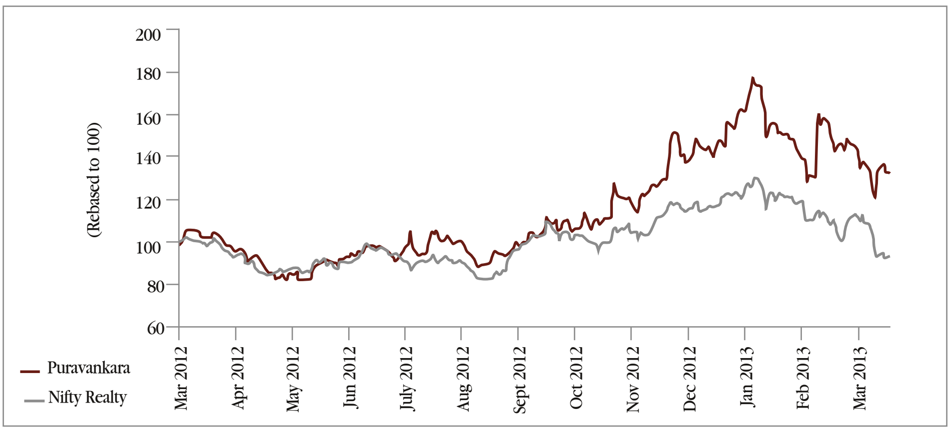
Details of Shares in Dematerialisation & Physical form as on 31 March 2013:

	No. of Shareholders	No. of Equity Shares	%
Demateralised Form:			
-NSDL	17,142	212,200,333	99.4265
-CDSL	6,607	1,223,599	0.5733
Sub Total	23,749	213,423,932	99.9998
Physical Form	**7**	**403**	**0.0002**
TOTAL	**23,756**	**213,424,335**	**100.0000**

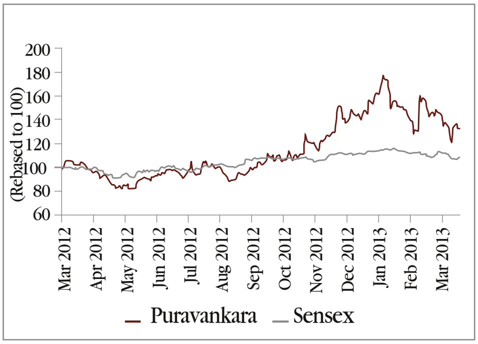
Puravankara and Nifty – Share Price



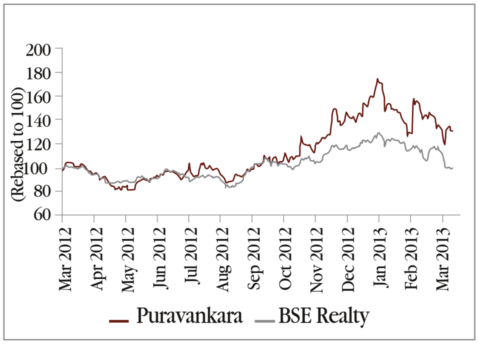
Puravankara and Nifty Reality– Share Price



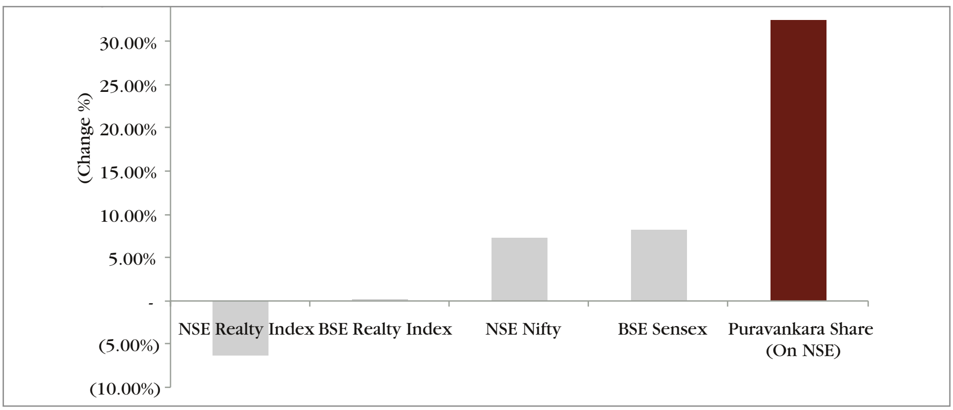
Puravankara and Sensex



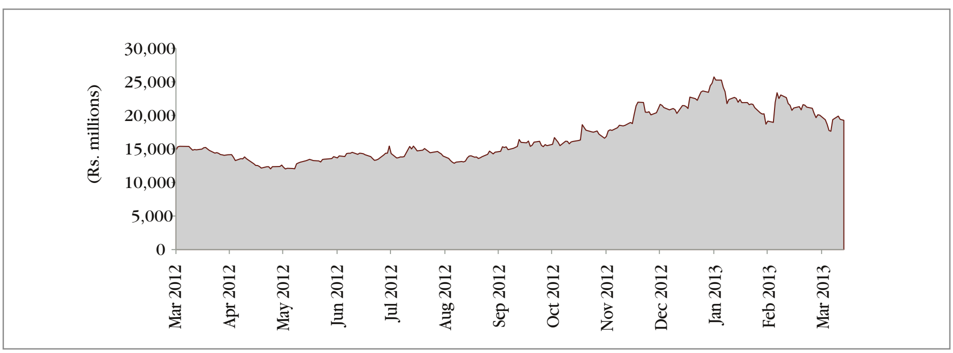
Puravankara and Nifty Realty



Comparison with Broad Based Indices (% Change: 31 March 2012 - 31 March 2013)



Market Capitalisation (NSE) as on 31st March 2013



Market Price Data and Performance - Bombay Stock Exchange Ltd. (BSE) / National Stock Exchange Ltd. (NSE):

Month	**Bombay Stock Exchange Ltd. (BSE)**			
	(₹ per share)		**Volume (Shares)**	**Turnover (₹)**
	Month's High Price	**Month's Low Price**		
Apr 2012	75.80	65.10	52,251	3,687,904
May 2012	68.20	55.05	59,495	3,684,416
Jun 2012	66.40	55.30	28,532	1,760,601
Jul 2012	75.95	60.45	201,402	14,286,159
Aug 2012	75.60	58.20	216,283	15,393,762
Sep 2012	74.40	60.00	89,582	6,172,558
Oct 2012	84.35	68.10	351,478	27,385,260
Nov 2012	89.80	73.10	1,565,907	134,290,898
Dec 2012	106.75	87.00	3,517,827	349,714,100
Jan 2013	122.80	97.80	4,218,515	460,107,326
Feb 2013	110.90	85.00	4,656,528	466,146,098
Mar 2013	104.70	79.50	3,532,591	330,792,160

Month	National Stock Exchange Ltd. (NSE)			
	(₹ per share)		Volume (Shares)	Turnover (₹)
	Month's High Price	Month's Low Price		
Apr 2012	75.80	64.55	188,597	13,360,000
May 2012	67.90	55.45	188,428	11,613,000
Jun 2012	66.35	55.50	143,250	8,867,000
Jul 2012	76.80	60.75	574,476	39,907,000
Aug 2012	75.50	59.50	642,092	45,556,000
Sep 2012	74.50	59.90	368,716	25,191,000
Oct 2012	84.35	69.45	1,249,610	97,141,000
Nov 2012	89.80	72.75	3,983,795	340,755,000
Dec 2012	106.90	86.90	10,181,667	1,011,583,000
Jan 2013	122.90	97.70	10,210,648	1,117,907,000
Feb 2013	111.25	87.00	8,787,985	892,007,000
Mar 2013	111.00	79.55	6,066,393	570,063,000

Market Price Data and Performance - BSE + NSE:

Month	Total Quantity (Nos.)	Total Value (₹)
Apr 2012	240,848	17,047,904
May 2012	247,923	15,297,416
Jun 2012	171,782	10,627,601
Jul 2012	775,878	54,193,159
Aug 2012	858,375	60,949,762
Sep 2012	458,298	31,363,558
Oct 2012	1,601,088	124,526,260
Nov 2012	5,549,702	355,045,898
Dec 2012	13,699,494	1,361,297,100
Jan 2013	14,429,163	1,578,014,326
Feb 2013	13,444,513	1,358,153,098
Mar 2013	9,598,984	900,855,160

Shareholding Pattern (SHP) as on 31 March 2013

Category of Shareholder	No. of Shareholders	No. of Equity Shares	%
Promoter :			
Ravi Puravankara*	1	191,988,480	89.956
Relatives of Promoter*	4	9,360	0.004
Public - Institutions:			
Foreign Institutional Investors	7	14,095,052	6.604
Insurance Companies	2	1,881,275	0.881
Mutual Funds	2	1,450,475	0.680
Financial Institutions/ Banks	1	9,158	0.004
Public - Non-institutions:			
Individual Shareholders	23,023	2,889,592	1.354
Bodies Corporate	312	704,884	0.330
Clearing Members	113	72,883	0.034
Non Resident Indians (Repat)	241	309,846	0.145
Non Resident Indians (Non Repat)	48	9,410	0.004
Directors/Relatives	2	3,920	0.002
TOTAL	23,756	213,424,335	100.000

**Shares held Directly & are not pledged or encumbered.*

Top 10 Shareholders as on 31 March 2013

Sl. No.	Shareholder	Equity Shares	%
1	Ravi Puravankara	191,988,480	89.9562
2	HSBC Global Investment funds a/c HSBC-Global Investment Funds Mauritius Ltd.	7,357,222	3.4472
3	The Master Trust Bank of Japan Ltd. A/c-HSBC Indian Equity Mother Fund	2,454,334	1.1500
4	College Retirement Equities Fund	2,137,946	1.0017
5	Life Insurance Corporation of India	1,833,765	0.8592
6	HDFC Trustee Company Limited a/c HDFC Growth Fund	1,449,932	0.6794
7	Atyant Capital Management Limited a/c Atyant Capital India Fund	846,854	0.3968
8	College Retirement Equities Fund - Global Equities account	779,738	0.3653
9	Gestielleobiettivo India	516,070	0.2418
10	Vineet Kulbandhu Sharma	133,800	0.0627

Distribution of Shareholding (DS) as on 31 March 2013

Range - Equity Shares	No. of Shareholders	%	No. of Equity Shares	%
1 - 500	22,975	96.7124	1,652,151	0.7741
501 - 1000	422	1.7764	339,152	0.1589
1001 - 2000	176	0.7409	266,900	0.1251
2001 - 3000	65	0.2736	164,057	0.0769
3001 - 4000	23	0.0968	83,280	0.0390
4001 - 5000	20	0.0842	95,402	0.0447
5001 - 10000	33	0.1389	255,473	0.1197
10001 - and above	42	0.1768	210,567,920	98.6616
GRAND TOTAL	23,756	100.0000	213,424,335	100.0000

Dividend History (₹)

Financial Year	Dividend (%)	Dividend per share (₹)	Remarks
31 March 2013	20%	1.00	Final Dividend
31 March 2013	50%	2.50	Interim Dividend on 10 May 2013 - (To all Shareholders other than Promoters & Promoter Group)
31 March 2012	20%	1.00	Final Dividend
31 March 2011	20%	1.00	Final dividend
31 March 2010	20%	1.00	Final Dividend
31 March 2008	40%	2.00	Final Dividend

Share Capital – Past History

Date of allotment of Equity Shares	No. Equity of Shares	Cumulative No. Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of payment	Particulars of Issue Details	Cumulative Issued Capital (₹)	Cumulative Share premium (₹)
03 June 1986	15	15	100	100	Cash	Allotment at subscription	1,500	Nil
27 April 1987	85	100	100	100	Cash	Preferential Allotment[1]	10,000	Nil
22 June 1992	4,900	5,000	100	100	Cash	Preferential Allotment[2]	500,000	Nil
20 March 1995	45,000	50,000	100	100	Cash	Preferential Allotment to Ravi Puravankara	5,000,000	Nil
23 June 1995	50,000	100,000	100	100	Cash	Preferential Allotment to Ravi Puravankara	10,000,000	Nil
23 March 2000	400,000	500,000	100	100	Cash	Preferential Allotment to Ravi Puravankara	50,000,000	Nil
29 March 2001	300,000	800,000	100	Nil	Bonus Issue in ratio of 3:5	Bonus issue	80,000,000	Nil
26 December 2006		16,000,000	5	Face Value per Equity Share reduced from ₹100 to ₹5 Per Equity Share[3]				
26 December 2006	176,000,000	192,000,000	5	Nil	Bonus Issue in ratio of 1:11	Bonus issue	960,000,000	Nil
26 December 2006	17,455	192,017,455	5	572.92	Cash	Preferential Allotment to Jaithirth Rao	960,087,275	9,913,043.60
31 July 2007	21,406,880	213,424,335	5	5	Cash	Public issue	1,067,121,675	798,811,915
28 May 2013	23,725,351	237,149,686	5	81	Cash	IPP Issue[4]	1,185,748,430	9,637,975,495

1 Preferential allotment of 75 Equity Shares to Ravi Puravankara and five Equity Shares each to Vasanti Puravankara and Satish Puravankara.

2 Preferential allotment of 4,885 Equity Shares to Ravi Puravankara and five Equity Shares each to Kunhambu Nair, Vishalakshi Puravankara and Chaula N. Choksey.

3 The authorized shares capital of Rs.100,000,000 was increased to Rs.1,200,000,000 consisting of 240,000,000 Shares of Rs 5 each pursuant to a resoulation of the shareholders passed at their EGM dated 23 December 2006

4 IPP Programme of the Company was completed on 28 May 2013 by allotting 237,149,686 Equity Shares of Rs 5 each at a premium of Rs 76 to the Qualified Institutional Buyers (QIB'S).

Other - Shareholder Information:

Corporate Identification Number(CIN)	L45200KA1986PLC051571

Address - Registered Office & Corporate Office

Registered Office:	Puravankara Projects Ltd. 130/1, Ulsoor Road, Bengaluru – 560042.
Corporate Office:	Puravankara Projects Ltd. 130/2, Ulsoor Road, Bengaluru – 560042.
Annual General Meeting Date, time and venue	Tuesday, the 24 September 2013 @ 12.00 Noon, at The Taj West End Hotel, No. 25, Race Course Road, Bengaluru – 560 001, India
Date of Book Closure	18 September 2013 to 24 September 2013 (both days inclusive).
Dividend Payment Date	3 October 2013
Financial Calendar (tentative)	
Results for Quarter Ending:	
Jun 2013	First / Second week of Aug 2013
Sep 2013	First / Second week of Nov 2013
Dec 2013	First / Second week of Feb 2014
Mar 2014	First / Second week of May 2014
Annual General Meeting	Sep'2014
Listing on Stock Exchanges	a. Bombay Stock Exchange Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street Mumbai- 400001. Phones : 91-22-22721233/4, 91-22-66545695 Fax : 91-22-22721919 b. National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051. Phones :91-22-26598100 - 8114 Fax : 91-22-26598120

Stock Code	a. NSE - PURVA
	b. BSE –532891
ISIN of the Company:	**Equity shares**: INE323I01011 **Non-convertible Debentures of ₹10,000,000 each**: Series I : INE323I07034 Series II : INE323I07042 **Non-convertible Debentures of ₹5,000,000 each**: Series I : INE323I07059 Series II : INE323I07059
Secured, Non-convertible and Redeemable Debentures (NCDs)	i. The Company has issued on private placement to Kotak Mahindra Prime Limited on 31 January 2011, 75 NCDs (Series I) of ₹10,000,000 each, and on 31 March 2011 issued another 75 NCDs (Series II) of ₹10,000,000 each on private placement basis to another 39 investors. ii. The Company has issued on private placement to various investors on 11 January 2012, 248 NCDs (Series I) of ₹5,000,000 each, and on 24 February 2012 issued another 40 NCDs (Series II) of ₹5,000,000 each on private placement basis to another 2 investors.
Address for Correspondence	Puravankara Projects Limited No. 130 /1, Ulsoor Road, Bengaluru - 560 042. Tel: +91-80- 2559 9000 / 4343 9999 Fax: +91-80-2559 9350 Email: investors@puravankara.com Website: www.puravankara.com
Registrar and Transfer Agent	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai-400078. Phone:022 - 25946970, Fax : 022-25946969 Email: rnt.helpdesk@linkintime.co.in

Debenture Trustees	**IL&FS Trust Company Limited** The IL&FS Financial Centre Plot No C-22, G Block, Bandra Kurla Complex, Bandra (East) **Mumbai-400 051**. Tel: +91-22-2659 3763 Fax: +91-22-2653 3297
SEBI	**Securities and Exchange Board of India** Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051. Tel : +91-22-26449000 / 40459000 / Toll Free: 1800 22 7575 Fax : +91-22-26449019-22 / 40459019-22 E-mail : sebi@sebi.gov.in
NSDL	**National Securities Depository Ltd.** Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel , Mumbai - 400 013. Tel.:(022) 2499 4200, Fax:(022) 2499 4972 Email: iifd@nsdl.co.in
CDSL	**Central Depository Services (India) Limited** Trade World, 28th Floor, P.J. Towers, Dalal Street, Fort, Mumbai – 400 023 Tel.: (022) 2272 3333, Fax: (022) 2272 3199 Email:complaints@cdslindia.com

For and on behalf of the Board of Directors

Bengaluru
06 August 2013

Ravi Puravankara
Chairman and Managing Director

MD / CEO/CFO Certification pursuant to Clause 49 of the Listing Agreement(s)

The Board of Directors,
Puravankara Projects Limited,
No.130/1, Ulsoor Road,
Bengaluru-560042.

This is to certify that:

a. We have reviewed financial statements and the cash flow statement for the Financial Year 2012-13 and that to the best of our knowledge and belief:

i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and that we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee

i. significant changes in the internal control over financial reporting during the year;

ii. significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

We further declare that all Board Members and Senior Management personnel have affirmed compliance with the code of conduct for the Financial Year 2012-13.

FOR **PURAVANKARA PROJECTS LTD**.

Ravi Puravankara	**Jackbastian K. Nazareth**	**Anil Kumar A.**
Chairman & Managing Director	*Group – Chief Executive Officer*	*Chief Financial Officer*

Bengaluru
06 August 2013

Auditor's Certificate on Compliance with the Conditions of Corporate Governance under Clause 49 of the Listing Agreement

To,

The Members of Puravankara Projects Ltd.,

We have examined the compliance of conditions of Corporate Governance by Puravankara Projects Limited ("the Company) for the year ended on 31 March 2013, as stipulated by Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adapted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

FOR **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No.: 001076N

Per Aashish Arjun Singh
Partner
Membership No.:210122

Bengaluru

06 August 2013

STATUTORY SECTION

Management Discussion and Analysis

CONTENTS:

1. Industry Structure and Developments

Economic environment in the developed economies are showing slower signs of revival but remain volatile. This volatility has resulted in varying degrees of impact across the globe, especially in the emerging markets. Policy initiatives taken by emerging economies are also witnessing stress levels due to shift of capital from these economies resulting in imbalances in both capital and current accounts.

Due to the reasons stated above, growth is expected to remain sluggish in FY14 with the IMF forecasting global GDP growth of 3.3% - 4% in CY13 - 14 as fiscal adjustments will pull growth down in several developed nations and as a consequence delay a cyclical recovery in the emerging economies.

India is also affected by sliding growth, huge fiscal and external imbalances, high inflation and interest rates. A volatile global economic environment in this fiscal has made macroeconomic management a tight rope balancing act for the government and the Reserve Bank of India. At a 5.7% estimated GDP growth for FY13, the Indian economy will grow at the slowest pace in comparison to the last ten years. The slowdown in FY13 was accentuated by the deceleration in the services sector, which has been the mainstay of high growth and this pulled down the overall economic activity and employment creation. While reform policies were delayed, a plethora of governance issues continued to plague the economy and industry; the impact of earlier monetary tightening and the drop in external demand resulted in a slowdown in manufacturing activity. Aggregate demand continued to be sluggish as inflation affected real consumption and cyclical and structural factors reduced investment. The decline in investment was further accentuated by declining savings, especially financial savings of the household sector. Corporate sales growth dropped in FY13 and planned corporate investment moderated sharply.

Political deadlocks delayed the continuous policy and reform measures by the government. The government fast-tracked policy measures in second half of 2012 with the relaxation of Foreign Direct Investment (FDI) across various sectors like retail, aviation etc and rationalization of subsidies in fuel to address the current account deficit and provide impetus to reviving economic growth.

The real estate industry contributes around 5-6% of India's Gross Domestic Product (GDP). The sector is also amongst the highest employment generators in the country. The real estate sector is not only the biggest contributor to GDP of the country but is also the fourth largest sector in terms of FDI inflows in the country. The fillip to the real estate industry in India came from the liberalisation of government policies and the expanding industrial sector.

Urbanisation and increasing household income are some of the major factors that influence demand for residential real estate and growth in the retail sector. About 377 million Indians comprising 31% of the country's population, live in urban areas according to Census 2011. By 2031, about 600 million Indians will reside in urban areas. India's demographic divided opportunity will play a key role in propelling growth and the real estate sector has a huge window of opportunity to leverage this.

The overall pace of growth in the residential property market continued to decelerate as demand was weak across most micro markets. While launches through financial year 2011-2012 were higher than the financial year 2012-2013, the absorption rate showed a marginal decline with increasing inventory levels in most markets. Rising input costs coupled with inflationary trends resulted in property prices inching up in key cities over the past 12 months thereby impacting affordability. Construction activity constrained by approval delays and tight liquidity further inhibited recovery of the sector.

Similar challenges are being faced in commercial and retail developments across various cities. Lease absorption levels have come down due to slowdown in expansion plans of companies resulting in lower than normal growth in these two verticals.

While over the next decade, housing demand in India is expected to exceed supply, we feel that the structural and fiscal issues of the country need to be addressed on priority to maintain a healthy growth of the industry. We are positive of these changes being undertaken in the coming years and will be focussing on maintaining healthy margins.

2. Brief Organisational Background

The Puravankara Group, headquartered in Bengaluru, was established in 1975 and has over 38 years of experience in property development, real estate and construction sectors in India, and one among the largest in South India that serves the needs of a discerning clientele in housing, commercial and retail spaces.

The Group began operations in Mumbai and has established a considerable presence in the real estate industry in metropolitan cities of Bengaluru, Kochi, Chennai, Coimbatore, Hyderabad, Mysore, Kolkota and Overseas in Colombo and Dubai with a focus on developing residential (comprising of luxury and premium affordable housing projects) and commercial projects. Our operations span all aspects of real estate development, from the identification and acquisition of land, to the design, planning and execution and marketing of our projects. We believe we have established a strong brand image and a successful track record in the South Indian real estate industry due to our commitment to developing high quality projects. The residential properties that we develop consist of apartment complexes, villas, townhouses, as well as premium affordable housing projects, which we develop through our wholly-owned subsidiary Provident Housing Limited ("Provident"). Our commercial projects include retail and office premises.

A majority of our Completed Projects, Ongoing Projects and Upcoming Projects are situated in Bengaluru, Kochi, Chennai, Coimbatore, Hyderabad, Mysore and Kolkota. In addition, we have Land Bank covering approximately 7.43 million sq. ft. of Developable Area in Colombo, Sri Lanka for a proposed residential project consisting of apartment complexes and independent villas and townhouses. We also have a sales and marketing office in the United Arab Emirates and Saudi Arabia.

Our Promoter commenced operations in the real estate industry in Mumbai in 1975 and has over 38 years of experience in the property development, real estate and construction sectors in India.

Our luxury and premium real estate projects are branded under the "Purva" brand and our premium affordable housing projects are branded under the "Provident" brand. We believe that our brand gives us a competitive advantage that allows us to achieve premium sales prices and rentals. Our brand also helps us to secure land in prime locations and attract well regarded professionals and partners to collaborate with us on our projects. In addition, after the completion of a project, we continue to focus on brand management through our after-sales team to ensure brand recall among our customers and recommendations through "word of mouth".

Our premium affordable housing segment "Provident" seeks to create mid-income and mass housing projects comprising affordable apartments in response to the increasing demand for mid-income housing in India. Our projects in this segment are aimed at first time home buyers. Provident develops projects that have small and medium unit sizes of 850 sq. ft. to 1,360 sq. ft. with amenities such as swimming pools, club houses and multi-purpose halls. These projects are situated at the city centre, as well as in areas that are located at relatively greater distances from the city centre but with developed infrastructure such as connectivity through public transportation. We are able to provide these projects to our customers within a specified price range, which is more affordable than the housing we provide under the Puravankara brand, by reducing the size of our residential units and by applying innovative construction techniques and efficient designs that result in cost savings.

