



Engineering Growth
by Anticipating Challenges

Provident Bangalore Crowned KPL Champions

During the year under review the Puravankara Group made its initial foray into the field of sports. We purchased one of the eight cricket teams in the newly formed Karnataka Premier League (KPL), a T20 tournament for cricketers from the state of Karnataka. The KPL, conducted by the Karnataka State Cricket Association, proved to be a resounding success with large crowds witnessing the matches and even more following the games through live telecasts.

Our twin objectives in purchasing a KPL team were a corporate social responsibility (CSR) initiative to promote cricket at the grass roots level in the State and also to utilise our Team as an important vehicle of advertising and marketing our 100% affordable housing subsidiary, Provident Housing Limited. The Team, aptly named Provident Bangalore, conducted itself throughout the tournament in a thoroughly professional manner to uphold the best traditions of the Puravankara Group.

Provident Bangalore's performance on the field too left us with a great sense of pride. We were crowned champions in an exciting final in Bangalore's prestigious Chinnaswamy Stadium in the presence of several thousand cricket fans. Our performance and approach was appreciated and came in for widespread praise from the public of Karnataka as well as the media.

We would like to place on record our deep appreciation of the player's and management's efforts in winning the inaugural KPL. We also commend them for the manner in which they conducted themselves throughout the tournament both on and off the field.

Thank you Team Provident Bangalore.

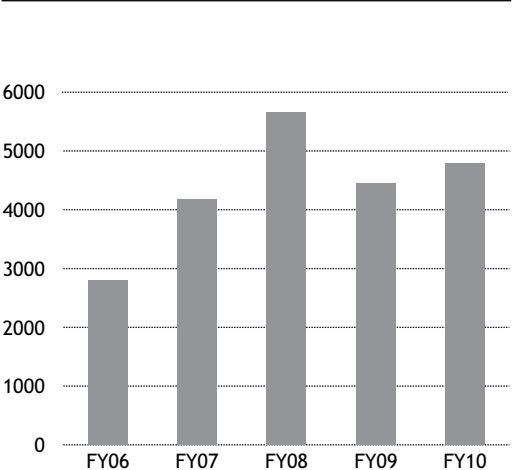


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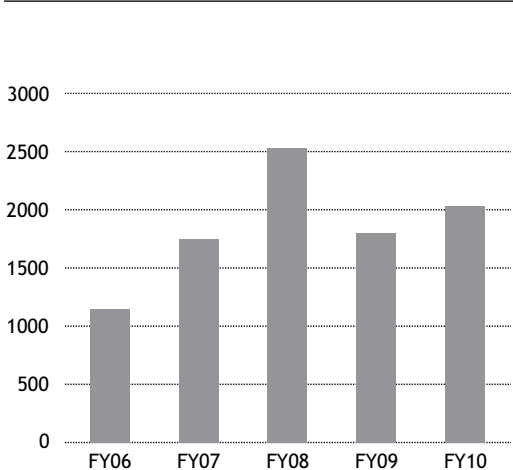
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Key Performance Indicators

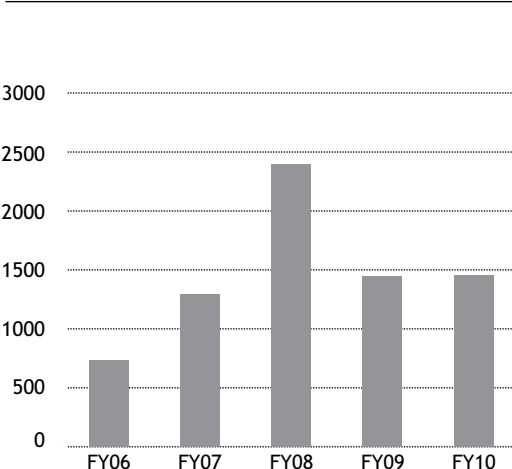
Revenue



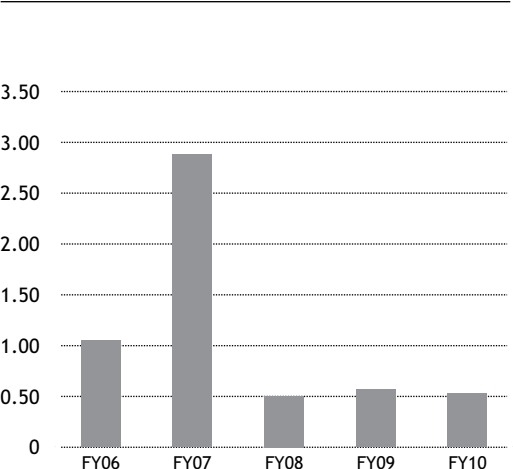
Gross Profit



Profit After Tax



Debt - Equity Ratio



All figures in Rs. Million
(Except Debt - Equity Ratio)