With a large and experienced team of engineers and technicians, the Group has a unique and large in-house technologically advanced project management and construction capability. This together with a host of India's leading architects provides the organization with an experience, capability and expertise unmatched in the Indian real estate industry. Development activities range from modern designer apartments, through ultra modern and multi-functional integrated bungalow complexes, to plush and very functional commercial complexes along with the capacity to build large township with all modern amenities and other lifestyle facilities.

Puravankara was honoured with many awards including Most Admired upcoming project of the year 2013 award for Purva Windermere, Environment Friendly project of the year (Residential) 2013 for Purva Highland. The management of Puravankara also has been awarded with Lifetime Achievement award to our Chairman and Managing Director Ravi Puravankara at Realty excellence awards 2012 for outstanding contribution to Real Estate, Most Enterprising Chief Executive Officer at Realty Excellence awards 2012 for our Group Chief Executive Officer Jackbastian K Nazareth and also to Ashish Puravankara, our Joint Managing Director for Young Achievers of 2013 at Real estate awards for Retail excellence.

3. Management Discussion of Risks and Concerns

Risk management is a structured approach to manage uncertainty related to a threat, through a process of risk identification and management process. In business enterprise, risk management includes the methods and processes used by organizations to manage risks related to the achievement of their objectives. Risk management typically involves the following process :

- Identifying particular events or circumstances relevant to the organization's objectives
- Assessing them in terms of magnitude of impact
- Implementing all of the planned methods for mitigating the effect of the risks
- Clear assignment of responsibilities and accountability
- Management reporting
- Prioritize risk with regard to probability of its occurrence magnitude of impact
- Monitoring the progress of risk mitigation and control activities to ensure identified objectives are complete or in process. Monitoring should be ongoing, and the concerned should provide progress reports to management on a periodic basis.

By identifying and proactively addressing risks and opportunities, business enterprises protect and create value for their stakeholders, including owners, employees, customers, regulators, and society at large.

Our Company has appropriate and adequate internal control systems for its business process at all the levels. Management has identified certain areas of risks where the Company is susceptible. Listed below are the various events and the possible impact with action to mitigate and control such probabilities.

Company Specific Risks

Serial No.	Inherent Risk Description	Business Process	Impact factors	Mitigation Measures *(Proposed mitigation measures in Italics)*
1	Uncertainty/Irregularity of titles to land acquired/ developed by Company due to inadequate due diligence, forged documents, JD partners not having clear titles to land etc	Land Acquisition	• Inability to transfer title • Exposure to legal disputes and related costs • Impact on Land Valuations	• Due diligence by independent and in-house counsel • Representations/Encumbrance certificates • Advertisements/Public notices in newspapers • Suitable monetary compensation to settle disputes • Experience of 30 years
2	Delays in completion of projects due to shortage of skilled labour, material, contractors and delays by contractors etc	Project Execution	• Higher construction costs • Impact on reputation/ Customer dissatisfaction • Payment of penalties to customers	• Increased usage of mechanized equipment • Supply of labour outsourced to sub-contractors • Dedicated Planning department • Penalty clauses for delay in agreements with Contractors • *Extension of working hours on weekdays and Sundays* • *Interstate purchases*
3	Inability to attract and retain employees as a result of increased opportunities in the market, higher salaries offered by competition and employee dissatisfaction with company policies/ processes.	Human Resources	• Loss of expertise and continuity • Higher recruitment and training costs • Delay in Project Execution	• Fast growing Company - opportunities are better • Site visits by HR personnel • Defined Appraisal system to provide career guidance and feedback • *Compensation benchmarking survey* • *exit interview* • *Innovative Loyalty building programs being implemented* • *Separate department for hearing grievances of employees and mitigating the same periodically.*
4	Inadequate systems security due to absence of secure transmission lines, absence of an IT policy indicating safe system usage mechanisms, inadequate access controls to ERP etc	Information Technology	Loss/pilferage of confidential data	• Secure connectivity systems are being implemented to address data integrity through transmission between sites and all offices. • Strengthening existing controls in ERP from existing levels of control • Centralized Mail server • *Formalisation of IT policy in progress*

Serial No.	Inherent Risk Description	Business Process	Impact factors	Mitigation Measures *(Proposed mitigation measures in Italics)*
5	Non-Compliance with requirements of labor laws and other relevant rules and regulations due to inadequate knowledge of requirements, absence of a mechanism to obtain assurance, unorganized nature of labour market, expansion into new geographies etc.	Compliance	• Fines/ Penalties/ Imprisonment for non-compliance	• In house expert on relevant regulations • Use of external consultants • Periodic monitoring of checklists that list requirements of VAT, Service Tax, Company's Act and Income Tax • System controls for tax compliance • IA Function • *Dedicated person to track compliance with labour laws* • *Distribution of detailed checklists to all relevant departments* • *Proof of compliance prior to making contractor payments* • *Periodical internal training*
6	Customer dissatisfaction with the Sales processes due to over commitments/incorrect information provided by sales personnel, customization requirements not being adequately addressed, delays in processing agreements etc	Sales & Marketing	• Customer dissatisfaction • Loss of potential customers • Growth • Margins	• Mock flats with standard specifications • Adequate redressal system for property complaints • Updates on progress of the project through website/mails • Minimal customization • Projects are launched only after receipt of requisite sanctions. • *Process of generating/executing agreements being streamlined* • *Periodic review of complaints received and action taken*
7	Customer dissatisfaction with After Sales processes due to lack of a well defined customer redressl system, disputes over cancellation charges, inadequate property management post sale	Sales & Marketing	• Customer dissatisfaction • Loss of potential customers • Growth • Margins	• Dedicated Customer Care department. Target of 24 hours for acknowledging customer queries/complaints • Cancellation charges clearly mentioned in the application forms and sale agreements • PPL handles Property Management

Serial No.	Inherent Risk Description	Business Process	Impact factors	Mitigation Measures *(Proposed mitigation measures in Italics)*
8	Inability to obtain financing/financing on favorable terms, due to downgrading of debt rating, liquidity crunch etc	Finance	• Higher financing costs • Mismatch in cash flow • Periodical review of the loans portfolio with plant for restructuring	• Maintain optimum net debt to equity ratio • Lock-in substantial sale of units at launch stage to minimize cash flow mismatch at project level
9	Sub-standard construction quality due to dependence on third parties, absence of adequate number of quality structural consultants, sub-standard quality of raw material etc	Project Execution	• Delay in project completion • Impact on reputation • Abortive costs	• In-house construction & quality team • Use of snagging checklists • Structure certified by Govt authorized consultants • Defects liability insurance taken • Expert opinion from local consultants
10	New territory Risks arising from uncertainty in the natural parameters, inadequate knowledge of local regulations, dilution of control etc	Project Execution	• Delay in project completion • Impact on reputation • Abortive costs • Stay order by the court due to PIL's • Project costs incorrectly estimated	• Expert opinion from local consultants sought • *Location audits on process implementation effectiveness*
11	Reduced margins due to significant escalation in material, labour costs post project commencement/ ineffective planning etc	Project Execution and Sales & Marketing	Reduced Margins	• Selling strategy - only a certain percentage of apartments are sold upfront • 5% contingency margin in initial estimates • Implementation of newer technology to reduce construction time • Dedicated Planning department
12	Inability to anticipate and respond to consumer requirements due to inadequate market research and analysis	Business Development and Sales & Marketing	Lower demand for Purva properties	• Direct sales • 'Know Your Customer's Requirements' ('KYCR') initiatives • Analysis of buying patterns/size of loan disbursements

Serial No.	Inherent Risk Description	Business Process	Impact factors	Mitigation Measures *(Proposed mitigation measures in Italics)*
13	Loss due to theft, accidents at site, defects etc	Project Execution	Financial Loss	• Adequate Insurance Policies • Security guards • *Separate Stores Management team* • *Rotation of stores personnel* *Asset Management System*
14	Use of unlicensed software due to absence of a software usage policy, periodic monitoring mechanism etc	Information Technology	• Penalties for use of unlicensed software	• Microsoft Software Asset Management Review • *IT policy indicating software usage in place* • *Periodic monitoring mechanism* • *Group Policy Controls to prevent implementation of unauthorized software*
15	High network downtime resulting in unavailability of data	Information technology	• Unavailability of data • Delays in payments that could result in delay in Project timelines Delay in providing information to customers/ potential customers	• *Rollout of backup lines*
16	Inability to adopt/adapt to new technologies	Project Execution	• Impact on quality of construction • Delay in project completion • Impact on margins	• Key Management personnel understands and is abreast with the latest technology MIVAN technology sufficient for next few years
17	Risk of capturing and/ or reporting incorrect /inaccurate financial information	Financial Reporting	Incorrect financial reporting	• Centralization of accounting system, procurement, payments • Audit of controls • Period consultation with Audit firms

Serial No.	Inherent Risk Description	Business Process	Impact factors	Mitigation Measures *(Proposed mitigation measures in Italics)*
18	Death of labourers/ construction personnel on site/Accidents on site due to non-adherence to safety procedures, non – enforcement of safety procedures	Project Execution	• Delays in the project • Compensation/ Litigation Costs • Impact on reputation	• Safety Officers • Safety Programs • Workmen's insurance policy • Workers employed through contractors are insured by the contractors • *Location audits* • *Company proposes to apply for a safety award*
19	Presence of fly-by-night operators resulting in decreased demand for Purva properties	Business Development	• Loss of potential customers • Educate customers and impact	• High Quality of Construction • Established brand name • Experience of 38 years
20	Issues with Joint Venture partner	Business Development	• Impact on types of projects that the company undertakes • Growth	• Clearly defined commercial terms Successful relationship
21	Significant Dependence on few members of management/Loss of key management personnel	Human Resources	• Loss of Experience/ Expertise • Loss of key relationships	• Adequate systems and structure for smooth transition • *Introduction of Succession Plan for Key Managerial Personnel*
22	Inability to use acquired land for intended purpose due to non-compliance with permitted land uses, inability to transfer titles to land etc	Business Development	• Exposure to legal disputes and related costs • Delayed project commencement/ Project abandonment • Surrender of excess land held over ceiling	• Comprehensive Development Plan. • Land in green zones/land not zoned is not purchased. • Agreements to Sell/ Memorandum of Understanding in Company's favour • Due diligence process • Involvement of senior management

INDUSTRY RISKS

Serial No.	Inherent Risk Description	Business Process	Impact factors	Mitigation Measures *(Proposed mitigation measures in Italics)*
1	Slump in the real estate market/Significant decline in property prices	Business Development	• Reduction in property prices • Impact on demand for properties	• Vast Majority of Purva flats priced at ₹4,500 per sqft. Certain flexibility in pricing has also enable the company to mitigate this factor. • Low Land Acquisition costs • Ability to adapt to changing circumstances • Low outstanding on land payments (8% of land cost)
2	Declining affordability as a result of increase in loan interest rates, withdrawal of tax benefits and decrease in availability of home loans	Business Development	Decreased demand for properties	• Vast Majority of Purva flats priced at ₹4,500 per sqft • Flexible pricing policy • Low cost affordable housing – Provident
3	Compulsory Land Acquisition by Government due to development of infrastructure projects	Land Acquisition	• Delay in project completion • Exposure to legal disputes and related costs • Exposure to additional costs if changes are required to be made to the master plan	• Review of City infrastructure plan/Possibility of future expansion of roads considered • NOC's from Government prior to purchase • Project commenced only after receipt of sanctions from relevant authorities
4	Loss due to natural calamities	Project Execution	• Financial Loss • Inability to complete projects on schedule	• Appropriate Insurance policies • *Disaster Recovery Plan/Business Continuity Plan to be rolled out*
5	Inability to grow existing land bank as desired due to inability /delay in procuring contiguous land for large projects, inability to build land bank at strategic locations at low costs etc	Business Development	Inability to grow business	• Focus on new acquisitions in other potential locations of Bengaluru • Existing land bank will last for next five years

Notes:

1. All risks described above are inherent to the Company and the market in which it operates.

2. Company specific risks are those risks for which the mitigation measures lie largely within the power and control of the management. Industry risks are those which the management has very limited control over. Risks are presented in the order of priority.

4. Internal control systems and their adequacy

The Company has well defined and adequate internal control systems to ensure that all the assets are safeguarded as well as are more productive. These internal controls are supplemented by periodic audits with management reports and these are reviewed and monitoried by our audit committee.

We have qualified and independent audit committee and consisting of our board directors as members. The audit committee will review the adequacy and efficiency of internal control and suggests for any improvements or corrections. These internal controls ensure efficiency in operations, compliance with internal policies of the company, applicable laws and regulations, protection of resources and accurate reporting of financial transactions.

5. Material developments in Human Resources/Industrial Relations front, including number of people employed

We continue to believe that our employees are key contributors to our success. The Group's endeavour to impart the best training, working environment for retaining the best talents in the industry remains unabated. Our work force consists of (i) our permanent employees, (ii) consultants who are engaged by us on a contractual basis to assist in the architectural and structural design of our projects and (iii) contractors who are engaged by us on a contractual basis and who employ labourers to work at our project sites. The table below sets out the number of employees as of March 31, 2013 and 2012 respectively.

Employee Category	Fiscal 2013	Fiscal 2012
Non Technical	550	400
Technical	419	323
Trainees	47	9
Total	1016	732

6. Opportunities and Threats

The Group had been always optimistic on the future outlook of the Industry even during significant slowdown in the economy, we were confident about the fundamentals of the economy. The Global economy is also showing a promise of revival which is indicated by growing Indian market, including the IT industry, the retail industry and the manufacturing industry.

The Middle class economy and the Urban Population continue to grow. The population is comparatively young and thriving, especially in the range of 25 to 45 years. The aspirations for these population to own their own dwelling at a much earlier stage and higher priority given by them for acquiring such assets gives rise to the constant demand for such dwelling units. This will add to the housing demand of the nation due to age-demographic effect. However there is a marked shift from the demand for high cost life style apartments to medium cost affordable housing. The Group had recognised this trend quite early and had been one of the earlier Companies to move in the direction of providing affordable Housing projects to cater to the demand.

The improved sentiments and performance of various segments of the economy has also resulted in the improvements in the demand for premium and lifestyle apartments where the Company has already established its brand in the market in this segment.

Discussion on Financial Conditions and Results of Operations

Income

Our total income comprises of revenue from operations and other income.

Revenue from operations

Our revenue from operations comprises of revenue from projects and other operating revenue. Our revenue from projects represented 98.88 per cent and 99.45 per cent of our revenue from operations in Fiscal 2013 and 2012, respectively. Our other operating revenue represented 1.12 per cent and 0.55 per cent of our revenue from operations in Fiscal 2013 and 2012, respectively.

Revenue from projects

Revenue from projects comprises of sale of our residential properties and interior works. Our sale of properties represented 99.54 per cent and 99.51 per cent of our revenue from projects in Fiscal 2013 and 2012, respectively.

We also derive income from the sale of interior works, which includes designing, procuring, fabricating and installing the furniture, fixtures and other fittings in our property developments. Income from interior works represented 0.46 per cent and 0.49 per cent respectively, of our revenue from projects in Fiscal 2013 and 2012, respectively.

Other operating revenues

Our other operating revenue comprise of rental income, scrap sales and others. We lease our commercial properties and derive rental income. Rental income represented 5.74 per cent and 15.01 per cent respectively, of our other operating revenues in Fiscal 2013 and 2012, respectively.

Other income

Other income represents primarily professional charges in relation to sales of properties, which we collect from our customers, and other miscellaneous income.

Expenses

Our significant expenses include:

- project expenses, which comprise of material and contract costs, land costs and decrease/ (increase) in inventory of properties under development and properties held for sale;
- employee benefit expense;
- finance expenses;
- depreciation and amortization; and
- other expenses.

Project expenses

Project expenses consist of material and contract costs, land costs and decrease/ (increase) in inventory of properties under development and properties held for sale. Project expenses reflect the costs associated with our projects, corresponding to the percentage of completion of construction of our projects.

Material and contract costs

Our material and contract costs primarily consist of costs related to materials used in our construction, wages, civil work done by our contractors, fees paid to architects, plan sanction and project related levies paid to local authorities. These expenses also include expenses incurred in relation to the equipment and machinery used in the construction and design for our projects, interior works and other services that we provide which are not specifically allocated to a project. Our material and contract costs represented 65.19 per cent and 72.75 per cent of our total expenses in Fiscal 2013 and 2012, respectively, which also included the cost allocated to the inventory in respect of unsold units in our projects.

Land costs

Land costs consist of the cost of acquisition of land, expenses incurred in the upkeep of and value addition to land and the cost of acquisition of development rights. Our land costs represent the cost of land that are allotted for properties under development. Our land costs represented 27.30 per cent and 62.56 per cent, respectively, of our total expenses in Fiscal 2013 and 2012, respectively, which also included the cost allocated to the inventory in respect of unsold units in our projects.

Decrease/(increase) in inventory of properties under development and properties held for sale

Inventory of properties consists of the sum of properties under development and properties held for sale. Decrease/(increase) in inventory of properties under development and properties held for sale represents the difference between the beginning and the ending balance of properties under development and properties held for sale during that year. For further details, please refer to Notes 1 and 22 of the "Financial Statements".

Employee Benefit expense

Employee benefit expense comprise salaries, wages, allowances and bonus paid to employees, contribution to employees' provident fund and other staff welfare expenses not recognized under either material and contract costs or under selling costs. Our employee benefit expenses represented 8.12 per cent and 8.44 per cent respectively, of our total expenses in Fiscal 2013 and 2012 respectively.

Net finance expense

Our net finance expense includes our finance expense net of our interest income earned on bank deposits, interest from loans to our associates, interest received from our customers, net interest charges payable by us on short-term and long-term loans and debentures. These loans include working capital loans, overdrafts, loans on purchase of certain equipments and vehicles and charges such as processing fees for loans, bank guarantees, including the cost allocated to the inventory in respect of unsold units in our projects.

Our net finance expense, including the cost allocated to inventory, represented 25.53 per cent and 30.96 per cent of our total expenses in Fiscal 2013 and 2012, respectively.

Depreciation and amortization cost

Depreciation and amortization costs consists of depreciation on building, plant and machinery, certain other items used in construction, office equipments, computers, furniture and fixtures, vehicles, shuttering materials and leasehold improvements. Our depreciation and amortization cost represented 0.77 per cent and 0.87 per cent respectively, of our total expenses in Fiscal 2013 and 2012 respectively.

Other expenses

Our other expenses comprise primarily of expenses incurred in business promotion and the costs of advertisement and publicity of our projects. This consists of costs in relation to advertising and sales promotion, commission, brokerage and referral charges, travel and communication expenses incurred in relation to the sales and marketing of our projects.

In addition, we also recognize rates and taxes, our expenditure under legal and professional charges, travelling and conveyance, security charges, remuneration to auditors, repairs and maintenance of our office premises and losses from our foreign exchange fluctuations as other expenses.

Our other expenses represented 15.60 per cent and 14.22 per cent respectively, of our total expenses in Fiscal 2013 and 2012 respectively.

Share of Profit in Associates

This consists of our share of profit/(loss) in associates, namely Keppel Puravankara Development Private Limited, Keppel Magus Development Private Limited and Sobha Puravankara Aviation Private Limited.

Profit Before Tax

Our profit before tax represents the difference between total income and total expenditure after adjusting for share of profit/(loss) in associate and prior period income (net of tax expense).

Tax Expense

Income taxes are accounted for in accordance with AS-22 issued by the ICAI on "Accounting for Taxes on Income". Taxes comprise current tax and deferred tax.

Deferred tax assets are recognized only to the extent that there is reasonable certainty of sufficient future taxable income being 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.

Factors Affecting Results of Operations

Our results of operations depend on various factors, including the following:

- Condition and performance of the real estate market
- Supply of land
- Cost of land
- Construction costs
- Availability of financing for customers
- Taxation
- Other factors

Each of these factors is discussed below:

Condition and performance of the real estate market in India: Developments in the real estate sector are driven by:

• Demand for more housing units in cities and towns due to movement of population from rural to urban areas, expanding middle class, increased disposable income, availability of housing finance and tax incentives;

• Demand for office premises due to growing Indian market including the IT industry, the retail industry and the manufacturing industry, with foreign companies setting up office in India.

Factors affecting the real estate market in India still have a direct relation to the performance of the Company. The GDP in India has not undergone any significant change compared to the previous fiscal years.. The real estate sector in India specially the southern part of India is maintaining its absorption levels. The main growth thrust is coming due to favourable demographics, increasing purchasing power, existence of customer friendly banks & housing finance companies, professionalism in real estate and favourable reforms initiated by the government to attract global investors.

Supply of land: Our operations are dependent on the availability of land for our projects. Our growth is linked to the availability of land in areas where we can develop projects that are marketable mainly to mid to higher income groups. Increased competition for land or excess supply of land may adversely affect our operations.

Cost of land: The cost of acquisition of land includes the amounts paid for freehold rights and cost of registration and stamp. We acquire land from governmental authorities and private parties. We are typically required to enter into a deed of conveyance or a lease deed transferring title in our favour. The registration charges and stamp duty among other things are also payable by us.

Construction Costs: The cost of construction includes cost of material used in our construction- these primarily comprise of cost of steel, cost of cement, cost of wood, cost of flooring materials and cost of other accessories.

Availability of financing for customers: One of the major drivers behind the growth of demand for housing units is interest rates on housing loans. The hike in housing loan interest rates may increase the cost of property but will not affect buying capacity, as house buyers are more concerned over property prices rather than rising interest rates.

Taxation: The other primary factor affecting our financial conditions is the tax payable by us. Deferred taxes arise from timing differences between our book profits and our taxable profits, which originate during an accounting period and which can be reversed in subsequent periods. Deferred taxes are measured using the tax rates and laws that have been enacted or substantively enacted as of the date of financial statements in which they are recorded. We provide for deferred tax liability/assets on such timing differences subject to prudent consideration.

Other factors:

Other factors affecting our results of operations include:

• Regulations affecting the real estate industry;

• Our ability to acquire suitable lands at reasonable costs;

• Our ability to identify suitable projects and execute them in a timely and cost effective manner;

• Competition.

Critical Accounting Policies

Preparation of financial statements in accordance with Indian GAAP, the applicable accounting standards issued by the ICAI and the relevant provisions of the Companies Act require our management to make judgments, estimates and assumptions regarding uncertainties that affect the reported amounts of our assets and liabilities, disclosures of contingent liabilities and the reported amounts of income and expenses. These judgments, assumptions and estimates are reflected in our accounting policies, which are more fully described in the "Financial Statements".

Certain of our accounting policies are particularly important to the portrayal of our financial position and results of operations and require the application of significant assumptions and estimates of our management. We refer to these accounting policies as our "critical accounting policies". Our management uses our historical experience and analyses, the terms of existing contracts, historical cost convention, industry trends, information provided by our agents and information available from other outside sources, as appropriate, when forming our assumptions and estimates. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods. However, this task may be imprecise because our management makes assumptions and provides estimates on matters that are inherently uncertain. For more information on our significant accounting policies, please see "Financial Statements".

While all aspects of our financial statements should be read and understood in assessing our current and expected financial condition and results, we believe that the following critical accounting policies warrant additional attention:

(a) Revenue recognition of revenues from Projects

Our revenue recognition policy was aligned in accordance with the Guidance Note on Accounting for Real Estate Transactions with effect from April 1, 2012 (the "Guidance Note"). From April 1, 2012, we have applied the principles enunciated in Accounting Standard 7 (Construction Contracts) and Accounting Standard 9 (Revenue Recognition) in accordance with the Guidance Note. The Guidance Note is applicable to all projects which were launched on or after April 1, 2012 and also to projects which have already launched but where revenue is being recognized for the first time on or after April 1, 2012.

From April 1, 2012, while we have continued to follow the same method of revenue recognition for UDS, for construction, revenue has been recognized as per the Guidance Note. Accordingly, construction revenue from the projects (a) where all critical approvals necessary for the commencement have been obtained (including environmental and other clearances, approval of plans and designs, title to land or other rights to develop/construct and change in land use); (b) the expenditure incurred on construction and development costs is not less than 25 per cent of the total construction and development costs; (c) at least 25 per cent of the saleable project area is secured by contracts or agreements with buyers; and (d) at least 10 per cent of the total revenue as per the agreements of sale or any other legally enforceable documents are realized at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

We have applied the percentage of completion method as revised by the Guidance Note to our real estate projects, Purva White Hall, Purva Sunflower, Provident Sunworth and Provident Skyworth. However, the expenditure incurred on construction and development costs of these projects is less than 25 per cent of their total construction and development costs and consequently, we have not recognized any construction revenue for these projects.

For projects executed through joint development arrangements prior to April 1, 2012, which represent barter transactions, whereby we give up a defined percentage of constructed area in lieu of payment for our share in the land, we account for such transactions on net basis and do not ascribe any value to the share of land acquired on such basis. Effective April 1, 2012, in accordance with the Guidance Note, developmental rights acquired through joint development arrangement are recorded on a gross basis on the estimated value of the land in respect of which, the development right is transferred in our favor.

(b) Impairment of assets

We assess at each balance sheet date whether there is any indication of an impaired asset. If any such indication exists, we estimate 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 statement of profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed. The asset is then reflected at the recoverable amount subject to a maximum of depreciated historical cost.

(c) Inventories

Inventory comprises raw materials used for our construction activity. Raw materials are valued at the lower of cost or 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 to make the sale.

(d) Accounting for taxes for income

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

Deferred tax assets are 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 reassessed and recognized to the extent that availability of future taxable income, against which such deferred tax assets can be realized, has become reasonably certain.

(e) Borrowing cost

Borrowing cost 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 Cost". 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 statement of profit and loss as incurred.

(f) Basis of consolidation

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

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.

Results of Operations

The following table sets forth certain items derived from our audited consolidated summary financial statements for Fiscal 2013 and 2012 expressed in absolute terms and as a percentage of total revenue for the periods indicated. Amounts have been rounded to ensure percentages total to 100 per cent as appropriate.

Particulars	Fiscal 2013		Fiscal 2012	
	(₹ in million)	(%)	(₹ in million)	(%)
Income				
Revenue from operations				
Revenue from projects	12,319.55	98.67	8,096.54	99.28
Other operating revenues	139.35	1.12	44.91	0.55
Other income	25.90	0.21	14.23	0.17
Total income	**12,484.80**	**100.00**	**8,155.68**	**100.00**
Expenses				
Material and contract costs	5,918.04	47.40	4,537.47	55.64
Land cost	2,478.39	19.85	3,901.95	47.84
Decrease/(increase) in inventory of properties under development and properties held for sale	(3,859.83)	(30.91)	(5,600.58)	(68.67)
Employee benefit expense	737.63	5.91	526.69	6.46
Finance expense, net	2,317.91	18.57	1,930.76	23.67
Depreciation and amortization	70.28	0.56	54.33	0.67
Other expenses	1,416.22	11.34	886.66	10.87
Total expenses	**9,078.64**	**72.72**	**6,237.28**	**76.48**
Profit before tax and share of profit/(loss) in associates, net	**3,406.16**	**27.28**	**1,918.40**	**23.52**
Share of profit/(loss) in associates, net	152.20	1.22	43.15	0.53
Profit before tax and prior period items	**3,558.36**	**28.50**	**1,961.55**	**24.05**
Tax expense				
Current tax	1,124.41	9.00	629.95	7.72
Deferred tax	(0.40)	–	(4.46)	(0.05)
Profit after tax and before prior period items	**2,434.35**	**19.50**	**1,336.06**	**16.38**
Prior period income (net of tax expense)	–	–	21.24	0.26
Net profit for the year	**2,434.35**	**19.50**	**1,357.30**	**16.64**

Comparison of Fiscal 2013 and Fiscal 2012

Income

Our total income comprising of revenues from operations and other income increased to ₹12,484.80 million in Fiscal 2013 by ₹4,329.12 million, or 53.08 per cent, from ₹8,155.68 million in Fiscal 2012.

Revenue from operations

Our revenue from operations comprising of revenue from projects and other operating revenues increased to ₹12,458.90 million in Fiscal 2013 by ₹4,317.45 million, or 53.03 per cent, from ₹8,141.45 million in Fiscal 2012.

Revenue from projects

Our revenue from projects increased to ₹12,319.55 million in Fiscal 2013 by ₹4,223.01 million, or 52.16 per cent, from ₹8,096.54 million in Fiscal 2012. This was primarily due to increase in the revenue generated from the sale of apartments and interior works during Fiscal 2013. In Fiscal 2013, we recognized income from sale of apartments in two residential completed projects and 17 residential Ongoing Projects.

Our income from interior works increased to ₹56.70 million of ₹16.63 million, or 41.50 per cent, in Fiscal 2013 from ₹40.07 million in Fiscal 2012.

Other operating revenues

Our other operating revenues increased to ₹139.35 million in Fiscal 2013 by ₹94.44 million, or 210.29 per cent, from ₹44.91 million in Fiscal 2012. This was primarily due to, sale of additional car parks in certain projects and compensation of ₹59.53 million received for waiving our right to purchase certain land.

Other income

Our other income increased by to ₹25.90 million in Fiscal 2013 by ₹11.67 million, or 82.01 per cent, from ₹14.23 million in Fiscal 2012.

Expenses

Our total expenses increased to ₹9,078.64 million in Fiscal 2013 by ₹2,841.36 million, or 45.55 per cent, from ₹6,237.28 million in Fiscal 2012. This was primarily due to an increase in construction activities in our Ongoing Projects resulting in a corresponding increase in expenses.

Project expenses

Our project expenses increased to ₹4,536.60 million in Fiscal 2013 by ₹1,697.76 million or 59.80 per cent, from ₹2,838.84 million in Fiscal 2012. This is also reflected in our revenue from operations on account of increase in the revenue from projects. Project expenses, as a percentage to the total income increased to 36.34 per cent in Fiscal 2013 from 34.81 per cent in Fiscal 2012. Our project expenses comprise of the following:

Material and contract cost

Our material and contract cost was ₹5,918.04 million in Fiscal 2013 and ₹4,537.47 million in Fiscal 2012.

Land cost

Our land cost was ₹2,478.39 million in Fiscal 2013 and ₹3,901.95 million in Fiscal 2012.

Decrease/(increase) in inventory of properties under development and properties held for sale

Our increase in inventory of properties under development and properties held for sale was ₹3,859.83 million in Fiscal 2013 and ₹5,600.58 million in Fiscal 2012.

Employee benefit expense

Our employee benefit expense increased to ₹737.63 million in Fiscal 2013 by ₹210.94 million, or 40.05 per cent, from ₹526.69 million in Fiscal 2012. This was primarily due to recruitment of additional employees in our sales and marketing division and for our construction sites.

Finance expense, net

Our net finance expense increased to ₹2,317.91 million in Fiscal 2013 by ₹387.15 million, or 20.05 per cent, from ₹1,930.76 million in Fiscal 2012. This was primarily due to an increase in our total borrowings to ₹17,859.25 million in Fiscal 2013 from ₹13,490.69 million in Fiscal 2012.

Depreciation and amortization

Our depreciation and amortization increased to ₹70.28 million in Fiscal 2013 by ₹15.95 million, or 29.36 per cent, from ₹54.33 million in Fiscal 2012. This was primarily due to an increase of our fixed assets amounting to ₹231.04 million in Fiscal 2013.

Other expenses

Our other expenses increased to ₹1,416.22 million in Fiscal 2013 by ₹529.56 million, or 59.73 per cent, from ₹886.66 million in Fiscal 2012. This was primarily due to an increase in the advertising and sales promotion in line with the growth in our income and higher rent and taxes primarily due to addition of office space and site offices.

Tax expense

Our tax expense increased to ₹1,124.01 million in Fiscal 2013 by ₹498.52 million, or 79.70 per cent, from ₹625.49 million in Fiscal 2012 due to increased profits. Our current tax increased to ₹1,124.41 million in Fiscal 2013 by ₹494.46 million, or 78.49 per cent, from ₹629.95 million in Fiscal 2012. Our deferred tax decreased to ₹(0.40) million in Fiscal 2013 by ₹4.06 million, or 91.03 per cent, from ₹(4.46) million in Fiscal 2012.

Net profit for the period

As a result of the forgoing, our net profit increased to ₹2,434.35 million in Fiscal 2013 by ₹1,077.05 million, or 79.35 per cent, from ₹1,357.30 million in Fiscal 2012.

Reserves and Surplus

Our reserves and surplus incrased to ₹17,927.95 as of March 31, 2013 from ₹15,805.96 as at March 31, 2012, increase is mainly due to strong performance at consolidated level.

Dividend

The company has paid an interim dividend of ₹2.50 per share on the face of ₹5 per share to all the non-promoter shareholders during the current fiscal.

Liquidity and Capital Resources

As of March 31, 2013, the Company had cash and bank balances of ₹2,333.58 million. Cash and bank balances primarily consist of cash on hand, fixed deposits with an initial maturity of less than twelve months and balances with banks. Our primary liquidity requirements have been to finance our purchases of land, working capital for development of our projects. We expect to meet our working capital and liquidity requirements for the next 12 months primarily from the cash flows from our business operations, and, if required, project specific borrowings from banks and financial institutions as may be expedient.

Our growth plans will require us to incur substantial additional expenditure in the current and future fiscal years across our existing and new business lines. We expect that our land acquisitions as well as the construction and development costs for our projects will be funded through cash flows and borrowings. Our expansion plans and planned expenditure are subject to change based on various factors such as interest rates, property prices and market conditions. Our ability to raise and service the required financing depends on these factors as well.

Cash Flows

Set forth below is a table of selected information from our consolidated statements of cash flows for Fiscal 2013 and 2012:

(₹ in million)

Particulars	Fiscal 2013	Fiscal 2012
Net cash generated from/(used in) operating activities……………	399.09	919.85
Net cash generated from/(used in) investing activities……………	(518.36)	(558.22)
Net cash generated from/(used in) financing activities……………	1,696.83	(509.22)
Net increase/(decrease) in cash and cash equivalents……………...	1,577.56	(147.59)
Cash and cash equivalents at the beginning of the year…………..	697.81	845.40
Cash and cash equivalents as at the end of the year……………….	2,275.37	697.81

Net cash generated from/(used in) operating activities

Our net flows generated from operating activities in Fiscal 2013 primarily comprised of operating profit before working capital adjustments for ₹5,795.74 million, which was adjusted for an increase in the properties under development of ₹1,319.35 million, an increase in the properties held for sale of ₹1,478.02 million, an increase in trade receivables of ₹1,153.26 million, an increase in loans and advances and other current assets of ₹395.24 million as well as tax payments of ₹898.06 million.

Net cash generated from/(used in) investing activities

Our cash flow used in investment activities for Fiscal 2013 primarily comprised of purchase of fixed assets of ₹216.40 million, net investments in bank deposits and margin monies of ₹161.28 million, properties held for development of ₹66.20 million, net purchase of units of liquid mutual funds of ₹57.17 million which were offset in part by net cash generated from interest received of ₹51.59 million.

Net cash generated from/(used in) financing activities

Our net cash generated from financing activities in Fiscal 2013 was primarily comprised of proceeds from term loans of ₹10,727.37 million and proceeds from unsecured loans of ₹209.70 million which were offset in part by net cash used in repayment of term loans of ₹4,211.64 million, repayment of debentures of ₹1,960.40 million, repayment of cash credit and working capital loan of ₹396.46 million and interest and dividend payments of ₹2,423.70 million and ₹248.04 million respectively.

Assets

Non-Current Assets: The total non-current assets were ₹12,500.21 million and ₹12,883.99 million as at March 31, 2013 and 2012, respectively. Our non-current assets comprise of fixed assets, non-current investments, properties held for development, deferred tax asset (net), long term loans and advances and other non-current assets.

Fixed Assets : The book value of our total fixed assets (including capital work-in progress) was ₹868.90 million and ₹726.38, as of March 31, 2013 and 2012 respectively. Our fixed assets primarily consist of freehold and leasehold land, buildings, plant and machinery, office equipments, computers , furniture and fixtures, vehicles, shuttering materials and leasehold improvements. Capital work-in-progress includes capital expenditure on assets which we propose to retain.

Non Current Investments: Our investments represents equity investments in associate companies namely ; Keppel Puravankara Development Private Ltd., Keppel Magus Development Private Ltd. and Sobha Puravankara Aviation Pvt Ltd. Our total investment in associate companies were ₹1,384.76 million and ₹1,232.56 million as at March 31, 2013 and 2012, respectively. The increase in investment in associates is due to share in profits of our associates during the current fiscal by following equity method of accounting as prescribed under Accounting standard 23 "Accounting for Investment in Associates in Consolidated Financial Statement" issued by ICAI.

Properties held for development: This consists of various lands which have been acquired for the purposes of development. Our properties held for development were ₹7,977.06 million and ₹8,281.44 million as at March 31, 2013 and 2012, respectively. The decrease is due to transfer to properties held under development during the current fiscal.

Current Assets

Current Assets: The total current assets were ₹28,142.30 million and ₹21,024.91 million as at March 31, 2013 and 2012, respectively. Our current assets comprise of current investments, inventory, trade receivables, cash and bank balances, short term loans and advances and other current assets.

Current Investments: Our current Investments consist of units of liquid mutual funds were ₹57.17 million and ₹Nil as at March 31, 2013 and 2012, respectively.

Inventories : Our inventories consists of raw materials used in our construction activities, properties under development and properties held for sale. Our inventories were ₹21,176.29 million and ₹17,319.24 million as at March 31, 2013 and 2012, respectively.

Properties under development: This consists of our on going projects. Our projects under development was ₹18,765.80 million and ₹16,460.07 million as at March 31, 2013 and 2012, respectively.

Properties held for sale: This consists of finished projects which are unsold on the date of the financial statements, which is valued at cost price or net realizable value (equal to selling price less cost of selling), whichever is lower. Our properties held for sale was ₹2,021.26 million and ₹543.24 million as at March 31, 2013 and 2012, respectively.

Trade Receivables: The total amount of trade receivables were ₹3,073.05 million and ₹1,919.79 million as at March 31, 2013 and 2012, respectively. Our trade debtors consist of unsecured receivables with respect to sale of properties.

Cash and bank balances: Our cash and cash equivalents consist of cash on hand and cash held in current and deposit accounts with specified banks. The cash and cash equivalents were ₹2,333.58 million and ₹730.78 million as at March 31, 2013 and 2012, respectively.

Total borrowings increased by ₹4,368.56 million to ₹17,859.25 million. For further details please refer to Notes 1, 5, 9 and related disclosure of the "Financial Statements".

Transactions with Associates and Related Parties

We enter into transactions with companies, which are controlled by members of our Promoter Group and other related parties in the ordinary course of our business. As of March 31, 2013, our net balance involving transactions with related parties was ₹445.29 million in loans, advances, deposits and liabilities to various joint ventures, Promoter Group companies and related individuals. For details regarding our related party transactions, please see "Financial Statements – Related Party Information."

Significant developments after March 31, 2013 that may affect our future results of operations

In compliance with AS 4 and to the best of our knowledge, no circumstances other than as disclosed in this Annual Report have arisen since the date of the last financial statements contained in this report which materially and adversely affect or are likely to affect, the trading and profitability of the Company, or the value of our assets or our ability to pay material liabilities within the next 12 months.

Cautionary Statement

Statements made in the above Management Discussion and Analysis may contain forward looking statements within the meaning of applicable security laws and regulations. These relates to company's future objectives and business plans which are subject to a number of factors and uncertainties and the actual results could materially vary from the views expressed herein. All the possible care has been taken to ensure that the views and opinions expressed by the company contain its perceptions on the material facts of the company in the normal business operations and it is not exhaustive.

Independent Auditors' Report on the Consolidated Financial statements

To

The Board of Directors of

Puravankara Projects Limited

1. We have audited the accompanying Consolidated Financial Statements of Puravankara Projects Limited (the 'Company'), its subsidiaries and associates (collectively referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2013, the Consolidated Statement of Profit and Loss for the year ended and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements and other financial information of the subsidiaries and associates as noted below, the Consolidated Financial Statements give a true and fair view in

conformity with the accounting principles generally accepted in India:

i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March, 2013;
ii) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
iii) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

7. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹1,985.43 million as at 31 March 2013, the total revenue (after eliminating intra-group transactions) of ₹158.58 million for the year ended on that date and net cash flows aggregating to ₹4.95 million 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, to the extent they relate to the figures stated above, is based solely on the report of other auditors. We did not audit the financial statements of certain associates whose financial statements reflect the Company's share of profit/(loss) of ₹3.68 million for the year ended on that date included in these Consolidated Financial Statements. These financial statements have not been audited by other auditors. Our opinion is not qualified in respect of this matter.

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

per **Aasheesh Arjun Singh**
Partner
Membership No.: 210122

Bengaluru
17 April 2013

Consolidated Balance Sheet as at 31 March 2013

(All amounts in ₹ million, unless otherwise stated)

	Note	31 March 2013	31 March 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	1,067.12	1,067.12
Reserves and surplus	4	17,927.95	15,805.96
		18,995.07	**16,873.08**
Non-Current Liabilities			
Long-term borrowings	5	8,977.93	3,039.46
Other long-term liabilities	7	10.23	2.70
Long-term provisions	8	60.59	59.08
		9,048.75	**3,101.24**
Current Liabilities			
Short-term borrowings	9	7,256.76	9,359.80
Trade payables	10	1,651.44	1,381.92
Other current liabilities	10	3,412.13	2,903.42
Short-term provisions	8	335.53	289.44
		12,655.86	**13,934.58**
Total		**40,699.68**	**33,908.90**
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible assets	11	837.74	690.43
Intangible assets	12	25.65	15.80
Capital work-in-progress		5.51	20.15
		868.90	**726.38**
Non-current investments	13	1,384.76	1,232.56
Properties held for development	14	7,977.06	8,281.44
Deferred tax assets (net)	6	1.64	1.24
Long-term loans and advances	15	2,052.68	2,570.20
Other non-current assets	17	215.17	72.17
		12,500.21	**12,883.99**
Current Assets			
Current investments	13	57.17	-
Inventories	18		
Raw materials		389.23	315.93
Properties under development		18,765.80	16,460.07
Properties held for sale		2,021.26	543.24
		21,176.29	**17,319.24**
Trade receivables	16	3,073.05	1,919.79
Cash and bank balances	19	2,333.58	730.78
Short-term loans and advances	15	747.86	649.67
Other current assets	17	811.52	405.43
		28,142.30	**21,024.91**
Total		**40,699.68**	**33,908.90**
Significant accounting policies	1		

The notes referred to above form an integral part of the financial statements
This is the Consolidated Balance Sheet referred to in our report of even date

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

per **Aasheesh Arjun Singh**
Partner

Bengaluru
17 Apr 2013

For and on behalf of the Board of Directors

Ravi Puravankara
Chairman and Managing Director

Nani R Choksey
Deputy Managing Director

Ashish Puravankara
Joint Managing Director

Anil Kumar A
Chief Financial Officer

V P Raguram
Company Secretary

Bengaluru
17 Apr 2013

Consolidated Statement of Profit and Loss for the year ended 31 March 2013

(All amounts in ₹ million, unless otherwise stated)

	Note	31 March 2013	31 March 2012
INCOME			
Revenue from operations			
Revenue from projects	20	12,319.55	8,096.54
Other operating revenues	20	139.35	44.91
Other income		25.90	14.23
Total		**12,484.80**	**8,155.68**
EXPENSES			
Material and contract cost	21	5,918.04	4,537.47
Land cost		2,478.39	3,901.95
Decrease/(increase) in inventory of properties under development and properties held for sale	22	(3,859.83)	(5,600.58)
Employee benefit expense	23	737.63	526.69
Finance expense, net	24	2,317.91	1,930.76
Depreciation and amortization	25	70.28	54.33
Other expenses	26	1,416.22	886.66
Total		**9,078.64**	**6,237.28**
Profit before tax and share of profit/(loss) in associates, net		3,406.16	1,918.40
Share of profit/(loss) in associates, net		152.20	43.15
Profit before tax		**3,558.36**	**1,961.55**
Tax expense			
Current tax	27	1,124.41	629.95
Deferred tax		(0.40)	(4.46)
Profit after tax and before prior period items		**2,434.35**	**1,336.06**
Prior period income (net of tax expense)		-	21.24
Net profit for the year		**2,434.35**	**1,357.30**
Earnings per share (Nominal value ₹5 per share)			
Basic (₹)	28	11.41	6.36
Diluted (₹)	28	11.41	6.36
Significant accounting policies	1		

The notes referred to above form an integral part of the financial statements
This is the Consolidated Statement of Profit and Loss referred to in our report of even date

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

per **Aasheesh Arjun Singh**
Partner

Bengaluru
17 Apr 2013

For and on behalf of the Board of Directors

Ravi Puravankara
Chairman and Managing Director

Nani R Choksey
Deputy Managing Director

Ashish Puravankara
Joint Managing Director

Anil Kumar A
Chief Financial Officer

V P Raguram
Company Secretary

Bengaluru
17 Apr 2013

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 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 significant risks and rewards of ownership have been transferred to the customer, which coincides with entering into a legally binding agreement.

Revenue from sale of undivided share of land (UDS) in qualifying projects where the risks and rewards on the sale of the UDS are separable from the risks and rewards on the construction contract is recognized upon the transfer of all significant risks and rewards of ownership of such real estate, as per the terms of the contracts entered into with the buyers, which coincides with the firming of the sales contracts/agreements and a minimum level of collection of dues from the customer.

Revenue from the sale of UDS on other projects where the risk and rewards on the sale of the UDS are not separable from the construction contracts and therefore do not qualify above are recognized on the percentage of completion method.

Effective April 1, 2012, in accordance with the "Guidance Note on Accounting for Real Estate Transactions (Revised 2012)" (Guidance note) all projects commencing on or after the said date or projects where revenue is recognized for the first time on or after the above date, construction

1. **Significant accounting policies** *(contd.)*

revenue on such projects have been recognized on percentage of completion method provided the following thresholds have been met:

(a) all critical approvals necessary for the commencement have been obtained;

(b) the expenditure incurred on construction and development costs is not less than 25 per cent of the total estimated construction and development costs;

(c) at least 25 per cent. of the saleable project area is secured by agreements with buyers; and

(d) at least 10 per cent. of the agreements are realised at the reporting date in respect of such contracts.

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 Statement of Profit and Loss in the period in which these losses are known.

For projects executed through joint development arrangements prior to April 1, 2012, which represent barter transactions, whereby the company gives up a defined percentage of constructed area in lieu of payment for its share in the land, the company accounts for such transactions on net basis and does not ascribe any value to the share of land acquired on such basis. Effective April 1, 2012, in accordance with the Guidance Note, developmental rights acquired through joint development arrangement are recorded on a gross basis on the estimated amount to be spent on development or construction of built-up area to be surrendered in lieu of the above rights.

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.

Unbilled revenue disclosed under other assets represents revenue recognized over and above amount due as per payment plans agreed with the customers. Progress billings which exceed the costs and recognized profits to date on projects under construction are disclosed as advance received from customers under other current liabilities. Any billed amount that has not been collected is disclosed under trade receivables and is net of any provisions for amounts doubtful of recovery.

The application of the Guidance note did not have a material impact on the Statement of Profit & Loss for the year ended March 31, 2013. However, properties under development is higher by ₹308.50 and advance received from customers is also higher by the same amount.

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 under development**

Properties under development represents construction work in progress which are stated at the lower of cost and net realizable value. This comprises of cost of land, construction related overhead expenditure, borrowing costs and other net costs incurred during the period of development.

1. Significant accounting policies *(contd.)*

f. 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, borrowing costs and other costs incurred during the period of development.

g. 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.

h. Fixed assets

Fixed assets are stated at cost less accumulated depreciation/amortization and impairment losses. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use. 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.

i. Depreciation/amortization

Depreciation/amortization 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 period of purchase.

j. Borrowing cost

Borrowing cost 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 Statement of Profit and Loss as incurred.

k. Advertisement and promotional expenses

Advertisement and promotional expenses in respect of projects currently being developed and for general corporate purposes are expensed to the Statement of Profit and Loss as incurred.

l. 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 Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

m. Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturity of three months or less.

n. **Inventory**

Inventory includes 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.

o. **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.

p. **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 Statement of Profit and Loss on a straight-line basis over the lease term unless other systematic basis is more representative of the time pattern of the benefit.

q. **Employee benefits**

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15- ''Employee Benefits''.

Provident fund

The Company contributes to the statutory provident fund of the Regional Provident Fund Commissioner, in accordance with Employees' Provident Funds and Miscellaneous Provisions 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 service.

1. Significant accounting policies *(contd.)*

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 past service costs. Independent actuaries use the projected unit credit method to calculate the defined benefit obligation.

Actuarial gains or loss arising from experience adjustments and changes in actuarial assumptions are credited or charged to the Statement of Profit and Loss in the period in which such gain or loss arise.

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.

r. **Tax expense**

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 2013 comprise the entities listed below:

Name of the Entity	Country of incorporation	Effective shareholding
Overseas subsidiary companies		
Welworth Lanka Holding Pvt. Ltd.	Sri Lanka	100%
Welworth Lanka Pvt. Ltd.	Sri Lanka	100%
Purva Corporation	British Virgin Islands	100%
Indian subsidiary companies		
Prudential Housing and Infrastructure Development Ltd.	India	100%
Centurions Housing and Constructions Pvt. Ltd.	India	100%
Melmont Construction Pvt. Ltd.	India	100%
Purva Realities Pvt. Ltd.	India	100%
Purva Marine Properties Pvt. Ltd.	India	100%
Nile Developers Pvt. Ltd.	India	100%
Vaigai Developers Pvt. Ltd.	India	100%
Starworth Infrastructure and Construction Ltd.	India	100%
Provident Housing Ltd.	India	100%
Associate companies		
Keppel Puravankara Development Pvt. Ltd.	India	49.00%
Propmart Technologies Ltd.	India	32.83%
Keppel Magus Development Pvt. Ltd.	India	36.26%
Sobha Puravankara Aviation Pvt. Ltd.	India	49.75%

There is no change in the effective shareholding of all of the above entities from the previous year ended 31 March 2012.