Chairman's Message

Dear Fellow Shareholders,

The year 2009-10 has been one of the most challenging years in the history of your Company. We began the year in the midst of one of the worst worldwide recessions in living memory. Although the Indian economy exhibited a refreshing sense of resilience compared with most of the rest of the world, our organisation was required to delve into its financial strengths and low debt equity ratio to combat difficult market conditions. However, the signs of positivity in our economy have been discerning in the past few months and the recently announced national fiscal 2010 growth figures bear the right portents for a sustained period of rapid progress and growth in India. Puravankara is well poised to benefit from this economic upswing with its residential centric business model. The residences we build range from luxury homes to affordable ones, catering to the burgeoning middle and upper classes of Southern India.

Our Group's reputation and superior market positioning derives from its financial strength, land assets, projects currently under development and value for money quality product offerings. Despite challenging market conditions and economic stress we are pleased to have delivered robust financial results in the year under review on the back of which we have succeeded in lowering our debt equity ratio of 0.58 of the last fiscal to 0.54 at the end of the current year.

As we renew our customer centric focus and strive to further enhance quality consciousness with our Group, we look forward to another sustained period of increasingly favourable market conditions and improving demand for our products across our range of offerings. We are constantly improving our delivery capabilities and taking care to maintain our bias towards technology solutions in our in-house construction operations.

A significant achievement this year has been the tremendous success of our foray into the affordable housing space through our 100% subsidiary, Provident Housing Limited. We are greatly encouraged by this success and have consequently accelerated our plans in this segment and target to deliver over 60,000 homes in this space in the coming six to seven years.

Our strategy to leverage partner capabilities as in the case of our joint ventures with Keppel Land of Singapore and, now, Homex, has paid off handsomely. Our partners have proven to be catalysts in our enhanced scale of operations, competitiveness, adoption of technology and the maximisation in the value of our land assets.

I would like to thank the management and staff of the Puravankara Group whose immense contribution has enabled us to emerge out of the economic crisis with our reputation and market positioning greatly enhanced. Their efforts are gratefully acknowledged.

I would also like to place on record the confidence you our shareholders have placed in us and for the unflinching support our Group has received from each one of you during recent difficult times.

Ravi Puravankara
Chairman and Managing Director

Management Discussion and Analysis - Background and Risks

1. Industry Structure and Developments

Since early 2009, the residential real estate segment has witnessed a revival in demand after a steep fall in demand in the second half of 2008, primarily due to improved affordability. Several developers launched new projects in the affordable segment, which received encouraging response. The loan rates were also made more attractive especially for the segments below Rs. 20 lakhs.

The other significant event which improved the sentiments of the economy was the outcome of the general election. The 2009 general elections was one of the biggest event risk which was staring at the face of India and could have had serious ramifications on market sentiments, if the results of the elections came out to be outright negative. The 2,000 point surge in the stock market that was witnessed as the immediate reaction to the UPA government's sweeping victory could have easily gone the other way if the verdict was of a hung parliament. Things would have looked very different then.

This had also brought clarity in the market on the future course of action based on the various Government policies which was unveiled. The relaxed lending norms and debt restructuring window provided by the RBI, along with the launch of affordable housing, helped companies to improve their highly leveraged balance sheets. This was preceded by a scenario where the developers were even considering liquidation of assets to raise funds, and stalling of new projects, while attempting to reduce cost by downsizing their workforce, cutting salaries and increments and adopting other cost reduction measures.

The overall sentiments have also substantially improved in the later half of the fiscal year due to the improvement in the performance of other key sectors such as IT, Manufacturing, etc, which resulted in the revival of demand to the middle and premium segments as well.

Overall the Indian Construction Industry is still able to maintain its growth of over 12%, which has been one of the consistent performer and key driver of the economy over the decade.

2. Brief Organisational Background

The Puravankara Group, headquartered in Bangalore, was established in 1975 and has today grown to become one of the leading real estate developers in India and the largest in South India serving the needs of a discerning clientele in the housing, commercial and retail spaces.

The Group began operations in Mumbai and has established a considerable presence in the real estate industry in the metropolitan cities of Bangalore, Kochi, Chennai, Coimbatore, Hyderabad, Mysore, Kolkata and overseas in Colombo and Dubai. Currently developing projects amounting to about 19.01 million sq.ft. The Company's land bank of 125.39 million sq.ft. spreads across India. The Puravankara Group is poised for exponential growth. Puravankara is currently constructing about 13,200 homes across South India and Kolkata which includes about 5,500 homes in the affordable category.