2. Group structure

Information of the subsidiaries for the year ended 31 March 2013

Sl. no.	Name	Issued, paid-up capital	Reserves	Total assets	Total liabilities	Investments (Excluding investment in subsidiaries)	Turnover	Profit/(loss) before taxation	Provision for taxation	Profit/ (loss) after taxation	Proposed dividend
1	Prudential Housing and Infrastructure Development Ltd.	0.50	(12.63)	5.76	17.89	Nil	-	(0.31)	-	(0.31)	Nil
2	Centurions Housing and Constructions Pvt. Ltd.	0.10	253.63	347.66	93.93	Nil	170.65	144.62	47.26	97.36	Nil
3	Melmont Construction Pvt. Ltd.	0.10	(38.12)	1,253.93	1,291.95	Nil	0.03	(0.52)	-	(0.52)	Nil
4	Purva Marine Properties Pvt. Ltd.	0.15	(0.17)	0.09	0.11	Nil	-	(0.02)	-	(0.02)	Nil
5	Purva Realities Pvt. Ltd.	0.10	(0.10)	359.84	359.84	Nil	-	(0.02)	-	(0.02)	Nil
6	Grand Hills Development Pvt. Ltd. (formely known as Purva Opel Properties Pvt. Ltd.)	0.10	(0.09)	0.10	0.09	Nil	-	(0.01)	-	(0.01)	Nil
7	Purva Ruby Properties Pvt. Ltd.	0.10	(0.09)	0.10	0.09	Nil	-	(0.01)	-	(0.01)	Nil
8	Purva Good Earth Properties Pvt. Ltd.	0.10	(0.09)	0.10	0.09	Nil	-	(0.01)	-	(0.01)	Nil
9	Purva Sapphire Land Pvt. Ltd.	0.10	(0.09)	0.10	0.09	Nil	-	(0.01)	-	(0.01)	Nil
10	Purva Star Properties Pvt. Ltd.	0.10	(0.09)	0.10	0.09	Nil	-	(0.01)	-	(0.01)	Nil
11	Nile Developers Pvt. Ltd.	1.00	71.20	200.60	128.40	Nil	-	(0.01)	-	(0.01)	Nil
12	Vaigai Developers Pvt. Ltd.	1.00	50.70	156.47	104.77	Nil	-	(0.02)	-	(0.02)	Nil
13	Puravankara Hotels Ltd.	0.50	(0.09)	0.50	0.09	Nil	-	(0.01)	-	(0.01)	Nil
14	Purva Land Ltd.	0.50	(0.11)	0.50	0.11	Nil	-	(0.01)	-	(0.01)	Nil
15	Starworth Infrastructure & Construction Ltd.	0.50	114.40	583.88	468.98	Nil	1,011.19	113.53	36.66	76.87	Nil
16	Provident Housing Ltd.	0.50	1,988.31	5,553.93	3,565.12	Nil	4,087.03	1,516.46	494.83	1,021.63	Nil
17	Purva Corporation +	0.01	(0.01)	0.02	0.02	Nil	-	-	-	-	Nil
18	Purvankara UK Ltd.++	-	-	-	-	Nil	-	-	-	-	Nil
19	Welworth Lanka Holding Pvt. Ltd.+++	182.03	(2.28)	208.67	28.92	Nil	-	(0.25)	-	(0.25)	Nil
20	Welworth Lanka Projects Pvt. Ltd.+++	130.00	(53.26)	156.92	80.18	Nil	-	(10.35)	-	(10.35)	Nil

All are wholly owned subsidiaries of Puravankara Projects Ltd.
+: Amount in GBP (million)
++ : Amount in USD (million)
+++: Amount in Sri Lankan Rupees (million)

	31 March 2013	31 March 2012
3. Share capital		
Authorized shares		
320.00 million (31 March 2012- 320.00 million) equity shares of ₹5 each	1,600.00	1,600.00
Issued, subscribed and fully paid up shares		
213.42 million (31 March 2012- 213.42 million) equity shares of ₹5 each	1,067.12	1,067.12
	1,067.12	**1,067.12**

a. **Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity shares

	31 March 2013		31 March 2012	
	No. in million	₹ million	No. in million	₹ million
Balance at the beginning of the year	213.42	1,067.12	213.42	1,067.12
Issued during the year	-	-	-	-
Outstanding at the end of the year	**213.42**	**1,067.12**	**213.42**	**1,067.12**

b. **Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹5 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Board has declared interim dividend amounting to ₹2.50 (31 March 2012 - nil) as distribution to shareholders excluding promoter (including promoters group) shareholders. Additionally, the Board has also proposed an annual dividend for all shareholders of the Company amounting to ₹1 per equity share (31 March 2012- ₹1).

c. **Details of shareholders holding more than 5% shares in the company**

	31 March 2013		31 March 2012	
	No. in million	% holding in the class	No. in million	% holding in the class
Equity shares of ₹5 each fully paid up				
Ravi Puravankara	191.99	89.96%	191.99	89.96%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

d. **Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date :**

The Company has not issued any bonus shares nor has there been any buy back of shares during five years immediately preceding 31 March 2013.

3. **Share capital** *(contd.)*

e. **Shares reserved for issue under options**

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. As on 31 March 2013, there are no options outstanding under the above plan.

The disclosures for the year ended 31 March 2013 have been provided below:

The weighted average exercise price for options movement during the year ended 31 March 2013 is as follows:

	31 March 2013 Shares arising out of options (Numbers)	31 March 2012 Shares arising out of options (Numbers)	Weighted average exercise price (₹)
At the beginning of the year	-	193,200	465.86
Granted during the year	-	-	-
Forfeited during the year	-	-	-
Lapsed during the year	-	193,200	-
Cancelled during the year	-	-	-
Exercised during the year	-	-	-
At the end of the year	-	-	465.86
Exercisable at the end of the year	-	-	465.86

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:

	31 March 2013	31 March 2012
Net profit, as reported	2,434.35	1,357.30
Add: Stock based employee compensation expense included in the Statement of Profit and Loss	-	-
Less: Stock based employee compensation expense determined under the fair value method	-	-
Proforma net income	2,434.35	1,357.30
Earnings per share – Basic		
As reported	11.41	6.36
Pro forma	11.41	6.36
Earnings per share – Diluted		
As reported	11.41	6.36
Pro forma	11.41	6.36

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%

	31 March 2013	31 March 2012
4. Reserves and surplus		
Securities premium reserve	7,988.81	7,988.81
Debenture redemption reserve		
Balance at the beginning of the year	214.12	12.95
Less: Written back to the Statement of Profit and Loss during the year	325.62	-
Add: Transfer from the Statement of Profit and Loss Loss during the year	310.01	201.17
Balance at the end of the year	**198.51**	**214.12**
General reserve		
Balance at the beginning of the year	499.00	463.40
Add: Transfer during the year	112.30	35.60
Balance at the end of the year	**611.30**	**499.00**
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	7,104.03	6,231.54
Add: Net profit for the year	2,434.35	1,357.30
Add: Debenture redemption reserve written back	325.62	-
Less: Transfer to debenture redemption reserve	310.01	201.17
Profit available for appropriation	**9,553.99**	**7,387.67**
Appropriations		
Less: Dividend		
- Interim	53.57	-
- Proposed	213.42	213.42
Less: Tax on distribution of dividend		
- Interim	9.10	-
- Proposed	36.27	34.62
Less: Transfer to general reserve	112.30	35.60
Balance at the end of the year	**9,129.33**	**7,104.03**
	17,927.95	**15,805.96**

	Non-current		Current	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
5. Borrowings				
Secured				
Debentures				
40 (31 March 2012 - 40) Non-convertible redeemable debentures of ₹5 each	114.32	200.00	21.68	-
150 (31 March 2012 - 150) Non-convertible redeemable debentures of ₹10 each	-	1,000.00	-	500.00
Term loans				
From banks	2,945.95	1,510.67	563.44	5.93
From financial institutions	-	142.86	-	571.43
From others	5,723.31	185.93	1,024.09	14.07
Unsecured				
Term loans				
From others	194.35	-	15.35	-
	8,977.93	3,039.46	1,624.56	1,091.43
Amount disclosed under "Other current liabilities" note 10	-	-	(1,624.56)	(1,091.43)
	8,977.93	**3,039.46**	-	-

5. Borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2013	As at 31 March 2012
Debentures					
i.	40 secured redeemable non convertible debentures of ₹5 each	Mortgage of a land parcel at Uganvadi Village, Kasaba Hobli, Devanahalli Taluk, proportionate undivided share of land with respect to unsold units of Purva Venezia and Purva Highland project, receivables of sold and unsold units of these projects and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Redeemable in 7 quarterly installments starting from Jul 2013.	136.00	200.00
ii.	150 secured redeemable non convertible debentures of ₹10 each	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.	Redemption at ₹250 every quarter starting from 01 Nov 2012.	-	1,500.00
				136.00	**1,700.00**
	The interest on above debentures are linked to the base rate of a bank which is floating in nature. As on the Balance Sheet date, the interest rates per annum ranges between			16.75%	17.00% to 17.25%
Term Loans from banks (Secured)					
i.	Term loan facility of ₹1,300 from ICICI Bank Ltd.	This facility is secured by pari passu charge by way of equitable mortgage of unsold area admeasuring about 2,024,605 sqft in Welworth City Project together with underlying land, Sunworth Project, hypothecation of receivables of these projects and personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 30 monthly installments commencing from 15 Jan 2015.	1,000.00	-

5. Borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2013	As at 31 March 2012
ii.	Term loan facility of ₹1,000 from ICICI Bank Ltd.	This facility is secured by an exclusive charge by way of equitable mortgage of 87,000 sq.ft land situated at Maduvankari village, Chennai together with all buildings and structures thereon both present and future, undivided share of land of Purva Bluemont Project Phase I (excluding the proportionate share of sold area of 498,072 sq.ft approx) together with all buildings & structures thereof both present and future and hypothecation of scheduled receivables, Escrow accounts and DSR account of Purva Bluemont Project Phase I, an extension of charge by way of equitable mortgage on undivided share of land of Purva Swanlake Project (excluding the proportionate share of sold area of 550,134 sq.ft approx) together with all buildings & structures thereof both present and future, extension of charge by hypothecation of scheduled receivables, Escrow account and DSR account and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 30 monthly installments commencing from 15 Sep 2013.	1,000.00	-
iii.	Term loan facility from ICICI Bank Ltd.- ₹1,500	Mortgage of a land (with building and structure thereon both present and future) located at Plot no. D4, Sy. no. 843 Ernakulam, receivables of Purva Season project and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 30 installments starting from Aug 2013.	1,489.70	1,500.00
iv.	Other loans (Vehicle Loans)	Secured by a charge against respective vehicles.	Repayable in 36 to 60 monthly installments.	19.69	16.60
				3,509.39	**1,516.60**
	The interest on above term loans from banks are linked to the respective banks base rates which are floating in nature. As on the Balance Sheet date, the interest rates per annum ranges between			8.35% to 14.75%	8.35% to 15.00%

5. Borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2013	As at 31 March 2012
Term loans from financial institution (Secured)					
i.	Life Insurance Corporation of India- ₹2,000	Mortgage of land at Marine Drive, Kochi, hypothecation of receivables and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 14 equal quarterly installments starting from Jan 2010.	-	714.29
				-	**714.29**
	The interest per annum on the above term loan from financial institution on the Balance Sheet date is			-	14.50%
Term loans from others (Secured)					
i.	Term loan facility of ₹1,765 from J.P Morgan Advisors India Pvt. Ltd.	This facility is secured by a first ranking mortgage and charge pari passu with the other Project lenders in the form of an English/registered mortgage (without possession) over Purva Windermere project with all collections & receivables and also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 16 quarterly installments commencing from Mar 2015.	1,765.00	-
ii.	Term loan facility of ₹1,100 from J.P Morgan Securities India Pvt. Ltd.	This facility is secured by a first ranking mortgage and charge pari passu with the other Project lenders in the form of an English/registered mortgage (without possession) over Purva Windermere project with all collections & receivables and also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 16 quarterly installments commencing from Mar 2015.	1,100.00	-
iii.	Credit facility of ₹1,500 from HDFC Ltd.	This facility is secured by mortgage of land admeasuring 8.41 acres (366,339.60 sqft) located at Ernakulam Village, Kanayannur Taluk, Marine Drive Kochi, mortgage of property land admeasuring 04 acres 26 Guntas located at Kudlu Village, Sarjapura Hobli, Anekal Taluk, Bengaluru, extension of mortgage of unsold developer's share built up area and undivided land of Purva Grandbay, Kochi, extension of mortgage of unsold developer's share of built up area and undivided land of Purva Eternity, Kochi and personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 24 monthly installments commencing from Jun 2014.	1,250.00	-

5. Borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2013	As at 31 March 2012
iv.	Credit Facility of ₹1,200 from ICICI Home Finance Ltd.	This facility is secured by pari passu charge by way of equitable mortgage of unsold area admeasuring about 2,024,605 sqft in Welworth City Project together with underlying land, Sunworth Project, hypothecation of receivables of these projects and personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 27 monthly installments commencing from 15 Oct 2013.	1,000.00	-
v.	Kotak Mahindra Prime Ltd.- ₹250	Mortgage of land parcel at Chengalpet Taluk, Kancheepuram District, hypothecation of receivables and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 20 monthly installments starting from Dec 2013.	250.00	-
vi.	Karvy Financial Services Ltd.- ₹200	Mortgage of three residential flats at Purva Grande Project, Lavelle Road, Bengaluru and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 24 monthly installments starting from Feb 2013.	185.93	200.00
vii.	Credit facility of ₹230 from Reliance Home Finance Ltd.	Mortgage of property together with all buildings and structures thereon, both present and future at Marine Drive, Kochi, scheduled receivables of the project and personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 18 monthly installments commencing from Feb 2013.	207.15	-
viii.	Credit Facility of ₹100 from Reliance Home Finance Ltd.	Mortgage of property together with all buildings and structures thereon, both present and future at Marine Drive, Kochi, scheduled receivables of the project and personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 18 monthly installments commencing from Feb 2013.	90.06	-
ix.	Sammy's Dream Land Co. Pvt. Ltd.- ₹350	Mortgage of land parcel at Edapally, Ernakulam owned by the Company and Melmont Construction Pvt. Ltd.	Repayable in 2 equal installments in Mar 2014 and Jun 2014 respectively.	350.00	-

5. **Borrowings** *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2013	As at 31 March 2012
x.	Sammy's Dream Land Co. Pvt. Ltd.- ₹400	Secured by undivided right, title and interest in Purva Bluemont project to the extent of 337,427 sq.ft attributable to Phase II development of the project.	Repayable in 4 monthly equal installments in Mar 2014.	400.00	-
xi.	Reliance Capital Ltd.- ₹284.30	Mortgage of property together with all buildings and structures thereon, both present and future at Marine Drive, Kochi, scheduled receivables of the project and personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 15 equated monthly installment starting from Aug 2012.	140.04	-
xii.	Vehicle Loan from Kotak Mahindra Prime Ltd.	Secured by a charge against respective vehicles.	Repayable in 36 to 60 monthly installments.	9.22	-
				6,747.40	200.00
Term loan from others (Unsecured)					
i.	HDFC Ltd.- ₹220	Mortgage of non residential property, Purva Premier owned by Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 108 equated monthly installments starting from Jul 2012.	209.70	-
				209.70	-
	The interest on above term loans from others are primarily linked to the respective benchmarks which are floating in nature. As on the Balance Sheet date, the interest rates per annum ranges between			9.78% to 19.00%	15.00% to 19.00%

	31 March 2013	31 March 2012
6. Deferred tax liability/(asset), net		
Deferred tax liability arising on account of depreciation	36.04	18.39
Less: Deferred tax asset arising on account of:		
Expenses allowable on payment basis		
Gratuity	(16.14)	(6.44)
Vacation pay	(2.00)	(5.89)
Bonus	(11.13)	(5.62)
Lease rent	(8.41)	(1.68)
	(1.64)	**(1.24)**

	31 March 2013	31 March 2012
7. Other long-term liabilities		
Security deposits	10.23	2.70
	10.23	**2.70**

	Non-current		Current	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
8. Provisions				
Provision for employee benefits				
Gratuity	54.34	32.03	0.34	0.74
Vacation pay	6.25	27.05	0.48	1.64
Provision for tax (net of advance tax)	-	-	85.02	39.02
Other provisions				
Proposed dividend	-	-	213.42	213.42
Tax on proposed dividend	-	-	36.27	34.62
	60.59	**59.08**	**335.53**	**289.44**

	31 March 2013	31 March 2012
9. Short-term borrowings		
Secured		
Debentures*	843.60	1,240.00
Term loans from banks*	2,854.68	3,183.19
Term loans from others*	300.20	1,181.87
Cash credit and other loan from banks	2, 488.08	2,889.64
	6,486.56	**8,494.70**
Unsecured		
From bank	574.31	626.98
Interest free loan from related parties repayable on demand	195.89	238.12
	770.20	**865.10**
	7,256.76	**9,359.80**

* Classified based on the operating cycle of the Company. The amount repayable within twelve months:

Debentures	134.82	-
Term loans from banks	1,706.53	1,554.20
Term loans from others	300.20	881.67

9. Short-term borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2013	As at 31 March 2012
Debentures					
i.	248 secured redeemable non convertible debentures of ₹5 each	Mortgage of a land parcel at Uganvadi Village, Kasaba Hobli, Devanahalli Taluk, proportionate undivided share of land with respect to unsold units of Purva Venezia and Purva Highland project, receivables of sold and unsold units of these projects and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Redeemable in 7 quarterly installments starting from Jul 2013.	843.60	1,240.00
	The interest on above debentures are linked to the base rate of a bank which is floating in nature. As on the Balance Sheet date, the interest rate is			16.75%	17.00%
Term Loans from banks (Secured)					
i.	Term loan facility from ICICI Bank Ltd.- ₹500	Mortgage of a land (with building and structure thereon both present and future) located at Plot no. D4, Sy. no. 843, Ernakulam, receivables of Purva Season project and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 30 installments starting from Aug 2013.	100.00	100.00
ii.	Credit facility of ₹200 from Standard Chartered Bank PLC.	This facility is secured by exclusive charge over land & buildings and receivables of Purva Gainz, Purva Primus and Magadi Road Project. First and pari passu charge over land & buildings and receivables of Project Harmony. All these securities are cross collateralised with each other.	Repayable in the form of bullet repayment at the end of the tenor which is Oct 2015.	79.00	-
iii.	Credit facility of ₹450 from Standard Chartered Bank PLC.	This facility is secured by exclusive charge over land & buildings and receivables of Purva Gainz, Purva Primus and Magadi Road Project. First and pari passu charge over land & buildings and receivables of Project Harmony. All these securities are cross collateralised with each other.	Repayable in the form of bullet repayment at the end of the tenor which is Oct 2015.	305.00	-

9. Short-term borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2013	As at 31 March 2012
iv.	Term loan facility from ICICI Bank Ltd.- ₹1,250	Mortgage of a land (with building and structure thereon both present and future) located at Padur, Keelambakkam village, Chennai, equitable mortgage on Plot no. D4, Survey no. 843 Ernakulam (together with all buildings and structure thereon, present and future), receivables of Purva Season project and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 24 installments starting from Aug 2013.	980.68	-
v.	Term loan facility from Standard Chartered Bank PLC.- ₹2,000	As on 31 Mar 2012, this facility was secured by exclusive charge on land & buildings and receivables of Midtown project, Cosmocity project and Skywood project on cross collateralized basis and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company. As on 31 Mar 2013, this facility was secured by exclusive charge on 5 acres, land at Coimbatore, land & buildings and receivables of Midtown project, Cosmo City project, Skywood project and Company's share in Harmony project on cross collateralized basis and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 18 monthly installments commencing from Sep 2012.	1,270.00	1,640.69
vi.	Term loan facility from Dhanlaxmi Bank Ltd.- ₹750	Charge on land and building together with receivables of Purva Swanlake project and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 15 monthly installments starting from Jul 2012.	-	670.00

9. Short-term borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2013	As at 31 March 2012
vii.	Term loan facility from Standard Chartered Bank PLC. - ₹350	As on 31 Mar 2012, this facility was secured by exclusive charge on land & buildings and receivables of Midtown project, Cosmocity project and Skywood project on cross collateralized basis and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company. As on 31 Mar 2013, this facility was secured by exclusive charge on 5 acres, land at Coimbatore, land & buildings and receivables of Midtown project, Cosmo City project, Skywood project and Company's share in Harmony project on cross collateralized basis and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 4 quarterly installments starting from Sep 2012.	120.00	150.00
viii.	Term loan facility from Standard Chartered Bank PLC. - ₹600	As on 31 Mar 2012, this facility was secured by exclusive charge on land & buildings and receivables of Midtown project, Cosmocity project and Skywood project on cross collateralized basis and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company. As on 31 Mar 2013, this facility was secured by exclusive charge on 5 acres, land at Coimbatore, land & buildings and receivables of Midtown project, Cosmo City project, Skywood project and Company's share in Harmony project on cross collateralized basis and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 4 quarterly installments starting from Jun 2012.	-	600.00

9. Short-term borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2013	As at 31 March 2012
ix.	Term Loan facility of ₹300 from Standard Chartered Bank PLC.	Exclusive charge on land & buildings and receivables of Midtown Project, Cosmo City Project and Skywood project on cross collateralized basis and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 5 quarterly installments starting from Jun 2011.	-	22.50
				2,854.68	3,183.19
	The interest on above term loans from banks are linked to the respective banks base rates which are floating in nature. As on the Balance Sheet date, the interest rates per annum ranges between			13.50% to 14.75%	13.50% to 15.25%
Term Loans from others (Secured)					
i.	Kotak Mahindra Prime Ltd.- ₹250	Mortgage of land at Chengalpet Taluk, Kancheepuram District, hypothecation of receivables and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 27 monthly installments commencing from Sep 2011.	75.20	185.60
ii.	HDFC Ltd.- ₹340	Mortgage 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.	Repayable in 21 monthly installments starting from Nov 2011.	125.00	315.00
iii.	HDFC Ltd.- ₹350	Mortgage 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.	Repayable in 21 monthly installments starting from Oct 2011.	100.00	320.00

9. Short-term borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2013	As at 31 March 2012
iv.	Reliance Home Finance Pvt. Ltd.- ₹450 and top-up of ₹240	Mortgage of property together with all buildings and structures thereon, both present and future at Marine Drive, Kochi, scheduled receivables of the project and personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 18 and 15 equated monthly installments commencing from Feb 2011 and Nov 2011 respectively.	-	304.12
v.	Reliance Consumer Finance Pvt. Ltd.- ₹300	Mortgage of property together with all buildings and structures thereon, both present and future at Marine Drive, Kochi, scheduled receivables of the project and personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 21 equated monthly installments commencing from Nov 2010.	-	57.15
				300.20	1,181.87
	The interest on above term loans from others are primarily linked to the respective benchmarks which are floating in nature. As on the Balance Sheet date, the interest rates per annum ranges between			14.75% to 18.75%	15.00% to 19.00%

9. Short-term borrowings *(contd.)*

Sl. No	Nature of borrowings	Particulars	As at 31 March 2013	As at 31 March 2012
Cash credit and other loan from banks (Secured)				
i.	Cash credit facility of ₹1,180 from Andhra bank Ltd.	Secured against the properties of the Company and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	1,238.46	1,143.07
ii.	Working capital facility of ₹1,100 from IDBI bank Ltd.	Secured against the properties of the Company and personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	985.77	1,090.90
iii.	Overdraft facility of ₹800 from Andhra bank Ltd.	Secured against the land together with the buildings and structure thereon at Geddalahalli, Bengaluru and is also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	263.85	555.67
iv.	Overdraft facility of ₹100 from Dhanlaxmi Bank Ltd.	Security against Fixed Deposit of the Company. The facility was repaid during the period.	-	100.00
			2,488.08	**2,889.64**
From banks (Unsecured)				
i.	Working Capital facility of ₹650 from Deutsche Bank AG.	Secured by pledge of personal investments of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	403.31	626.98
ii.	Short Term Loan of ₹650 from Barclays PLC.	Secured by pledge of personal investments of Mr. Ravi Puravankara, Chairman and Managing Director of the Company. This facility is repayable on demand.	171.00	-
			574.31	**626.98**
	The interest on above term loans from others are primarily linked to the respective benchmarks which are floating in nature. As on the Balance Sheet date, the interest rates per annum ranges between		9.63% to 15.75%	10.25% to 15.25%

	31 March 2013	31 March 2012
10. Trade payables		
Trade payables	1,649.18	1,363.15
Due to related parties	2.26	18.77
	1,651.44	**1,381.92**
Other current liabilities		
Current maturities of long term borrowings (note 5)	1,624.56	1,091.43
Advances received from customers	1,335.15	1,519.50
Interest accrued but not due on borrowings	88.48	127.65
Duties and taxes payable	90.48	47.87
Other payables	210.30	116.63
Interim dividend payable	53.57	-
Tax payable on interim dividend	9.10	-
Unpaid dividend	0.49	0.34
	3,412.13	**2,903.42**
	5,063.57	**4,285.34**

11. Tangible assets

	Land *	Buildings	Plant and machinery	Office equipments	Computers	Furniture and fixtures	Vehicles	Shuttering material	Leasehold improve-ments	Total
Cost										
At 01 April 2011	-	37.07	267.25	14.21	31.88	14.22	89.77	267.32	-	721.72
Additions	71.65	99.45	6.32	15.20	7.49	19.12	6.71	13.05	84.71	323.70
Disposals	-	-	-	(0.23)	(3.64)	-	(1.45)	-	-	(5.32)
At 31 Mar 2012	**71.65**	**136.52**	**273.57**	**29.18**	**35.73**	**33.34**	**95.03**	**280.37**	**84.71**	**1,040.10**
Additions	-	35.21	19.84	14.29	32.14	17.09	19.59	25.94	52.15	216.25
Disposals	-	-	-	(0.54)	(0.81)	(1.90)	(10.66)	-	-	(13.91)
At 31 Mar 2013	**71.65**	**171.73**	**293.41**	**42.93**	**67.06**	**48.53**	**103.96**	**306.31**	**136.86**	**1,242.44**
Depreciation										
At 01 April 2011	-	2.79	82.85	4.08	16.50	6.09	34.37	157.05	-	303.73
Charge for the year	-	1.73	10.98	0.89	4.55	1.61	7.80	21.35	1.60	50.51
Disposals	-	-	-	(0.10)	(3.50)	-	(0.97)	-	-	(4.57)
At 31 Mar 2012	**-**	**4.52**	**93.83**	**4.87**	**17.55**	**7.70**	**41.20**	**178.40**	**1.60**	**349.67**
Charge for the year	-	2.37	11.69	1.72	7.06	3.33	8.25	24.04	6.88	65.34
Disposals	-	-	-	(0.01)	(0.78)	(0.92)	(8.60)	-	-	(10.31)
At 31 Mar 2013	**-**	**6.89**	**105.52**	**6.58**	**23.83**	**10.11**	**40.85**	**202.44**	**8.48**	**404.70**
Net block										
At 31 Mar 2012	**71.65**	**132.00**	**179.74**	**24.31**	**18.18**	**25.64**	**53.83**	**101.97**	**83.11**	**690.43**
At 31 Mar 2013	**71.65**	**164.84**	**187.89**	**36.35**	**43.23**	**38.42**	**63.11**	**103.87**	**128.38**	**837.74**

* Represents the undivided share of land in a jointly developed commercial property

	Computer software	Total
12. Intangible assets		
Cost		
At 01 April 2011	22.07	22.07
Additions	10.36	10.36
Disposals	-	-
At 31 Mar 2012	**32.43**	**32.43**
Additions	14.79	14.79
Disposals	-	-
At 31 Mar 2013	**47.22**	**47.22**
Amortization		
At 01 April 2011	12.81	12.81
Charge for the year	3.82	3.82
Disposals	-	-
At 31 Mar 2012	**16.63**	**16.63**
Charge for the year	4.94	4.94
Disposals	-	-
At 31 Mar 2013	**21.57**	**21.57**
Net block		
At 31 Mar 2012	**15.80**	**15.80**
At 31 Mar 2013	**25.65**	**25.65**

	31 March 2013	31 March 2012
13. Investments		
Non-current investments		
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investment in associates (fully paid up)		
Keppel Puravankara Development Pvt. Ltd. - equity shares	988.33	839.81
4.41 million equity shares (31 Mar 2012- 4.41 million) of ₹10 each at par		
Keppel Magus Development Pvt. Ltd.	220.03	210.71
0.36 million equity shares (31 Mar 2012- 0.36 million) of ₹610 each		
Sobha Puravankara Aviation Pvt. Ltd.	-	5.64
0.99 million equity shares (31 Mar 2012- 0.99 million) of ₹10 each		
Preference shares		
Investment in associates (fully paid up)		
Keppel Puravankara Development Pvt. Ltd. - preference shares	176.40	176.40
17.64 million 13.25% cumulative, redeemable, convertible preference shares (31 Mar 2012- 17.64 million) of ₹10 each at par		
	1,384.76	1,232.56
Current investments - at the lower of cost and fair value		
Non-trade (unquoted)		
In units of liquid mutual funds of Birla Sun Life Savings Fund Scheme	57.17	-
	57.17	-
	1,441.93	1,232.56

	Non-current		Current	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
14. Properties held for development				
At the beginning of the year	8,281.44	11,453.76	-	-
Add : Additions during the year	66.20	600.01	-	-
Add: Transferred from properties under development	76.08	-	-	-
Less: Transferred to properties under development	446.66	3,772.33	-	-
	7,977.06	**8,281.44**	**-**	**-**

15. Loans and advances				
Security deposits				
Unsecured, considered good	938.85	779.27	-	-
	938.85	**779.27**	**-**	**-**
Loans and advances to related parties				
(Unsecured, considered good)				
Loans to associates *	304.44	262.04	31.08	28.57
	304.44	**262.04**	**31.08**	**28.57**
Other loans and advances				
(Unsecured, considered good)				
Advances to suppliers *	-	-	446.04	384.59
Advances for land contracts *	634.53	1,043.78	-	-
Advance income tax (net of provision for taxation)	59.53	28.75	-	-
Prepaid expenses *	0.92	145.68	102.83	87.56
Taxes and duties recoverable	70.79	290.78	98.51	122.31
Other advances *	43.62	19.90	69.40	26.64
	809.39	**1,528.89**	**716.78**	**621.10**
Total loans and advances	**2,052.68**	**2,570.20**	**747.86**	**649.67**

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

16. Trade receivables				
(Unsecured, considered good)				
Outstanding for a period exceeding six months	-	-	652.18	520.08
Other receivables	-	-	2,420.87	1,399.71
	-	**-**	**3,073.05**	**1,919.79**

17. Other assets				
Non-current bank balances (Note 19)	204.07	68.03	-	-
Unbilled revenue	-	-	809.07	400.98
Interest accrued but not due on fixed deposits	11.10	4.14	2.45	4.45
	215.17	**72.17**	**811.52**	**405.43**

	Non-current		Current	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
18. Inventories				
Raw materials			389.23	315.93
			389.23	**315.93**
Properties under development				
Land cost			8,320.51	7,195.67
Material and construction cost			10,445.29	9,264.40
			18,765.80	**16,460.07**
Properties held for sale				
At the beginning of the year			543.24	706.25
Add : Additions during the year			2,591.75	15.48
Less: Sales during the year			1,113.73	7.39
Less: Transferred to tangible assets			-	171.10
			2,021.26	**543.24**
			21,176.29	**17,319.24**

19. Cash and bank balances				
Cash and cash equivalents				
Cash on hand			4.18	3.81
Balances with banks:				
On current accounts			1,981.59	588.57
Cheques in hand			9.60	-
Deposits with original maturity of less than three months			280.00	105.43
			2,275.37	**697.81**
Other bank balances				
Deposits with maturity for more than 12 months *	204.07	68.03	-	-
Deposits with maturity for less than 12 months *	-	-	57.62	32.53
Margin money deposit	-	-	0.10	0.10
Unpaid dividend account	-	-	0.49	0.34
	204.07	**68.03**	**58.21**	**32.97**
Amount disclosed under non-current assets (Note 17)	(204.07)	(68.03)	-	-
	-	**-**	**2,333.58**	**730.78**

* Represents amounts restricted for use

	31 March 2013	31 March 2012
20. Revenue from operations		
Revenue from projects		
Sale of properties	12,262.85	8,056.47
Interior	56.70	40.07
	12,319.55	**8,096.54**
Other operating revenue		
Rental income	8.00	6.74
Scrap sales	8.22	9.68
Others	123.13	28.49
	139.35	**44.91**

21. Material and contract cost		
Inventory of building material at the beginning of the year	315.93	283.84
Add : Incurred during the year		
Material and contract cost	5,991.34	4,569.56
Less : Inventory of building material at the end of the year	389.23	315.93
	5,918.04	**4,537.47**

22. Decrease/(increase) in inventory of properties under development and properties held for sale		
Inventory at the beginning of the year		
Properties under development *	16,383.99	10,867.58
Properties held for sale **	543.24	535.15
Inventory at the end of the year		
Properties under development	18,765.80	16,460.07
Properties held for sale	2,021.26	543.24
	(3,859.83)	**(5,600.58)**

* Excluding the transfer of property to properties held for development

** Excluding the transfer of property to tangible assets.

23. Employee benefit expense		
Salaries, wages and bonus	674.55	491.17
Contribution to provident fund and other funds	25.28	13.05
Gratuity expenses	21.91	10.36
Staff welfare	15.89	12.11
	737.63	**526.69**

24. Finance expense, net *		
Finance expense:		
Interest		
- Term loans	1,327.20	1,061.33
- Cash credits	406.43	462.64
- Debentures	410.66	303.73
Discount on issue of debentures	16.04	8.75

	31 March 2013	31 March 2012
24. Finance expense, net * *(contd.)*		
Loan and other processing charges	217.14	161.34
Bank charges	4.59	3.42
Others	21.31	8.65
	2,403.37	**2,009.86**
Finance income:		
Bank deposits	15.38	25.45
Interest on loan to associates	28.90	26.30
Interest received from customers	38.30	27.26
Income from units of mutual funds	2.88	0.09
	85.46	**79.10**
Finance expense, net	**2,317.91**	**1,930.76**

* Includes finance expense capitalized and included in properties under development ₹1,447.78 for the year ended 31 March 2013 (31 March 2012 ₹1,234.93).

	31 March 2013	31 March 2012
25. Depreciation and amortization		
Depreciation of tangible assets	65.34	50.51
Amortization of intangible assets	4.94	3.82
	70.28	**54.33**

	31 March 2013	31 March 2012
26. Other expenses		
Travel and conveyance	43.96	30.71
Repairs and maintenance	112.73	69.57
Legal and professional charges	251.77	165.77
Rent	128.13	57.63
Rates and taxes	129.62	54.00
Security charges	78.82	50.32
Communication costs	16.03	11.99
Printing and stationery	21.00	16.74
Advertising and sales promotion	572.84	362.75
Brokerage and referral charges	43.53	45.60
Foreign exchange loss	2.07	0.17
Miscellaneous expenses	15.72	21.41
	1,416.22	**886.66**

	31 March 2013	31 March 2012
27. Current tax		
Domestic tax	1,124.41	628.83
Tax of earlier years	-	1.12
	1,124.41	**629.95**

The Company has claimed a tax deduction of ₹679.63 until 31 March 2013 (31 March 2012 ₹679.63) under Section 80-IB of the Income - tax Act, 1961 resulting in tax benefit of ₹229.57 (31 March 2012 ₹229.57) in certain projects which were due for completion by 31 March 2011 and 2012. Management has applied for the completion certificates with the local authorities and the same are currently pending. 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 and these financial statements do not include any adjustments for the same.

	31 March 2013	31 March 2012
28. Earnings per share (EPS)		
Weighted average number of shares outstanding during the year (million)	213.42	213.42
Add: Dilutive effect of stock options (Number in million)	-	-
Weighted average number of shares used to compute diluted EPS (million)	213.42	213.42
Net profit after tax attributable to equity shareholders	2,434.35	1,357.30
Earnings per share (₹) :		
Basic	11.41	6.36
Diluted	11.41	6.36
Nominal value - Rupees per equity share	5.00	5.00

29. Leases

The lease expense for cancellable and non-cancellable operating leases was ₹128.13 for the year ended 31 March 2013 (31 March 2012 ₹57.63). Lease commitments under the non-cancellable operating leases as at the Balance Sheet date were as follows:-

	Particulars	31 March 2013	31 March 2012
a)	Within one year	193.65	31.84
b)	One to five years	671.69	127.30
c)	More than five years	251.56	409.82
	Total	**1,116.90**	**568.96**

Sublease

The Company has sub let one of the properties under a non cancellable operating lease agreement. Lease income was ₹8.00 for the year ended 31 March 2013 (31 March 2012 ₹6.74).

		31 March 2013	31 March 2012
30.	**Other commitments and contingencies**		
a)	Demand from Service Tax Department	68.08	46.43
b)	Demand from Commercial Tax Department	23.26	5.44
c)	Deduction under Section 80-IB of the Income - tax Act, 1961	140.67	147.16
d)	Company's share of contractual commitments to an associate including future period	546.87	-
e)	Company's share in claims not acknowledged as debts of an associate	46.94	46.94

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 a court stay in one of the projects and the poor state of reclamation of the land in the other. Based on a legal opinion obtained on the above, the management believe that the deduction under the cited section above will not be denied and these financial statements do not include any adjustments on account of the same.

During the year, the Company has also received an order from ITAT directing the Assessing officer to carryout the denovo assessment of income for A.Y 2004-05-2009-10 reconsidering the claim under Section 80-IB for a project of the Company. Additionally the Company has also received a demand for A.Y 2010-11 on the aforementioned issue. Management believes that the above will not have any impact on these financial statements.

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. Further the company has given certain advances for purchase of land under agreements executed wherein it is required to make further payments based on terms/milestones subject to fulfillment of certain conditions by other party.

31. Related party transactions

(i) **Parties where control exists**

Mr. Ravi Puravankara

(ii) **Key management personnel**

Mr. Ravi Puravankara

(iii) **Relatives of key management personnel:**

Ms. Geeta S Vhatkar

Mr. Ashish Puravankara

Ms. Amanda Puravankara

(iv) **Entities controlled by key management personnel (other related parties):**

Purva Developments

Puravankara Investments

Handiman Services Ltd.

Dealwel – Proprietorship

Tanya Trust

Amanda Trust

Purva Properties and Resorts Pvt. Ltd.

Dealwel Estates Pvt. Ltd.

(v) **Associate companies**

Keppel Puravankara Development Pvt. Ltd.

Propmart Technologies Ltd.

Keppel Magus Development Pvt. Ltd.

Sobha Puravankara Aviation Pvt. Ltd.

(vi) **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	
	31March 2013	31March 2012	31March 2013	31March 2012	31March 2013	31March 2012	31March 2013	31March 2012
Interest on loans								
Keppel Puravankara Development Pvt. Ltd.	2.51	2.41	-	-	-	-	-	-
Keppel Magus Development Pvt. Ltd.	9.10	8.78	-	-	-	-	-	-
Propmart Technologies Ltd.	17.30	14.70	-	-	-	-	-	-
Loans given to								
Propmart Technologies Ltd.	21.73	34.60	-	-	-	-	-	-
Dealwel Estates Pvt. Ltd.	-	-	-	-	-	-	0.01	-
Deposit given to								
Sobha Puravankara Aviation Pvt. Ltd.	14.58	64.76	-	-	-	-	-	-
Loans repaid by								
Keppel Magus Development Pvt. Ltd.	5.28	-	-	-	-	-	-	-
Keppel Puravankara Development Pvt. Ltd.	-	3.35	-	-	-	-	-	-
Propmart Technologies Ltd.	0.45	-	-	-	-	-	-	-
Loans repaid to								
Ravi Puravankara	-	-	42.16	16.27	-	-	-	-
Puravankara Investments	-	-	-	-	-	-	0.19	0.78
Sobha Puravankara Aviation Pvt. Ltd.	-	9.00	-	-	-	-	-	
Advance paid to								
Sobha Puravankara Aviation Pvt. Ltd.	45.37	-	-	-	-	-	-	-
Land acquired								
Geeta S Vhatkar	-	-	-	-	-	34.25	-	-

31. Related party transactions *(contd.)*

(vi) 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	
	31March 2013	31March 2012	31March 2013	31March 2012	31March 2013	31March 2012	31March 2013	31March 2012
Security expenses								
Handiman Services Ltd.	-	-	-	-	-	-	76.59	76.66
Rental expenses								
Sobha Puravankara Aviation Pvt. Ltd.	43.26	-	-	-	-	-	-	-
Puravankara Investments	-	-	-	-	-	-	32.05	13.23
Brokerage expenses								
Propmart Technologies Ltd.	-	7.42	-	-	-	-	-	-
Sale value of flats								
Tanya Trust	-	-	-	-	-	-	11.18	-
Amanda Trust	-	-	-	-	-	-	11.50	-
Remuneration								
Ravi Puravankara	-	-	22.44	19.50	-	-	-	-
Ashish Puravankara	-	-	-	-	12.53	0.42	-	-
Amanda Puravankara	-	-	-	-	-	10.09	-	-

(vii) Balances with related parties at the year end are as follows:

Loans given to								
Propmart Technologies Ltd.	206.22	167.64	-	-	-	-	-	-
Keppel Puravankara Development Pvt. Ltd.	31.08	28.57	-	-	-	-	-	-
Keppel Magus Development Pvt. Ltd.	98.22	94.40	-	-	-	-	-	-
Dealwel Estates Pvt. Ltd.	-	-	-	-	-	-	0.03	0.02
Deposits made in associates								
Sobha Puravankara Aviation Pvt. Ltd.	65.78	64.76	-	-	-	-	-	-
Advance for land contracts paid to								
Geeta S Vhatkar	-	-	-	-	179.30	179.30	-	-
Advance paid to Associates								
Sobha Puravankara Aviation Pvt. Ltd.	40.11	-	-	-	-	-	-	-
Security Deposits paid to								
Dealwel	-	-	-	-	-	-	1.50	1.50
Puravankara Investments	-	-	-	-	-	-	4.50	4.50
Guarantees given by								
Ravi Puravankara	-	-	16,500.83	13,135.97	-	-	-	-
Ashish Puravankara	-	-	-	-	9,262.18	9,472.53	-	-
Dues from								
Tanya Trust	-	-	-	-	-	-	8.39	-
Amanda Trust	-	-	-	-	-	-	8.62	-
Dues to								
Handiman Services Ltd.	-	-	-	-	-	-	2.55	7.03
Puravankara Investments	-	-	-	-	-	-	18.81	30.74
Purva Development	-	-	-	-	-	-	1.79	1.78
Purva Properties and Resorts Pvt. Ltd.	-	-	-	-	-	-	0.02	0.02
Ravi Puravankara	-	-	175.29	217.45	-	-	-	-

32. 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 2013 and 31 March 2012 the plan assets were invested in insurer managed funds.

Disclosures as required by AS 15 for the year ended 31 March 2013 are as under:

	31 Mar 2013		31 Mar 2012	
	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	77.93	6.73	59.59	28.69
Fair value of plan assets as at the end of the year	(23.25)	-	(26.82)	-
Net liability/(asset) recognized in the Balance Sheet	**54.68**	**6.73**	**32.77**	**28.69**
2 Changes in the present value of defined benefit obligation				
Defined benefit obligation as at beginning of the year	59.59	28.69	52.46	23.88
Service cost	19.04	6.98	10.95	10.65
Interest cost	4.66	0.46	4.22	1.71
Actuarial losses/(gains)	0.89	15.99	(2.33)	0.63
Benefits paid	(6.25)	(44.72)	(5.71)	(8.18)
Curtailment losses/(gains)	-	(0.66)	-	-
Defined benefit obligation as at the end of the year	**77.93**	**6.73**	**59.59**	**28.69**
3 Changes in the fair value of plan assets				
Fair value as at the beginning of the year	26.82	-	30.05	-
Expected return on plan assets	2.40	-	2.31	-
Actuarial (losses)/gains	0.28	-	0.17	-
Contributions	-	44.72	-	8.18
Benefits paid	(6.25)	(44.72)	(5.71)	(8.18)
Fair value as at the end of the year	**23.25**	**-**	**26.82**	**-**
Non-current	54.34	6.25	32.03	27.05
Current	0.34	0.48	0.74	1.64
Assumptions used in the above valuations are as under:				
Interest rate	8.25%	8.25%	8.00%	8.00%
Discount rate	8.25%	8.25%	8.00%	8.00%
Expected return on plan assets	8.00%	0.00%	8.00%	0.00%
Future salary increase	6.00%	6.00%	6.00%	6.00%
Attrition rate	2.00%	2.00%	2.00%	2.00%
Retirement age	60 years	60 years	60 years	60 years

4 Net gratuity and vacation pay cost for the year ended 31 March 2013 and 31 March 2012 comprises of following components.

	31 Mar 2013		31 Mar 2012	
	Gratuity	Vacation pay	Gratuity	Vacation pay
Service cost	19.04	6.98	10.95	10.65
Interest cost	4.66	0.46	4.22	1.71
Actuarial losses/(gains)	0.61	15.99	(2.50)	0.63
Expected return on plan assets	(2.40)	-	(2.31)	-
Curtailment losses/(gains)	-	(0.66)	-	-
Net cost	**21.91**	**22.77**	**10.36**	**12.99**

During the year the company has modified its policy for vacation pay to its employees whereby there has been a reduction under number of leaves eligible for carry forward with a lump sum amount due for the past balances as on the date of transition. Consequently, this has been accounted for as a curtailment in accordance with AS 15.

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 ₹24.60 for the year ended 31 March 2013 (31 March 2012 ₹11.67) .

33. 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.

34. Transfer pricing

The Finance Act, 2012 has made the detailed Transfer Pricing regulations applicable to 'specific domestic transactions'. Accordingly, the income and/or expenditure arising from such 'specific domestic transactions' have to be computed having regard to the arm's length price. These regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant within the due date of filing the return of income.

The company has undertaken necessary steps to comply with the Transfer Pricing regulations and the prescribed report from the Accountant will be obtained for the year ended 31 March 2013. The Management is of the opinion that the above referred transactions are at arm's length, and hence the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

35. Prior period comparatives

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

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

per **Aasheesh Arjun Singh**
Partner

Bengaluru
17 Apr 2013

For and on behalf of the Board of Directors

Ravi Puravankara
Chairman and Managing Director

Nani R Choksey
Deputy Managing Director

Ashish Puravankara
Joint Managing Director

Anil Kumar A
Chief Financial Officer

V P Raguram
Company Secretary

Bengaluru
17 Apr 2013

Consolidated Cash Flow Statement for the year ended 31 March 2013

		31 March 2013	31 March 2012
A.	**Cash flow from operating activities**		
	Profit before tax and prior period items	**3,558.36**	**1,961.55**
	Adjustments for:		
	Depreciation and amortization	70.28	54.33
	(Profit)/loss on sale of fixed assets	1.39	0.26
	Finance expense, net	2,317.91	1,930.76
	Share of (profit)/loss in associates	(152.20)	(43.15)
	Operating profit before working capital changes	**5,795.74**	**3,903.75**
	Movements in working capital :		
	(Increase)/Decrease in trade receivables	(1,153.26)	(648.16)
	(Increase)/Decrease in inventories of raw materials	(73.30)	(32.09)
	(Increase)/Decrease in loans and advances & other current assets	(395.24)	362.07
	(Increase)/Decrease in properties under development	(1,319.35)	(1,820.17)
	(Increase)/Decrease in properties held for sale	(1,478.02)	(8.09)
	Increase/(Decrease) in current liabilities and provisions	(79.42)	(303.84)
	Cash (used in)/received from operations	**1,297.15**	**1,453.47**
	Direct taxes paid	(898.06)	(533.62)
	Net cash from/(used in) operating activities	**399.09**	**919.85**
B.	**Cash flows from investing activities**		
	Purchase of fixed assets	(216.40)	(148.99)
	Proceeds from sale of fixed assets	2.22	0.50
	Loans to associates	(21.73)	(34.60)
	Loans repaid by associates	5.73	11.11
	Purchase of units of liquid mutual funds	(534.28)	-
	Proceeds from sale of units of liquid mutual funds	477.11	-
	Properties held for development	(66.20)	(600.01)
	Deposits and advances	(55.12)	100.66
	Net investment in bank deposits and margin monies	(161.28)	50.75
	Interest received	51.59	62.36
	Net cash from/(used in) investing activities	**(518.36)**	**(558.22)**

Consolidated Cash Flow Statement (contd.) for the year ended 31 March 2013

		31 March 2013	31 March 2012
C.	**Cash flows from financing activities**		
	Proceeds from term loans	10,727.37	4,851.71
	Repayment of term loans	(4,211.64)	(5,503.30)
	Proceeds from debentures	-	1,440.00
	Repayment of debentures	(1,960.40)	-
	Proceeds from/(repayments of) unsecured loan	209.70	257.48
	Proceeds from/(repayments of) cash credit and working capital loan	(396.46)	628.76
	Loans repaid to related parties	-	(26.23)
	Dividends paid including taxes	(248.04)	(248.87)
	Finance charges paid	(2,423.70)	(1,908.77)
	Net cash generated from/(used in) financing activities	**1,696.83**	**(509.22)**
	Net increase/(decrease) in cash and cash equivalents (A + B + C)	**1,577.56**	**(147.59)**
	Cash and cash equivalents at the beginning of the year	**697.81**	**845.40**
	Cash and cash equivalents at the end of the year	**2,275.37**	**697.81**
	Components of cash and cash equivalents		
	Cash and bank balances (as per Note 19 to the financial statements)	2,333.58	730.78
	Less: Bank deposits and margin monies considered separately	58.21	32.97
		2,275.37	697.81

This is the Consolidated Cash Flow Statement referred to in our report of even date

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

per **Aasheesh Arjun Singh**
Partner

Bengaluru
17 Apr 2013

For and on behalf of the Board of Directors

Ravi Puravankara
Chairman and Managing Director

Nani R Choksey
Deputy Managing Director

Ashish Puravankara
Joint Managing Director

Anil Kumar A
Chief Financial Officer

V P Raguram
Company Secretary

Bengaluru
17 Apr 2013

Independent Auditors' Report on the Financial Statements (Parent Company)

To
The Members of
Puravankara Projects Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Puravankara Projects Limited, ("the Company"), which comprise the Balance Sheet as at 31 March 2013, Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

   i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;

   ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

   iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8. As required by Section 227(3) of the Act, we report that:
   a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   c. the financial statements dealt with by this report are in agreement with the books of account;
   d. in our opinion, the financial statements comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act; and
   e. on the basis of written representations received from the directors, as on 31 March 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

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

per **Aasheesh Arjun Singh**
Partner
Membership No.: 210122

Bengaluru
17 April 2013

Annexure to the Independent Auditors' Report of even date to the members of Puravankara Projects Limited, on the financial statements for the year ended 31 March 2013.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.

ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.

iii) (a) The Company has granted unsecured loans to sixteen parties covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year is ₹2,413,786,001 and the year-end balance is ₹2,015,433,064.

(b) The Company has granted interest free loans to certain subsidiaries and interest bearing loans to other parties covered under Section 301 of the Act. The interest free nature and the rate of interest, where applicable, and other terms and conditions of such loans are not, prima facie, prejudicial to the interest of the Company.

(c) In respect of loans given, the interest, where applicable, and principal amounts are repayable on demand and since the repayment of such amounts have not been demanded, in our opinion, receipt of the principal amount and interest is regular.

(d) There is no overdue amount in respect of loans granted to such parties.

(e) The Company has taken unsecured loans from four parties covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year is ₹656,798,978 and the year-end balance is ₹410,255,529.

(f) In our opinion, the rate of interest, where applicable, and other terms and conditions of loans taken by the Company are not, prima facie, prejudicial to the interest of the Company.

(g) In respect of loans taken, the interest, where applicable, and principal amounts are repayable on demand and since the repayment of such amounts have not been demanded, in our opinion, payment of the principal amount and interest is regular.

(iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

(v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered.

(b) Owing to the unique and specialized nature of the items involved and in the absence of any comparable prices, we are unable to comment as to whether the transactions made in pursuance of such contracts or arrangements have been made at the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.

(vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act in respect of Company's products/ services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) The dues outstanding in respect of sales-tax, income-tax, custom duty, wealth-tax, excise duty, cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (₹)	Amount Paid Under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Chapter V of the Finance Act, 1994	Service Tax (including interest & penalty on an approximate basis)	19,009,209	-	2002-06	Customs, Excise & Service Tax Appellate Tribunal
Chapter V of the Finance Act, 1994	Service Tax (including interest & penalty on an approximate basis)	49,068,628	-	2007-08	Customs, Excise & Service Tax Appellate Tribunal
The Karnataka Value Added Tax Act, 2003.	Value Added Tax (including interest & penalty on an approximate basis)	3,313,935	1,656,968	2008-09	Joint Commissioner of Commercial Taxes (Appeals)
The Karnataka Value Added Tax Act, 2003.	Value Added Tax (including interest & penalty on an approximate basis)	2,128,120	1,064,060	2009-10	Joint Commissioner of Commercial Taxes (Appeals)
The Karnataka Value Added Tax Act, 2003.	Value Added Tax (including interest & penalty on an approximate basis)	8,477,107	-	2010-11	Joint Commissioner of Commercial Taxes (Appeals)
The Kerala Value Added Tax Act, 2003.	Value Added Tax (including interest & penalty on an approximate basis)	619,292	-	2005-06	Kerala Sales Tax Appellate Tribunal
The Kerala Value Added Tax Act, 2003.	Penalty and interest for not disclosing the imports value in the quarterly and Annual Returns	5,863,575	2,345,430	2008-09	Assistant Commissioner (Works contract)

(x) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.

(xi) In our opinion, the Company has not defaulted in repayment of dues to any financial institution or banks or to debenture holders during the year.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, provisions of clause 4(xiv) of the Order are not applicable.

(xv) In our opinion, the terms and conditions on which the Company has given guarantee for loan taken by others from a bank is not, prima facie, prejudicial to the interest of the Company.

(xvi) In our opinion, the term loans were applied for the purpose for which the loans were obtained, other than temporary deployment pending application.

(xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment by the Company.

(xviii) During the year, the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.

(xix) The Company has created the security in respect of the debentures issued and outstanding.

(xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.

(xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

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

per **Aasheesh Arjun Singh**
Partner
Membership No.: 210122

Bengaluru
17 April 2013

Balance Sheet as at 31 March 2013

(All amounts in ₹ million, unless otherwise stated)

	Note	31 March 2013	31 March 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	1,067.12	1,067.12
Reserves and surplus	3	14,774.15	13,963.70
		15,841.27	**15,030.82**
Non-Current Liabilities			
Long-term borrowings	4	7,197.26	3,039.46
Deferred tax liability, (net)	5	1.44	1.04
Other long-term liabilities	6	10.23	2.70
Long-term provisions	7	49.78	50.91
		7,258.71	**3,094.11**
Current Liabilities			
Short-term borrowings	8	7,472.92	9,326.83
Trade payables	9	1,146.28	1,014.39
Other current liabilities	9	2,685.25	2,119.55
Short-term provisions	7	250.06	291.01
		11,554.51	**12,751.78**
Total		**34,654.49**	**30,876.71**
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible assets	10	700.25	598.67
Intangible assets	11	25.54	15.80
Capital work-in-progress		5.51	18.71
		731.30	**633.18**
Non-current investments	12	557.72	557.72
Properties held for development	13	6,147.32	6,466.16
Long-term loans and advances	14	3,628.81	3,947.14
Other non-current assets	16	141.29	70.89
		11,206.44	**11,675.09**
Current Assets			
Current investments	12	57.17	-
Inventories	17		
Raw materials		313.98	280.98
Properties under development		15,501.45	15,183.27
Properties held for sale		1,915.69	543.24
		17,731.12	**16,007.49**
Trade receivables	15	2,158.09	1,496.19
Cash and bank balances	18	2,053.82	562.72
Short-term loans and advances	14	872.97	737.45
Other current assets	16	574.88	397.77
		23,390.88	**19,201.62**
Total		**34,654.49**	**30,876.71**
Significant accounting policies	1		

The notes referred to above form an integral part of the financial statements
This is the Balance Sheet referred to in our report of even date

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

per **Aasheesh Arjun Singh**
Partner

Bengaluru
17 Apr 2013

For and on behalf of the Board of Directors

Ravi Puravankara
Chairman and Managing Director

Nani R Choksey
Deputy Managing Director

Ashish Puravankara
Joint Managing Director

Anil Kumar A
Chief Financial Officer

V P Raguram
Company Secretary

Bengaluru
17 Apr 2013

Statement of Profit and Loss for the year ended 31 March 2013

(All amounts in ₹ million, unless otherwise stated)

	Note	31 March 2013	31 March 2012
INCOME			
Revenue from operations			
Revenue from projects	19	8,015.52	5,234.94
Other operating revenues	19	137.04	41.17
Other income		25.87	9.83
Total		**8,178.43**	**5,285.94**
EXPENSES			
Material and contract cost	20	3,724.10	2,870.37
Land cost		755.25	3,755.14
Decrease/(increase) in inventory of properties under development and properties held for sale	21	(1,766.71)	(5,087.07)
Employee benefit expense	22	549.59	406.04
Finance expense, net	23	2,208.28	1,921.51
Depreciation and amortization	24	54.40	42.73
Other expenses	25	985.44	700.43
Total		**6,510.35**	**4,609.15**
Profit before tax		**1,668.08**	**676.79**
Tax expense			
Current tax	26	544.87	227.50
Deferred tax		0.40	(3.43)
Profit after tax and before prior period items		**1,122.81**	**452.72**
Prior period income (net of tax expense)		-	21.24
Net profit for the year		**1,122.81**	**473.96**
Earnings per share (Nominal value ₹5 per share)			
Basic (₹)	27	5.26	2.22
Diluted (₹)	27	5.26	2.22
Significant accounting policies	1		

The notes referred to above form an integral part of the financial statements
This is the Statement of Profit and Loss referred to in our report of even date

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

per **Aasheesh Arjun Singh**
Partner

Bengaluru
17 Apr 2013

For and on behalf of the Board of Directors

Ravi Puravankara
Chairman and Managing Director

Nani R Choksey
Deputy Managing Director

Ashish Puravankara
Joint Managing Director

Anil Kumar A
Chief Financial Officer

V P Raguram
Company Secretary

Bengaluru
17 Apr 2013

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 Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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. Revenue recognition

Revenues from projects

Revenue from the sale of properties is recognized when significant risks and rewards of ownership have been transferred to the customer, which coincides with entering into a legally binding agreement.

Revenue from sale of undivided share of land (UDS) in qualifying projects where the risks and rewards on the sale of the UDS are separable from the risks and rewards on the construction contract is recognized upon the transfer of all significant risks and rewards of ownership of such real estate, as per the terms of the contracts entered into with the buyers, which coincides with the firming of the sales contracts/agreements and a minimum level of collection of dues from the customer.

Revenue from the sale of UDS on other projects where the risk and rewards on the sale of the UDS are not separable from the construction contracts and therefore do not qualify above are recognized on the percentage of completion method.

Effective 1 April 2012, in accordance with the "Guidance Note on Accounting for Real Estate Transactions (Revised 2012)" (Guidance note) all projects commencing on or after the said date or projects where revenue is recognized for the first time on or after the above date, construction revenue on such projects have been recognized on percentage of completion method provided the following thresholds have been met:

(a) all critical approvals necessary for the commencement have been obtained;

(b) the expenditure incurred on construction and development costs is not less than 25 percent of the total estimated construction and development costs;

(c) at least 25 percent. of the saleable project area is secured by agreements with buyers; and

(d) at least 10 percent. of the agreements are realized at the reporting date in respect of such contracts.

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 purpose of computing the percentage of completion.

1 Significant accounting policies *(contd.)*

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 Statement of Profit and Loss in the period in which these losses are known.

For projects executed through joint development arrangements prior to 1 April 2012, which represent barter transactions, whereby the company gives up a defined percentage of constructed area in lieu of payment for its share in the land, the company accounts for such transactions on net basis and does not ascribe any value to the share of land acquired on such basis. Effective 1 April 2012, in accordance with the Guidance Note, developmental rights acquired through joint development arrangement are recorded on a gross basis on the estimated amount to be spent on development or construction of builtup area to be surrendered in lieu of the above rights.

The estimates for saleable area and contract costs are reviewed by the 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.

Unbilled revenue disclosed under other assets represents revenue recognized over and above the amount due as per payment plans agreed with the customers. Progress billings which exceed the costs and recognized profits to date on projects under construction are disclosed as advance received from customers under other current liabilities. Any billed amount that has not been collected is disclosed under trade receivables and is net of any provisions for amounts doubtful of recovery.

The application of the Guidance note did not have a material impact on the Statement of Profit and Loss for the year ended 31 March 2013. However, properties under development is higher by ₹275.80 and advance received from customers is also higher by the same amount.

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.

d. Properties under development

Properties under development represents construction work in progress which are stated at the lower of cost and net realizable value. This comprises of cost of land, construction related overhead expenditure, borrowing costs and other net costs incurred during the period of development.

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, 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/amortization and impairment losses. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use. 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/amortization

Depreciation/amortization 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 period of purchase.

i. Borrowing cost

Borrowing cost 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 Statement of Profit and Loss as incurred.

j. Advertisement and promotional expense

Advertisement and promotional expense in respect of projects currently being developed and for general corporate purposes are expensed to the Statement of Profit and Loss 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 Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

l. Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturity of three months or less.

m. Inventory

Inventory includes 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.

1 Significant accounting policies *(contd.)*

(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 Statement of Profit and Loss on a straight-line basis over the lease term unless other systematic basis is more representative of the time pattern of the benefit.

p. Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15- ''Employee Benefits''.

Provident fund

The Company contributes to the statutory provident fund of the Regional Provident Fund Commissioner, in accordance with Employees' Provident Funds and Miscellaneous Provisions 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 service.

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 past service costs. Independent actuaries use the projected unit credit method to calculate the defined benefit obligation.

Actuarial gain or loss arising from experience adjustments and changes in actuarial assumptions are credited or charged to the Statement of Profit and Loss in the year in which such gain or loss arise.

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

1 Significant accounting policies *(contd.)*

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 service.

q. **Tax expense**

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 as 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 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.

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.

t. **Investments**

Long term investments are stated at cost less provision for permanent diminution in value, if any.

	31 March 2013	31 March 2012
2. Share capital		
Authorized shares		
320.00 million (31 March 2012- 320.00 million) equity shares of ₹5 each	1,600.00	1,600.00
Issued, subscribed and fully paid up shares		
213.42 million (31 March 2012- 213.42 million) equity shares of ₹5 each	1,067.12	1,067.12
	1,067.12	**1,067.12**

a. **Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity shares

	31 March 2013		31 March 2012	
	No. in million	₹ million	No. in million	₹ million
Balance at the beginning of the year	213.42	1,067.12	213.42	1,067.12
Issued during the year	-	-	-	-
Outstanding at the end of the year	**213.42**	**1,067.12**	**213.42**	**1,067.12**

b. **Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹5 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Board has declared interim dividend amounting to ₹2.50 (31 March 2012 - nil) as distribution to shareholders excluding promoter (including promoters group) shareholders. Additionally, the Board has also proposed an annual dividend for all shareholders of the Company amounting to ₹1 per equity share (31 March 2012- ₹1).

c. **Details of shareholders holding more than 5% shares in the company**

	31 March 2013		31 March 2012	
	No. in million	% holding in the class	No. in million	% holding in the class
Equity shares of ₹5 each fully paid up				
Ravi Puravankara	191.99	89.96%	191.99	89.96%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

d. **Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date :**

The Company has not issued any bonus shares nor has there been any buy back of shares during five years immediately preceding 31 March 2013.

2. Share capital *(contd.)*

e. Shares reserved for issue under options

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. As on 31 March 2013, there are no options outstanding under the above plan.

	31 March 2013	31 March 2012
3. Reserves and surplus		
Securities premium reserve	**7,988.81**	**7,988.81**
Debenture redemption reserve		
Balance at the beginning of the year	214.12	12.95
Less: Written back to the Statement of Profit and Loss during the year	325.62	-
Add: Transfer from the Statement of Profit and Loss Loss during the year	310.01	201.17
Balance at the end of the year	**198.51**	**214.12**
General reserve		
Balance at the beginning of the year	499.00	463.40
Add: Transfer during the year	112.30	35.60
Balance at the end of the year	**611.30**	**499.00**
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	5,261.77	5,272.62
Add: Net profit for the year	1,122.81	473.96
Add: Debenture redemption reserve written back	325.62	-
Less: Transfer to debenture redemption reserve	310.01	201.17
Profit available for appropriation	**6,400.19**	**5,545.41**
Appropriations		
Less: Dividend		
- Interim	53.57	-
- Proposed	213.42	213.42
Less: Tax on distribution of dividend		
- Interim	9.10	-
- Proposed	36.27	34.62
Less: Transfer to general reserve	112.30	35.60
Balance at the end of the year	**5,975.53**	**5,261.77**
	14,774.15	**13,963.70**

	Non-current		Current	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
4. Long-term borrowings				
Secured				
Debentures				
40 (31 March 2012 - 40) Non-convertible redeemable debentures of ₹5 each	114.32	200.00	21.68	-
150 (31 March 2012 - 150) Non-convertible redeemable debentures of ₹10 each	-	1,000.00	-	500.00
Term loans				
From banks	1,944.76	1,510.67	562.06	4.48
From financial institutions	-	142.86	-	571.43
From others	4,943.83	185.93	713.50	14.07
Unsecured				
Term loans				
From others	194.35	-	15.35	-
	7,197.26	3,039.46	1,312.59	1,089.98
Amount disclosed under “other current liabilities” (note 9)	-	-	(1,312.59)	(1,089.98)
	7,197.26	**3,039.46**	**-**	**-**

4. Long-term borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2013	As at 31 March 2012
Debentures					
i.	40 secured redeemable non convertible debentures of ₹5 each	Mortgage of a land parcel at Uganvadi Village, Kasaba Hobli, Devanahalli Taluk, proportionate undivided share of land with respect to unsold units of Purva Venezia and Purva Highland projects, receivables of sold and unsold units of these projects and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Redeemable in 7 quarterly installments starting from Jul 2013.	136.00	200.00
ii.	150 secured redeemable non convertible debentures of ₹10 each	Mortgage of land and building constructed/to be constructed thereon situated at Medavakkam and 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.	Redemption at ₹250 every quarter starting from 01 Nov 2012.	-	1,500.00
				136.00	**1,700.00**
	The interest on above debentures are linked to the base rate of a bank which is floating in nature. As on the Balance Sheet date, the interest rates per annum ranges between			16.75%	17.00% to 17.25%

4. Long-term borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2013	As at 31 March 2012
Term Loans from banks (Secured)					
i.	Term loan facility of ₹1,000 from ICICI Bank Ltd.	This facility is secured by an exclusive charge by way of equitable mortgage of 87,000 sq.ft land situated at Maduvankari village, Chennai together with all buildings and structures thereon both present and future, undivided share of land of Purva Bluemont Project Phase I (excluding the proportionate share of sold area of 498,072 sq.ft approx) together with all bulidings and structures thereof both present and future and hypothecation of scheduled receivables, Escrow accounts and DSR account of Purva Bluemont Project Phase I, an extension of charge by way of equitable mortgage on undivided share of land of Purva Swanlake Project (excluding the proportionate share of sold area of 550,134 sq.ft approx) together with all buildings and structures thereof both present and future, extension of charge by hypothecation of scheduled receivables, Escrow account and DSR account and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 30 monthly installments commencing from 15 Sep 2013.	1,000.00	-
ii.	Term loan facility from ICICI Bank Ltd.- ₹1,500	Mortgage of a land (with building and structure thereon both present and future) located at Plot no. D4, Sy. no. 843 Ernakulam, receivables of Purva Season project and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 30 installments starting from Aug 2013.	1,489.70	1,500.00
iii.	Other loans (Vehicle Loans)	Secured by a charge against respective vehicles.	Repayable in 36 to 60 monthly installments.	17.12	15.15
				2,506.82	**1,515.15**
	The interest on above term loans from banks are linked to the respective banks base rates which are floating in nature. As on the Balance Sheet date, the interest rates per annum ranges between			8.35% to 14.75%	8.35% to 15.00%

4. Long-term borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2013	As at 31 March 2012
Term loans from financial institution (Secured)					
i.	Life Insurance Corporation of India- ₹2,000	Mortgage of land at Marine Drive, Kochi, hypothecation of receivables and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 14 equal quarterly installments starting from Jan 2010.	-	714.29
				-	**714.29**
	The interest per annum on the above term loan from financial institution on the Balance Sheet date is			-	14.50%
Term loans from others (Secured)					
i.	Term loan facility of ₹1,765 from J.P Morgan Advisors India Pvt. Ltd.	This facility is secured by a first ranking mortgage and charge pari passu with the other Project lenders in the form of an English/registered mortgage (without possession) over Purva Windermere project with all collections and receivables and also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 16 quarterly installments commencing from Mar 2015.	1,765.00	-
ii.	Term loan facility of ₹1,100 from J.P Morgan Securities India Pvt. Ltd.	This facility is secured by a first ranking mortgage and charge pari passu with the other Project lenders in the form of an English/registered mortgage (without possession) over Purva Windermere project with all collections and receivables and also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 16 quarterly installments commencing from Mar 2015.	1,100.00	-
iii.	Credit facility of ₹1,500 from HDFC Ltd.	This facility is secured by mortgage of land admeasuring 8.41 acres (366,339.60 sq ft) located at Ernakulam Village, Kanayannur Taluk, Marine Drive Kochi, mortgage of property land admeasuring 04 acres 26 Guntas located at Kudlu Village, Sarjapura Hobli, Anekal Taluk, Bengaluru, extension of mortgage of unsold developer's share built up area and undivided land of Purva Grandbay, Kochi, extension of mortgage of unsold developer's share of built up area and undivided land of Purva Eternity, Kochi and personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 24 monthly installments commencing from Jun 2014.	1,250.00	-

4. Long-term borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2013	As at 31 March 2012
iv.	Kotak Mahindra Prime Ltd.- ₹250	Mortgage of land parcel at Chengalpet Taluk, Kancheepuram District, hypothecation of receivables and 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.	Repayable in 20 monthly installments starting from Dec 2013.	250.00	-
v.	Karvy Financial Services Ltd.- ₹200	Mortgage of three residential flats at Purva Grande Project, Lavelle Road, Bengaluru and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 24 monthly installments starting from Feb 2013.	185.93	200.00
vi.	Credit facility of ₹230 from Reliance Home Finance Ltd.	Mortgage of property together with all buildings and structures thereon, both present and future at Marine Drive, Kochi, scheduled receivables of the project and personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 18 monthly installments commencing from Feb 2013.	207.15	-
vii.	Sammy's Dream Land Co. Pvt. Ltd.- ₹350	Mortgage of land parcel at Edapally, Ernakulam owned by the Company and Melmont Construction Pvt. Ltd.	Repayable in 2 equal installments in Mar 2014 and Jun 2014 respectively.	350.00	-
viii.	Sammy's Dream Land Co. Pvt. Ltd.- ₹400	Secured by undivided right, title and interest in Purva Bluemont project to the extent of 337,427 sq ft attributable to Phase II development of the project.	Repayable in 4 monthly equal installments in Mar 2014.	400.00	-
ix.	Reliance Capital Ltd.- ₹284.30	Mortgage of property together with all buildings and structures thereon, both present and future at Marine Drive, Kochi, scheduled receivables of the project and personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 15 equated monthly installment starting from Aug 2012.	140.04	-

4. Long-term borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2013	As at 31 March 2012
x.	Vehicle Loan from Kotak Mahindra Prime Ltd.	Secured by a charge against respective vehicles.	Repayable in 36 to 60 monthly installments.	9.22	-
				5,657.34	200.00
Term loan from others (Unsecured)					
i.	HDFC Ltd.- ₹220	Mortgage of non residential property, Purva Premier owned by Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 108 equated monthly installments starting from Jul 2012.	209.70	-
				209.70	-
	The interest on above term loans from others are primarily linked to the respective benchmarks which are floating in nature. As on the Balance Sheet date, the interest rates per annum ranges between			9.78% to 19.00%	15.00% to 19.00%

	31 March 2013	31 March 2012
5. Deferred tax liability/(asset), net		
Deferred tax liability arising on account of depreciation	31.82	20.66
Less: Deferred tax asset arising on account of:		
Expenses allowable on payment basis		
Gratuity	(12.83)	(6.44)
Vacation pay	(1.48)	(5.88)
Bonus	(7.66)	(5.62)
Lease rent	(8.41)	(1.68)
	1.44	**1.04**
6. Other long-term liabilities		
Security deposits	10.23	2.70
	10.23	**2.70**

	Non-current		Current	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
7. Provisions				
Provision for employee benefits				
Gratuity	44.97	27.41	-	-
Vacation pay	4.81	23.50	0.37	1.56
Provision for tax (net of advance tax)	-	-	-	41.41
Other provisions				
Proposed dividend	-	-	213.42	213.42
Tax on proposed dividend	-	-	36.27	34.62
	49.78	**50.91**	**250.06**	**291.01**

	31 March 2013	31 March 2012
8. Short-term borrowings		
Secured		
Debentures*	843.60	1,240.00
Term loans from banks*	2,854.68	3,160.69
Term loans from others*	300.20	1,181.87
Cash credit and other loan from banks	2,488.08	2,789.64
	6,486.56	**8,372.20**
Unsecured		
From bank	574.31	626.98
Interest free loan from related parties repayable on demand	195.89	238.24
Loan from related parties repayable on demand	216.16	89.41
	986.36	**954.63**
	7,472.92	**9,326.83**

* Classified based on the operating cycle of the Company. The amount repayable within twelve months:

Debentures	134.82	-
Term loans from banks	1,706.53	1,531.70
Term loans from others	300.20	881.67

8. Short-term borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2013	As at 31 March 2012
Debentures					
i.	248 secured redeemable non convertible debentures of ₹5 each	Mortgage of a land parcel at Uganvadi Village, Kasaba Hobli, Devanahalli Taluk, proportionate undivided share of land with respect to unsold units of Purva Venezia and Purva Highland projects, receivables of sold and unsold units of these projects and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Redeemable in 7 quarterly installments starting from Jul 2013.	843.60	1,240.00
				843.60	1,240.00
	The interest on above debentures are linked to the base rate of a bank which is floating in nature. As on the Balance Sheet date, the interest rate is			16.75%	17.00%
Term Loans from banks (Secured)					
i.	Term loan facility from ICICI Bank Ltd.-₹500	Mortgage of a land (with building and structure thereon both present and future) located at Plot no. D4, Sy. no. 843, Ernakulam, receivables of Purva Season project and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 30 installments starting from Aug 2013.	100.00	100.00
ii.	Credit facility of ₹200 from Standard Chartered Bank PLC.	This facility is secured by exclusive charge over land and buildings and receivables of Purva Gainz, Purva Primus and Magadi Road Project. First and pari passu charge over land and buildings and receivables of Project Harmony. All these securities are cross collateralised with each other.	Repayable in the form of bullet repayment at the end of the tenor which is Oct 2015.	79.00	-

8. Short-term borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2013	As at 31 March 2012
iii.	Credit facility of ₹450 from Standard Chartered Bank PLC.	This facility is secured by exclusive charge over land and buildings and receivables of Purva Gainz, Purva Primus and Magadi Road Project. First and pari passu charge over land and buildings and receivables of Project Harmony. All these securities are cross collateralised with each other.	Repayable in the form of bullet repayment at the end of the tenor which is Oct 2015.	305.00	-
iv.	Term loan facility from ICICI Bank Ltd.- ₹1,250	Mortgage of a land (with building and structure thereon both present and future) located at Padur, Keelambakkam village, Chennai, equitable mortgage on Plot no. D4, Survey no. 843, Ernakulam (together with all buildings and structure thereon, present and future), receivables of Purva Seasons project and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 24 installments starting from Aug 2013.	980.68	-
v.	Term loan facility from Standard Chartered Bank PLC. - ₹2,000	As on 31 Mar 2012, this facility was secured by exclusive charge on land and buildings and receivables of Midtown project, Cosmocity project and Skywood project on cross collateralized basis and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company. As on 31 Mar 2013, this facility was secured by exclusive charge on 5 acres, land at Coimbatore, land and buildings and receivables of Midtown project, Cosmo City project, Skywood project and Company's share in Harmony project on cross collateralized basis and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 18 monthly installments commencing from Sep 2012.	1,270.00	1,640.69

8. Short-term borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2013	As at 31 March 2012
vi.	Term loan facility from Dhanlaxmi Bank Ltd.- ₹750	Charge on land and building together with receivables of Purva Swanlake project and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 15 monthly installments starting from Jul 2012.	-	670.00
vii.	Term loan facility from Standard Chartered Bank PLC. - ₹350	As on 31 Mar 2012, this facility was secured by exclusive charge on land and buildings and receivables of Midtown project, Cosmocity project and Skywood project on cross collateralized basis and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company. As on 31 Mar 2013, this facility was secured by exclusive charge on 5 acres, land at Coimbatore, land and buildings and receivables of Midtown project, Cosmo City project, Skywood project and Company's share in Harmony project on cross collateralized basis and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 4 quarterly installments starting from Sep 2012.	120.00	150.00
viii.	Term loan facility from Standard Chartered Bank PLC. - ₹600	As on 31 Mar 2012, this facility was secured by exclusive charge on land and buildings and receivables of Midtown project, Cosmocity project and Skywood project on cross collateralized basis and backed by personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 4 quarterly installments starting from Jun 2012.	-	600.00
				2,854.68	**3,160.69**
	The interest on above term loans from banks are linked to the respective banks base rates which are floating in nature. As on the Balance Sheet date, the interest rates per annum ranges between			13.65% to 14.75%	13.50% to 15.25%

8. Short-term borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2013	As at 31 March 2012
Term Loans from others (Secured)					
i.	Kotak Mahindra Prime Ltd.- ₹250	Mortgage of land at Chengalpet Taluk, Kancheepuram District, hypothecation of receivables and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 27 monthly installments commencing from Sep 2011.	75.20	185.60
ii.	HDFC Ltd.- ₹340	Mortgage 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.	Repayable in 21 monthly installments starting from Nov 2011.	125.00	315.00
iii.	HDFC Ltd.- ₹350	Mortgage 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.	Repayable in 21 monthly installments starting from Oct 2011.	100.00	320.00
iv.	Reliance Home Finance Pvt. Ltd.- ₹450 and top-up of ₹240	Mortgage of property together with all buildings and structures thereon, both present and future at Marine Drive, Kochi, scheduled receivables of the project and personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 18 and 15 equated monthly installments commencing from Feb 2011 and Nov 2011 respectively.	-	304.12

8. Short-term borrowings *(contd.)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2013	As at 31 March 2012
v.	Reliance Consumer Finance Pvt. Ltd.- ₹300	Mortgage of property together with all buildings and structures thereon, both present and future at Marine Drive, Kochi, scheduled receivables of the project and personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 21 equated monthly installments commencing from Nov 2010.	-	57.15
				300.20	**1,181.87**
	The interest on above term loans from others are primarily linked to the respective benchmarks which are floating in nature. As on the Balance Sheet date, the interest rates per annum ranges between			14.75% to 18.75%	13.00% to 19.00%

8. Short-term borrowings *(contd.)*

Sl. No	Nature of borrowings	Particulars	As at 31 March 2013	As at 31 March 2012
Cash credit and other loan from banks (Secured)				
i.	Cash credit facility of ₹1,180 from Andhra bank Ltd.	Secured against the properties of the Company and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	1,238.46	1,143.07
ii.	Working capital facility of ₹1,100 from IDBI bank Ltd.	Secured against the properties of the Company and personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	985.77	1,090.90
iii.	Overdraft facility of ₹800 from Andhra bank Ltd.	Secured against the land together with the buildings and structure thereon at Geddalahalli, Bengaluru and is also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	263.85	555.67
			2,488.08	**2,789.64**
From banks (Unsecured)				
i.	Working Capital facility of ₹650 from Deutsche Bank AG.	Secured by pledge of personal investments of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	403.31	626.98
ii.	Short Term Loan of ₹650 from Barclays PLC.	Secured by pledge of personal investments of Mr. Ravi Puravankara, Chairman and Managing Director of the Company. This facility is repayable on demand.	171.00	-
			574.31	**626.98**
	The interest on above term loans from others are primarily linked to the respective benchmarks which are floating in nature. As on the Balance Sheet date, the interest rates per annum ranges between		9.63% to 15.75%	10.25% to 15.25%

	31 March 2013	31 March 2012
9. Trade payables		
Trade payables	1,072.13	853.34
Due to subsidiaries	72.39	143.46
Due to related parties	1.76	17.59
	1,146.28	1,014.39
Other current liabilities		
Current maturities of long term borrowings (note 4)	1,312.59	1,089.98
Advances received from customers	988.68	658.00
Interest accrued but not due on borrowings	75.65	127.65
Duties and taxes payable	47.67	26.12
Other payables	197.50	217.46
Interim dividend payable	53.57	-
Tax payable on interim dividend	9.10	-
Unpaid dividend	0.49	0.34
	2,685.25	2,119.55

10. Tangible assets

	Land *	Buildings	Plant and machinery	Office equipments	Computers	Furniture and fixtures	Vehicles	Shuttering material	Leasehold improve-ments	Total
Cost										
At 01 April 2011	-	37.08	267.20	13.95	29.92	10.96	86.90	198.12	-	644.13
Additions	71.65	99.45	0.44	12.70	5.34	16.41	5.96	-	84.71	296.66
Disposals	-	-	-	(0.23)	(3.64)	-	(1.45)	-	-	(5.32)
At 31 Mar 2012	**71.65**	**136.53**	**267.64**	**26.42**	**31.62**	**27.37**	**91.41**	**198.12**	**84.71**	**935.47**
Additions	-	35.21	6.73	10.19	29.38	10.98	18.94	4.45	38.77	154.65
Disposals	-	-	-	(0.54)	(0.81)	(1.90)	(10.66)	-	-	(13.91)
At 31 Mar 2013	**71.65**	**171.74**	**274.37**	**36.07**	**60.19**	**36.45**	**99.69**	**202.57**	**123.48**	**1,076.21**
Depreciation										
At 01 April 2011	-	2.80	82.85	4.06	16.31	5.72	33.71	157.01	-	302.46
Charge for the year	-	1.73	10.83	0.82	4.10	1.35	7.48	11.00	1.60	38.91
Disposals	-	-	-	(0.10)	(3.50)	-	(0.97)	-	-	(4.57)
At 31 Mar 2012	**-**	**4.53**	**93.68**	**4.78**	**16.91**	**7.07**	**40.22**	**168.01**	**1.60**	**336.80**
Charge for the year	-	2.37	10.96	1.53	6.20	2.72	7.86	11.19	6.63	49.46
Disposals	-	-	-	(0.01)	(0.77)	(0.92)	(8.60)	-	-	(10.30)
At 31 Mar 2013	**-**	**6.90**	**104.64**	**6.30**	**22.34**	**8.87**	**39.48**	**179.20**	**8.23**	**375.96**
Net block										
At 31 Mar 2012	**71.65**	**132.00**	**173.96**	**21.64**	**14.71**	**20.30**	**51.19**	**30.11**	**83.11**	**598.67**
At 31 Mar 2013	**71.65**	**164.84**	**169.73**	**29.77**	**37.85**	**27.58**	**60.21**	**23.37**	**115.25**	**700.25**

* Represents the undivided share of land in a jointly developed commercial property

	Computer software	Total
11. Intangible assets		
Cost		
At 01 April 2011	22.08	22.08
Additions	10.36	10.36
Disposals	-	-
At 31 Mar 2012	**32.44**	**32.44**
Additions	14.68	14.68
Disposals	-	-
At 31 Mar 2013	**47.12**	**47.12**
Amortization		
At 01 April 2011	12.82	12.82
Charge for the year	3.82	3.82
Disposals	-	-
At 31 Mar 2012	**16.64**	**16.64**
Charge for the year	4.94	4.94
Disposals	-	-
At 31 Mar 2013	**21.58**	**21.58**
Net block		
At 31 Mar 2012	**15.80**	**15.80**
At 31 Mar 2013	**25.54**	**25.54**

	31 March 2013	31 March 2012
12. Investments		
Non-current investments- (valued at cost unless stated otherwise)		
Trade investments (unquoted)		
Equity instruments		
Investment in subsidiaries (fully paid up)		
Prudential Housing and Infrastructure Development Ltd.	0.50	0.50
0.05 million equity shares (31 Mar 2012- 0.05 million) of ₹10 each		
Centurions Housing and Constructions Pvt. Ltd.	0.03	0.03
0.01 million equity shares (31 Mar 2012- 0.01 million) of ₹10 each		
Melmont Construction Pvt. Ltd.	0.10	0.10
0.01 million equity shares (31 Mar 2012- 0.01 million) of ₹10 each		
Purva Corporation	0.45	0.45
0.01 million equity shares (31 Mar 2012- 0.01 million) of USD 1 each		
Purva Marine Properties Pvt. Ltd.	0.15	0.15
0.02 million equity shares (31 Mar 2012- 0.02 million) of ₹10 each		
Purva Realities Pvt. Ltd.	0.10	0.10
0.01 million equity shares (31 Mar 2012- 0.01 million) of ₹10 each		
Welworth Lanka Holding Pvt. Ltd.	74.49	74.49
18.20 million equity shares (31 Mar 2012- 13.00 million) of LKR 10 each		

	31 March 2013	31 March 2012
12. Investments *(contd.)*		
Nile Developers Pvt. Ltd.	3.42	3.42
0.10 million equity shares (31 Mar 2012- 0.10 million) of ₹10 each		
Vaigai Developers Pvt. Ltd.	0.99	0.99
0.10 million equity shares (31 Mar 2012- 0.10 million) of ₹10 each		
Purva Good Earth Properties Pvt. Ltd.	0.10	0.10
0.01 million equity shares (31 Mar 2012- 0.01 million) of ₹10 each		
Purva Star Properties Pvt. Ltd.	0.10	0.10
0.01 million equity shares (31 Mar 2012- 0.01 million) of ₹10 each		
Purva Sapphire Land Pvt. Ltd.	0.10	0.10
0.01 million equity shares (31 Mar 2012- 0.01 million) of ₹10 each		
Purva Ruby Properties Pvt. Ltd.	0.10	0.10
0.01 million equity shares (31 Mar 2012- 0.01 million) of ₹10 each		
Grand Hills Developments Pvt. Ltd.	0.10	0.10
0.01 million equity shares (31 Mar 2012- 0.01 million) of ₹10 each		
Puravankara Hotels Ltd.	0.50	0.50
0.05 million equity shares (31 Mar 2012- 0.05 million) of ₹10 each		
Starworth Infrastructure and Construction Ltd.	0.50	0.50
0.05 million equity shares (31 Mar 2012- 0.05 million) of ₹10 each		
Provident Housing Ltd.	0.50	0.50
0.05 million equity shares (31 Mar 2012- 0.05 million) of ₹10 each		
Purva Land Ltd.	0.50	0.50
0.05 million equity shares (31 Mar 2012- 0.05 million) of ₹10 each		
Investment in associates (fully paid up)		
Propmart Technologies Ltd.	23.35	23.35
2.33 million equity shares (31 Mar 2012- 2.33 million) of ₹10 each		
Keppel Puravankara Development Pvt. Ltd.	44.10	44.10
4.41 million equity shares (31 Mar 2012- 4.41 million) of ₹10 each		
Keppel Magus Development Pvt. Ltd.	221.19	221.19
0.36 million equity shares (31 Mar 2012- 0.36 million) of ₹610 each		
Sobha Puravankara Aviation Pvt. Ltd.	9.95	9.95
0.99 million equity shares (31 Mar 2012- 0.99 million) of ₹10 each		
Preference shares		
Investment in associates (fully paid up)		
Keppel Puravankara Development Pvt. Ltd.	176.40	176.40
17.64 million 13.25% cumulative, redeemable, convertible preference shares (31 Mar 2012- 17.64 million) of ₹10 each at par		
	557.72	557.72
Current investments - at the lower of cost and fair value		
Non-trade (unquoted)		
In units of liquid mutual funds of Birla Sun Life Savings Fund Scheme	57.17	-
	57.17	-
	614.89	557.72

	Non-current		Current	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
13. Properties held for development				
At the beginning of the year	6,466.16	9,648.04	-	-
Add : Additions during the year	51.74	590.45	-	-
Add: Transferred from properties under development	76.08	-	-	-
Less: Transferred to properties under development	446.66	3,772.33	-	-
	6,147.32	**6,466.16**	**-**	**-**

14. Loans and advances				
Security deposits				
Unsecured, considered good	797.03	664.89	-	-
	797.03	**664.89**	**-**	**-**
Loans and advances to related parties				
(Unsecured, considered good)				
Loans to associates *	98.22	94.40	31.08	28.57
Loans to subsidiaries *	1,984.35	2,121.05	-	15.93
	2,082.57	**2,215.45**	**31.08**	**44.50**
Other loans and advances				
(Unsecured, considered good)				
Advances to suppliers *	-	-	575.48	453.64
Advances for land contracts *	598.28	549.64	-	-
Advance income tax (net of provision for taxation)	38.52	11.70	-	-
Prepaid expenses *	0.92	145.64	100.60	87.56
Taxes and duties recoverable	65.26	331.35	97.90	105.03
Other advances *	46.23	28.47	67.91	46.72
	749.21	**1,066.80**	**841.89**	**692.95**
Total loans and advances	**3,628.81**	**3,947.14**	**872.97**	**737.45**

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

15. Trade receivables				
(Unsecured, considered good)				
Outstanding for a period exceeding six months	-	-	541.53	425.41
Other receivables	-	-	1,616.56	1,070.78
	-	**-**	**2,158.09**	**1,496.19**

16. Other assets				
Non-current bank balances (Note 18)	132.12	66.75	-	-
Unbilled revenue	-	-	572.68	393.32
Interest accrued but not due on fixed deposits	9.17	4.14	2.20	4.45
	141.29	**70.89**	**574.88**	**397.77**

	Non-current		Current	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
17. Inventories				
Raw materials			313.98	280.98
			313.98	**280.98**
Properties under development				
Land cost			6,616.20	6,846.24
Material and construction cost			8,885.25	8,337.03
			15,501.45	**15,183.27**
Properties held for sale				
At the beginning of the year			543.24	706.25
Add : Additions during the year			2,470.90	15.48
Less: Sales during the year			1,098.45	7.39
Less: Transferred to tangible assets			-	171.10
			1,915.69	**543.24**
			17,731.12	**16,007.49**

18. Cash and bank balances				
Cash and cash equivalents				
Cash on hand			3.20	2.98
Balances with banks:				
On current accounts			1,704.09	526.85
Cheques in hand			9.60	-
Deposits with original maturity of less than three months			280.00	-
			1,996.89	**529.83**
Other bank balances				
Deposits with maturity for more than 12 months *	132.12	66.75	-	-
Deposits with maturity for less than 12 months *	-	-	56.34	32.46
Margin money deposit	-	-	0.10	0.10
Unpaid dividend account	-	-	0.49	0.33
	132.12	**66.75**	**56.93**	**32.89**
Amount disclosed under non-current assets (Note 16)	(132.12)	(66.75)	-	-
	-	-	**2,053.82**	**562.72**

* Represents amounts restricted for use

	31 March 2013	31 March 2012
19. Revenue from operations		
Revenue from projects		
Sale of properties	7,958.82	5,194.87
Interior	56.70	40.07
	8,015.52	**5,234.94**
Other operating revenue		
Rental income	8.25	6.86
Scrap sales	8.18	9.62
Others	120.61	24.69
	137.04	**41.17**

20. Material and contract cost		
Inventory of building material at the beginning of the year	280.98	261.42
Add : Incurred during the year		
Material and contract cost	3,757.10	2,889.93
	4,038.08	**3,151.35**
Less : Inventory of building material at the end of the year	313.98	280.98
	3,724.10	**2,870.37**

21. Decrease/(increase) in inventory of properties under development and properties held for sale		
Inventory at the beginning of the year		
Properties under development *	15,107.19	10,104.29
Properties held for sale **	543.24	535.15
Inventory at the end of the year		
Properties under development	15,501.45	15,183.27
Properties held for sale	1,915.69	543.24
	(1,766.71)	**(5,087.07)**

* Excluding the transfer of property to properties held for development

** Excluding the transfer of property to tangible assets.

22. Employee benefit expense		
Salaries, wages and bonus	502.72	379.77
Contribution to provident fund and other funds	19.85	9.88
Gratuity expenses	17.56	7.00
Staff welfare	9.46	9.39
	549.59	**406.04**

23. Finance expense, net *		
Finance expense:		
Interest		
Term loans	1,228.25	1,034.62
Cash credits	406.43	462.64
Debentures	410.66	303.73

Notes to the Financial Statements

	31 March 2013	31 March 2012
23. Finance expense, net * *(contd.)*		
Discount on issue of debentures	16.04	8.75
Loan and other processing charges	181.85	152.25
Bank charges	4.08	2.95
Others	21.76	6.22
	2,269.07	**1,971.16**
Finance income:		
Bank deposits	12.75	11.77
Interest on loan to associates	11.60	11.19
Interest received from customers	33.56	26.60
Income from units of mutual funds	2.88	0.09
	60.79	**49.65**
Finance expenses, net	**2,208.28**	**1,921.51**

* Includes finance expense capitalized and included in properties under development ₹1,393.78 for the year ended 31 March 2013 (31 March 2012 ₹1,238.94).

	31 March 2013	31 March 2012
24. Depreciation and amortization		
Depreciation of tangible assets	49.46	38.91
Amortization of intangible assets	4.94	3.82
	54.40	**42.73**

	31 March 2013	31 March 2012
25. Other expenses		
Travel and conveyance	33.38	25.14
Repairs and maintenance	88.34	46.12
Legal and professional expense	158.01	126.78
Rent	106.85	50.38
Rates and taxes	115.50	52.73
Security charges	56.02	43.09
Communication costs	13.04	9.99
Printing and stationery	13.28	12.38
Advertising and sales promotion	352.46	290.96
Brokerage and referral charges	35.58	25.44
Foreign exchange loss	1.18	0.21
Miscellaneous expenses	11.80	17.21
	985.44	**700.43**
Payment to auditor (on accrual basis), (excluding service tax)		
As auditor:		
Audit fee	3.60	3.00
In other capacity:		
Certification	-	0.07
Reimbursement of expenses	0.05	0.07
	3.65	**3.14**

	31 March 2013	31 March 2012
26. Current tax		
Domestic tax	544.87	226.38
Tax of earlier years	-	1.12
	544.87	**227.50**

The Company has claimed a tax deduction of ₹679.63 until 31 March 2013 (31 March 2012 ₹679.63) under Section 80-IB of the Income - tax Act, 1961 resulting in tax benefit of ₹229.57 (31 March 2012 ₹229.57) in certain projects which were due for completion by 31 March 2011 and 2012. Management has applied for the completion certificates with the local authorities and the same are currently pending. 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 and these financial statements do not include any adjustments for the same.

	31 March 2013	31 March 2012
27. Earnings per share (EPS)		
Weighted average number of shares outstanding during the year (million)	213.42	213.42
Add: Dilutive effect of stock options (Number in million)	-	-
Weighted average number of shares used to compute diluted EPS (million)	213.42	213.42
Net profit after tax attributable to equity shareholders	1,122.81	473.96
Earnings per share (₹) :		
Basic	5.26	2.22
Diluted	5.26	2.22
Nominal value - Rupees per equity share	5.00	5.00

28. Leases

The lease expense for cancellable and non-cancellable operating leases was ₹106.85 for the year ended 31 March 2013 (31 March 2012 - ₹50.38). Lease commitments under the non-cancellable operating leases as at the Balance Sheet date were as follows:-

	Particulars	31 March 2013	31 March 2012
a)	Within one year	179.25	28.26
b)	One to five years	622.44	122.44
c)	More than five years	201.08	171.61
	Total	**1,002.77**	**322.31**

Sublease

The Company has sub let one of the properties under a non cancellable operating lease agreement. Lease income was ₹8.25 for the year ended 31 March 2013 (31 March 2012 - ₹6.86).

		31 March 2013	31 March 2012
29.	**Other commitments and contingencies**		
a)	Demand from Service Tax Department	68.08	46.43
b)	Demand from Commercial Tax Department	23.26	5.44
c)	Deduction under Section 80-IB of the Income - tax Act, 1961	140.67	147.16
d)	Collateral Security given by the Company on behalf of subsidiary	2,090.06	122.50
e)	Company's share of contractual commitments to an associate	546.87	-

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 a court stay in one of the projects and the poor state of reclamation of the land in the other. Based on a legal opinion obtained on the above, the management believe that the deduction under the cited section above will not be denied and these financial statements do not include any adjustments on account of the same.

During the year, the Company has also received an order from ITAT directing the Assessing officer to carryout the denovo assessment of income for A.Y. 2004-05-2009-10 reconsidering the claim under Section 80-IB for a project of the Company. Additionally the Company has also received a demand for A.Y. 2010-11 on the aforementioned issue. Management believes that the above will not have any impact on these financial statements.

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. Further the company has given certain advances for purchase of land under agreements executed wherein it is required to make further payments based on terms/milestones subject to fulfilment of certain conditions by other party.

30. Related party transactions

(i) **Subsidiaries:**

Prudential Housing and Infrastructure Development Ltd.
Centurions Housing and Constructions Pvt. Ltd.
Melmont Construction Pvt. Ltd.
Purva Corporation
Purva Marine Properties Pvt. Ltd.
Purva Realities Pvt. Ltd.
Welworth Lanka Holding Pvt. Ltd.
Welworth Lanka Pvt. Ltd.
Nile Developers Pvt. Ltd.
Vaigai Developers Pvt. Ltd.
Grand Hills Developments Pvt. Ltd. (formerly known as Purva Opel Properties Pvt. Ltd.)
Purva Star Properties Pvt. Ltd.
Purva Sapphire Land Pvt. Ltd.
Purva Ruby Properties Pvt. Ltd.
Puravankara Hotels Ltd.
Starworth Infrastructure and Construction Ltd.
Provident Housing Ltd.
Purva Land Ltd.
Purva Good Earth Properties Pvt. Ltd.
Puravankara (UK) Ltd.

Notes to the Financial Statements

30. Related party transactions *(contd.)*

(ii) **Parties where control exists**
Mr. Ravi Puravankara

(iii) **Key management personnel**
Mr. Ravi Puravankara

(iv) **Relatives of key management personnel:**
Ms. Geeta S Vhatkar
Mr. Ashish Puravankara
Ms. Amanda Puravankara

(v) **Entities controlled by key management personnel (other related parties):**
Purva Developments
Puravankara Investments
Handiman Services Ltd.
Dealwel – Proprietorship
Tanya Trust
Amanda Trust
Purva Properties and Resorts Pvt. Ltd.
Dealwel Estates Pvt. Ltd.

(vi) **Associate companies**
Keppel Puravankara Development Pvt. Ltd.
Keppel Magus Development Pvt. Ltd.
Sobha Puravankara Aviation Pvt. Ltd.

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

Nature of transaction	Subsidiaries		Associates		Key management personnel		Relatives of key management personnel		Other related parties	
	31March 2013	31March 2012	31March 2013	31March 2012	31March 2013	31March 2012	31March 2013	31March 2012	31March 2013	31March 2012
Interest on loans										
Keppel Puravankara Development Pvt. Ltd.	-	-	2.51	2.41	-	-	-	-	-	-
Keppel Magus Development Pvt. Ltd.	-	-	9.10	8.78	-	-	-	-	-	-
Interest expense										
Starworth Infrastructure & Construction Ltd.	1.87	4.58	-	-	-	-	-	-	-	-
Centurions Housing and Constructions Pvt. Ltd.	12.06	0.85	-	-	-	-	-	-	-	-
Loans given to										
Purva Realities Pvt. Ltd.	0.14	-	-	-	-	-	-	-	-	-
Purva Marine Properties Pvt. Ltd.	-	0.01	-	-	-	-	-	-	-	-
Melmont Construction Pvt. Ltd.	11.30	7.03	-	-	-	-	-	-	-	-
Centurions Housing and Constructions Pvt. Ltd.	-	74.97	-	-	-	-	-	-	-	-
Prudential Housing and Infrastructure Development Ltd.	0.34	0.63	-	-	-	-	-	-	-	-
Nile Developers Pvt. Ltd.	1.82	0.85	-	-	-	-	-	-	-	-
Vaigai Developers Pvt. Ltd.	0.76	0.34	-	-	-	-	-	-	-	-
Provident Housing Ltd.	458.79	80.85	-	-	-	-	-	-	-	-
Starworth Infrastructure & Construction Ltd.	28.34	-	-	-	-	-	-	-	-	-

Notes to the Financial Statements

30. Related party transactions *(contd.)*

(vii) The transactions with related parties for the year are as follows: (contd.)

Nature of transaction	Subsidiaries		Associates		Key management personnel		Relatives of key management personnel		Other related parties	
	31March 2013	31March 2012	31March 2013	31March 2012	31March 2013	31March 2012	31March 2013	31March 2012	31March 2013	31March 2012
Dealwel Estates Pvt. Ltd.	-	-	-	-	-	-	-	-	0.01	-
Deposit given to										
Sobha Puravankara Aviation Pvt. Ltd.	-	-	14.58	64.76	-	-	-	-	-	-
Loans repaid to										
Ravi Puravankara	-	-	-	-	42.16	16.27	-	-	-	-
Sobha Puravankara Aviation Pvt. Ltd.	-	-	-	9.00	-	-	-	-	-	-
Starworth Infrastructure & Construction Ltd.	72.69	112.81	-	-	-	-	-	-	-	-
Centurions Housing and Constructions Pvt. Ltd.	66.40	-	-	-	-	-	-	-	-	-
Puravankara Investments	-	-	-	-	-	-	-	-	0.19	0.78
Loans taken from										
Centurions Housing and Constructions Pvt. Ltd.	227.09	42.55	-	-	-	-	-	-	-	-
Starworth Infrastructure & Construction Ltd.	27.45	72.65	-	-	-	-	-	-	-	-
Loans repaid by										
Keppel Puravankara Development Pvt. Ltd.	-	-	-	3.35	-	-	-	-	-	-
Keppel Magus Development Pvt. Ltd.	-	-	5.28	-	-	-	-	-	-	-
Melmont Construction Pvt. Ltd.	-	1.80	-	-	-	-	-	-	-	-
Centurions Housing and Constructions Pvt. Ltd.	-	201.98	-	-	-	-	-	-	-	-
Prudential Housing and Infrastructure Development Ltd.	185.54	-	-	-	-	-	-	-	-	-
Provident Housing Ltd.	465.96	180.70	-	-	-	-	-	-	-	-
Advance paid to										
Starworth Infrastructure and Construction Ltd.	12.14	94.00	-	-	-	-	-	-	-	-
Provident Housing Ltd.	-	15.93	-	-	-	-	-	-	-	-
Sobha Puravankara Aviation Pvt. Ltd.	-	-	45.37	-	-	-	-	-	-	-
Investment in subsidiaries										
Welworth Lanka Holding Pvt. Ltd.	-	20.32	-	-	-	-	-	-	-	-
Advance for Allotment of Shares										
Welworth Lanka Holding Pvt. Ltd.	3.11	9.01	-	-	-	-	-	-	-	-
Land acquired										
Geeta S Vhatkar	-	-	-	-	-	-	-	34.25	-	-
Purchase of material and services										
Starworth Infrastructure & Construction Ltd.	726.82	467.24	-	-	-	-	-	-	-	-
Rental income										
Provident Housing Ltd.	0.25	0.50	-	-	-	-	-	-	-	-

30. Related party transactions *(contd.)*

(vii) The transactions with related parties for the year are as follows: (contd.)

Nature of transaction	Subsidiaries		Associates		Key management personnel		Relatives of key management personnel		Other related parties	
	31March 2013	31March 2012	31March 2013	31March 2012	31March 2013	31March 2012	31March 2013	31March 2012	31March 2013	31March 2012
Security and maintenance expenses										
Handiman Services Ltd.	-	-	-	-	-	-	-	-	50.54	68.72
Rental expenses										
Sobha Puravankara Aviation Pvt. Ltd.	-	-	43.26	-	-	-	-	-	-	-
Puravankara Investments	-	-	-	-	-	-	-	-	32.05	13.23
Sale value of flats										
Tanya Trust	-	-	-	-	-	-	-	-	11.18	-
Amanda Trust	-	-	-	-	-	-	-	-	11.50	-
Remuneration										
Ravi Puravankara	-	-	-	-	22.44	19.50	-	-	-	-
Ashish Puravankara	-	-	-	-	-	-	12.53	10.09	-	-

(viii) Balances at the year end:

Loans given to										
Keppel Puravankara Development Pvt. Ltd.	-	-	31.08	28.57	-	-	-	-	-	-
Keppel Magus Development Pvt. Ltd.	-	-	98.22	94.40	-	-	-	-	-	-
Purva Realities Pvt. Ltd.	287.87	287.73	-	-	-	-	-	-	-	-
Melmont Construction Pvt. Ltd.	1,287.63	1,276.33	-	-	-	-	-	-	-	-
Prudential Housing and Infrastructure Development Ltd.	17.77	202.97	-	-	-	-	-	-	-	-
Nile Developers Pvt. Ltd.	128.36	126.54	-	-	-	-	-	-	-	-
Vaigai Developers Pvt. Ltd.	104.62	103.86	-	-	-	-	-	-	-	-
Purva Good Earth Properties Pvt. Ltd.	0.06	0.05	-	-	-	-	-	-	-	-
Purva Star Properties Pvt. Ltd.	0.06	0.05	-	-	-	-	-	-	-	-
Purva Sapphire Land Pvt. Ltd.	0.06	0.05	-	-	-	-	-	-	-	-
Purva Ruby Properties Pvt. Ltd.	0.06	0.05	-	-	-	-	-	-	-	-
Grand Hills Developments Pvt. Ltd.	0.06	0.05	-	-	-	-	-	-	-	-
Puravankara Hotels Ltd.	0.05	0.05	-	-	-	-	-	-	-	-
Starworth Infrastructure & Construction Ltd.	25.70	-	-	-	-	-	-	-	-	-
Provident Housing Ltd.	131.92	139.12	-	-	-	-	-	-	-	-
Purva Land Ltd.	0.06	0.06	-	-	-	-	-	-	-	-
Purva Marine Properties Pvt. Ltd.	0.07	0.07	-	-	-	-	-	-	-	-
Loans taken from										
Centurions Housing and Constructions Pvt. Ltd.	216.16	43.40	-	-	-	-	-	-	-	-

Notes to the Financial Statements

30. Related party transactions *(contd.)*

(viii) Balances at the year end: (contd.)

Nature of transaction	Subsidiaries		Associates		Key management personnel		Relatives of key management personnel		Other related parties	
	31March 2013	31March 2012	31March 2013	31March 2012	31March 2013	31March 2012	31March 2013	31March 2012	31March 2013	31March 2012
Starworth Infrastructure & Construction Ltd.	-	46.01	-	-	-	-	-	-	-	-
Advance for Allotment of Shares										
Welworth Lanka Holding Pvt. Ltd.	12.11	8.57	-	-	-	-	-	-	-	-
Purva Corporation	0.85	0.79	-	-	-	-	-	-	-	-
Advances for land contracts paid to										
Geeta S Vhatkar	-	-	-	-	-	-	179.30	179.30	-	-
Advances for land contracts received from										
Provident Housing Ltd.	280.00	280.00	-	-	-	-	-	-	-	-
Advance paid to										
Starworth Infrastructure & Construction Ltd.	244.22	295.73	-	-	-	-	-	-	-	-
Security Deposits and advance paid to										
Dealwel	-	-	-	-	-	-	-	-	1.50	1.50
Sobha Puravankara Aviation Pvt. Ltd.	-	-	65.78	64.76	-	-	-	-	-	-
Puravankara Investments	-	-	-	-	-	-	-	-	4.50	4.50
Gurantees given by										
Ravi Puravankara	-	-	-	-	14,410.77	13,135.97	-	-	-	-
Ashish Puravankara	-	-	-	-	-	-	7,262.18	9,472.53	-	-
Gurantees given to										
Provident Housing Ltd.	2,000.00	122.50	-	-	-	-	-	-	-	-
Centurions Housing and Constructions Pvt. Ltd.	90.06	-	-	-	-	-	-	-	-	-
Dues from										
Tanya Trust	-	-	-	-	-	-	-	-	8.39	-
Amanda Trust	-	-	-	-	-	-	-	-	8.62	-
Dealwel Estates Pvt. Ltd.	-	-	-	-	-	-	-	-	0.03	0.02
Dues to										
Starworth Infrastructure & Construction Ltd.	72.39	143.46	-	-	-	-	-	-	-	-
Handiman Services Ltd.	-	-	-	-	-	-	-	-	1.76	5.85
Puravankara Investments	-	-	-	-	-	-	-	-	18.81	30.74
Purva Development	-	-	-	-	-	-	-	-	1.78	1.78
Purva Properties and Resorts Pvt. Ltd.	-	-	-	-	-	-	-	-	0.02	0.02
Ravi Puravankara	-	-	-	-	175.29	217.45	-	-	-	-

31. 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 2013 and 31 March 2012 the plan assets were invested in insurer managed funds.

Disclosures as required by AS 15 for the year ended 31 March 2013 are as under:

		31 Mar 2013		31 Mar 2012	
		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	68.22	5.18	54.23	25.06
	Fair value of plan assets as at the end of the year	(23.25)	-	(26.82)	-
	Net liability/(asset) recognized in the Balance Sheet	**44.97**	**5.18**	**27.41**	**25.06**
2	Changes in the present value of defined benefit obligation				
	Defined benefit obligation as at beginning of the year	54.23	25.06	50.46	21.90
	Service cost	15.21	2.11	9.76	8.06
	Interest cost	3.92	0.44	3.63	1.30
	Actuarial losses/(gains)	1.07	11.75	(3.91)	1.04
	Benefits paid	(6.21)	(33.68)	(5.71)	(7.24)
	Curtailment losses/(gains)	-	(0.50)	-	-
	Defined benefit obligation as at the end of the year	**68.22**	**5.18**	**54.23**	**25.06**
3	Changes in the fair value of plan assets				
	Fair value as at the beginning of the year	26.82	-	30.05	-
	Expected return on plan assets	2.36	-	2.31	-
	Actuarial (losses)/gains	0.28	-	0.17	-
	Contributions	-	33.68	-	72.36
	Benefits paid	(6.21)	(33.68)	(5.71)	(72.36)
	Fair value as at the end of the year	**23.25**	**-**	**26.82**	**-**
	Non-current	44.97	4.81	27.41	23.50
	Current	-	0.37	-	1.56
	Assumptions used in the above valuations are as under:				
	Interest rate	8.25%	8.25%	8.00%	8.00%
	Discount rate	8.25%	8.25%	8.00%	8.00%
	Expected return on plan assets	8.00%	-	8.00%	-
	Future salary increase	6.00%	6.00%	6.00%	6.00%
	Attrition rate	2.00%	2.00%	2.00%	2.00%
	Retirement age	60 years	60 years	60 years	60 years

31. Employee benefits *(contd.)*

4 Net gratuity and vacation pay cost for the year ended 31 March 2013 and 31 March 2012 comprises of following components.

	31 Mar 2013		31 Mar 2012	
	Gratuity	Vacation pay	Gratuity	Vacation pay
Service cost	15.21	2.11	9.76	8.06
Interest cost	3.92	0.44	3.63	1.30
Actuarial losses/(gains)	0.79	11.75	(4.08)	1.04
Expected return on plan assets	(2.36)	-	(2.31)	-
Curtailment losses/(gains)	-	(0.50)	-	-
Net cost	**17.56**	**13.80**	**7.00**	**10.40**

During the year the Company has modified its policy for vacation pay to its employees whereby there has been a reduction under number of leaves eligible for carry forward with a lump sum amount due for the past balances as on the date of transition. Consequently, this has been accounted for as a curtailment in accordance with AS 15.

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 ₹19.33 for the year ended 31 March 2013 (31 March 2012 - ₹9.09).

32. Segmental information

The Company 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 Company operates primarily in India and there is no other significant geographical segment.

33. Information pursuant to Clause 32 of the listing agreement with the stock exchanges

Name of the entity	Balance of loans given as at		Maximum amount of loan outstanding during the year	
	31March 2013	31March 2012	31March 2013	31March 2012
Prudential Housing and Infrastructure Development Ltd. *	17.77	202.97	203.22	202.97
Centurions Housing and Constructions Pvt. Ltd. *	-	-	-	127.72
Melmont Construction Pvt. Ltd. *	1,287.63	1,276.33	1,287.69	1,276.33
Purva Marine Properties Pvt. Ltd. *	0.07	0.07	0.07	0.07
Purva Realities Pvt. Ltd. *	287.87	287.73	287.87	287.73
Grand Hils Developments Pvt. Ltd. *	0.06	0.05	0.06	0.05
Purva Ruby Properties Pvt. Ltd. *	0.06	0.05	0.06	0.05
Purva Good Earth Properties Pvt. Ltd. *	0.06	0.05	0.06	0.05
Purva Sapphire Land Pvt. Ltd. *	0.06	0.05	0.06	0.05
Purva Star Properties Pvt. Ltd. *	0.06	0.05	0.06	0.05
Nile Developers Pvt. Ltd. *	128.36	126.54	128.36	126.54
Vaigai Developers Pvt. Ltd. *	104.62	103.86	104.62	103.86
Puravankara Hotels Ltd. *	0.05	0.05	0.05	0.05

33. Information pursuant to Clause 32 of the listing agreement with the stock exchanges *(contd.)*

Name of the entity	Balance of loans given as at		Maximum amount of loan outstanding during the year	
	31March 2013	31March 2012	31March 2013	31March 2012
Purva Land Ltd. *	0.06	0.06	0.06	0.06
Starworth Infrastructure and Construction Ltd. *	25.70	-	27.38	-
Provident Housing Ltd. *	131.92	139.12	343.08	223.03
Purva Corporation *	-	-	-	-
Keppel Puravankara Development Pvt. Ltd. #	31.08	28.57	31.08	31.38
Propmart Technologies Ltd. #	-	-	-	-
Keppel Magus Development Pvt. Ltd.	98.22	94.40	99.03	94.40

* Subsidiaries - interest free and repayable on demand

Associates - repayable on demand

	31 March 2013	31 March 2012
34. Supplementary statutory information		
a) Particulars relating to foreign currency		
i. Earnings in foreign currency (on receipt basis)		
Revenue from projects	11.60	19.27
ii. Expenditure in foreign currency (on accrual basis)		
Salary	11.85	11.15
Travel	3.05	1.59
Rent	1.12	0.67
Others	10.85	4.38
	26.87	17.79
iii. CIF value of imports		
Furniture	-	3.42
Construction materials	43.50	41.73
	43.50	45.15

	31 March 2013		31 March 2012	
	₹ million	%	₹ million	%
b) Consumption of raw materials				
Indigenous	1,171.40	96.42	848.13	95.31
Imported	43.50	3.58	41.73	4.69
	1,214.90	100.00	889.86	100.00
c) Donation to political parties			31 March 2013	31 March 2012
Communist Party of India (M)			-	0.32
Others			-	0.03
			-	0.35

35. Disclosures of dues to micro, small and medium enterprises

Based on the information available with the Company, ₹27.08 (31 March 2012 - ₹8.80) is the amount payable to micro, small and medium enterprises at the balance sheet date. These amounts, being retention money, are due only on completion of retention period and are contractually not due as on 31 March 2013 as per the contract with the said parties. Consequently, the management believes that the interest liability under "The Micro, Small and Medium Enterprises Development Act, 2006" does not arise and hence no disclosure is required under the said law.

The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company which has been relied upon by the auditors.

36. Unhedged foreign currency exposure

Balance as on 31 March 2013 in Hatton National Bank, Srilanka amounted to LKR 1.13 million (31 March 2012 - LKR 0.11 million)

Balance as on 31 March 2013 in HSBC, Dubai amounted to AED 0.16 million (31 March 2012 - AED 0.09 million)

Balance as on 31 March 2013 in EEFC account with Andhra Bank Bangalore amounted to nil (31 March 2012 - USD 0.0003 million)

37. Transfer Pricing

The Finance Act, 2012 has made the detailed Transfer Pricing regulations applicable to 'specific domestic transactions'. Accordingly, the income and/or expenditure arising from such 'specific domestic transactions' have to be computed having regard to the arm's length price. These regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant within the due date of filing the return of income.

The Company has undertaken necessary steps to comply with the Transfer Pricing regulations and the prescribed report from the Accountant will be obtained for the year ended 31 March 2013. The Management is of the opinion that the above referred transactions are at arm's length, and hence the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

38. Prior period comparatives

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

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

per **Aasheesh Arjun Singh**
Partner

Bengaluru
17 Apr 2013

For and on behalf of the Board of Directors

Ravi Puravankara
Chairman and Managing Director

Nani R Choksey
Deputy Managing Director

Ashish Puravankara
Joint Managing Director

Anil Kumar A
Chief Financial Officer

V P Raguram
Company Secretary

Bengaluru
17 Apr 2013

Cash Flow Statement for the year ended 31 March 2013

		31 March 2013	31 March 2012
A.	**Cash flow from operating activities**		
	Profit before tax and prior period items	**1,668.08**	**676.79**
	Adjustments for:		
	Depreciation and amortization	54.40	42.72
	(Profit)/loss on sale of fixed assets	1.39	0.26
	Finance expenses, net	2,208.28	1,921.51
	Operating profit before working capital changes	**3,932.15**	**2,641.28**
	Movements in working capital :		
	(Increase)/Decrease in trade receivables	(661.90)	(629.13)
	(Increase)/Decrease in inventories of raw materials	(33.00)	(19.56)
	(Increase)/Decrease in loans and advances and other current assets	(176.48)	7.99
	(Increase)/Decrease in properties under development	328.20	(1,306.64)
	(Increase)/Decrease in properties held for sale	(1,372.45)	(8.09)
	Increase/(Decrease) in current liabilities and provisions	193.57	2.85
	Cash (used in)/received from operations	**2,210.09**	**688.70**
	Direct taxes paid	(401.97)	(162.99)
	Net cash from/(used in) operating activities	**1,808.12**	**525.71**
B.	**Cash flows from investing activities**		
	Purchase of fixed assets	(156.13)	(120.52)
	Proceeds from sale of fixed assets	2.22	0.50
	Loans to subsidiaries	(501.51)	(180.62)
	Loans repaid by associates	5.28	3.35
	Loans repaid by subsidiaries	651.50	384.48
	Investment in subsidiaries	-	(20.32)
	Advance for allotment of shares in subsidiaries	(3.11)	(9.01)
	Purchase of units of liquid mutual funds	(534.28)	-
	Proceeds from sale of units of liquid mutual funds	477.11	-
	Properties held for development	(51.74)	(590.46)
	Deposits and advances	(163.64)	134.31
	Net investment in bank deposits and margin monies	(89.41)	50.75
	Interest received	46.41	45.75
	Net cash from/(used in) investing activities	**(317.30)**	**(301.79)**

Cash Flow Statement (contd.) for the year ended 31 March 2013

		31 March 2013	31 March 2012
C.	**Cash flows from financing activities**		
	Proceeds from term loans	8,625.12	4,550.00
	Repayment of term loans	(4,078.06)	(4,745.54)
	Proceeds from debentures	-	1,440.00
	Repayment of debentures	(1,960.40)	-
	Proceeds from/(repayments of) unsecured loan	209.70	257.48
	Proceeds from/(repayments of) cash credit and working capital loan	(354.23)	519.61
	Loans repaid to related parties	(42.35)	(17.05)
	Loans from subsidiaries	268.47	120.91
	Loans repaid to subsidiaries	(139.09)	(117.43)
	Dividends paid including taxes	(247.89)	(248.87)
	Interest paid	(2,305.03)	(1,869.44)
	Net cash generated from/(used in) financing activities	**(23.76)**	**(110.33)**
	Net increase/(decrease) in cash and cash equivalents (A + B + C)	**1,467.06**	**113.59**
	Cash and cash equivalents at the beginning of the year	**529.83**	**416.24**
	Cash and cash equivalents at the end of the year	**1,996.89**	**529.83**
	Components of cash and cash equivalents		
	Cash and bank balances (as per Note 18 to the financial statements)	2,053.82	562.72
	Less: Bank deposits and margin monies considered separately	56.93	32.89
		1,996.89	529.83

This is the Cash Flow Statement referred to in our report of even date

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

per **Aasheesh Arjun Singh**
Partner

Bengaluru
17 Apr 2013

For and on behalf of the Board of Directors

Ravi Puravankara
Chairman and Managing Director

Nani R Choksey
Deputy Managing Director

Ashish Puravankara
Joint Managing Director

Anil Kumar A
Chief Financial Officer

V P Raguram
Company Secretary

Bengaluru
17 Apr 2013

BOARD MEMBERS

Ravi Puravankara

Ashish Puravankara

Nani R. Choksey

Anup S. Shah

RVS Rao

Pradeep Guha

Audit Committee

Anup S. Shah (Chairman)

Ravi Puravankara (Member)

RVS Rao (Member)

Pradeep Guha (Member)

Investor Grievance Committee

RVS Rao (Chairman)

Ashish Puravankara (Member)

Nani R. Choksey (Member)

Compensation Committee

Ravi Puravankara (Chairman)

Anup S. Shah (Member)

RVS Rao (Member)

Pradeep Guha (Member)

Management Sub-Committee

Ravi Puravankara (Member)

Ashish Puravankara (Member)

Nani R. Choksey (Member)

CORPORATE DETAILS

Company Secretary & Compliance Officer

V.P. Raguram

Statutory Auditors

Walker, Chandiok & Co.,

16/1,Wings, First Floor, Cambridge Road,

Ulsoor, Bengaluru – 560008.

Bankers

Andhra Bank Ltd.

ICICI Bank Ltd.

Standard Chartered Bank PLC.

Kotak Mahindra Bank Ltd.

IDBI Bank Ltd.

Barclays Bank PLC.

Deutsche Bank AG.

J.P. Morgan Chase Bank NA

Legal Consultants

M/s. Anup Shah S Law Firm

37, 7th Cross, Vasanthnagar,

Cunningham Road,

Bengaluru – 560052.

Registered Office

Puravankara Projects Ltd.,

130/1, Ulsoor Road,

Bengaluru – 560042.

"The real voyage of discovery
consists not in seeing new lands
but in seeing with new eyes."
Marcel Proust

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