Puravankara has the distinction of being the first to obtain FDI in the Indian real estate industry through its joint venture with Singapore based Keppel Land Limited, the property arm of the 54% government owned conglomerate, Keppel Corporation Limited. The joint venture company, Keppel Puravankara Development Private Limited, has ongoing housing projects in two cities in India.

Provident Housing Limited, a 100% subsidiary of Puravankara Projects Limited, has successfully launched its second affordable housing project in Bangalore, after its successful launch in Chennai. Both the projects have received an overwhelming response from the customers. The Company had launched 1310 units in Chennai and 1088 units

in Bangalore and almost 70% of the units have been sold. The construction of both the projects is progressing on schedule. Similar affordable housing projects are also envisaged in other cities such as Mysore, Cochin, Coimbatore and Hyderabad, besides more such projects in Chennai and Bangalore.

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 organisation 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.

India's first resident's privileges program, Purva Privileges, was launched in 2004. Purva Privileges entitles all Puravankara home owners to an attractive referral program, concierge services and a host of special offers.

The Puravankara Group has the distinction of being awarded the Finaliste, international Prix d' Excellence for its project "Purva Park" in Bangalore. This was in the group residential category, by FIABCI, Paris, the International Federation of Real Estate. Two prestigious projects, Purva Graces & Purva Heights, received a PA 1 rating by CRISIL.

Puravankara has been acknowledged for the quality of its Accounting Policies by The Institute of Chartered Accountants of India (ICAI) and has been awarded a Plaque for its excellence in financial reporting for the year ended 31 March 2008. These Awards are the most prestigious in the area of financial reporting in India and we have won this recognition in our very first attempt.

3. Management Discussion on 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 organisations to manage risks related to the achievement of their objectives. Risk management which typically involves the following process :

- Identifying particular events or circumstances relevant to the organisation'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
- Prioritise 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.

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.

Management Discussion and Analysis - Background and Risks (continued)

Company Specific Risks

No.	Inherent Risk Description	Business Process	Impact Factors	Mitigation Measures
1	Uncertainty/irregularity of titles to land acquired/ developed by Company due to inadequate due diligence, forged documents, Joint Development partners not having clear titles to land, etc.	Land Acquisition	<ul style="list-style-type: none"> • Inability to transfer title • Exposure to legal disputes and related costs • Impact on land valuations 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Higher construction costs • Impact on reputation/ customer dissatisfaction • Payment of penalties to customers 	<ul style="list-style-type: none"> • Increased usage of mechanised 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 • Purchasing in bulk from outside the state- Kochi • Clearance of bills as per defined Turn Around Time
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	<ul style="list-style-type: none"> • Loss of expertise and continuity • Higher recruitment and training costs • Delay in project execution 	<ul style="list-style-type: none"> • Fast growing Company - opportunities are better • Site visits by HR personnel • Defined Appraisal system to provide career guidance and feedback • Compensation benchmarking survey • Deployment of HR personnel at offices outside Bangalore • Formal exit interview procedure to be implemented • Innovative loyalty building programs being implemented
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	<ul style="list-style-type: none"> • Loss/pilferage of confidential data 	<ul style="list-style-type: none"> • In built security controls in ERP system • Plans to host own mail server • Implementation of VPN system • Creation and rollout of IT policy • Anti-virus, anti-spam, Device control software being implemented

No.	Inherent Risk Description	Business Process	Impact Factors	Mitigation Measures
5	Non-compliance with requirements of labour 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	<ul style="list-style-type: none"> • Fines/Penalties/ Imprisonment for non-compliance 	<ul style="list-style-type: none"> • 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 • Directors & Officers Liability Insurance
6	Customer dissatisfaction with the sales processes due to over commitments /incorrect information provided by sales personnel, customisation requirements not being adequately addressed, delays in processing agreements, etc.	Sales and Marketing	<ul style="list-style-type: none"> • Customer dissatisfaction • Loss of potential customers • Growth • Margins 	<ul style="list-style-type: none"> • Mock flats with standard specifications • Adequate redressal system for property complaints • Updates on progress of the project through website/emails • Minimal customisation • Projects are launched only after receipt of requisite sanctions. • Process of generating/executing agreements being streamlined • Decentralisation of cheque en-cashing
7	Customer dissatisfaction with after sales processes due to lack of a well defined customer redressal system, disputes over cancellation charges, inadequate property management post sale	Sales and Marketing	<ul style="list-style-type: none"> • Customer dissatisfaction • Loss of potential customers • Growth • Margins 	<ul style="list-style-type: none"> • Dedicated Customer Care department. Target of 24 hours for acknowledging customer queries/ complaints • Cancellation charges clearly mentioned in the application forms and sale agreements • The Company handles Property Management for 6 months
8	Inability to obtain financing/financing on favorable terms, due to downgrading of debt rating, liquidity crunch, etc.	Business Development	<ul style="list-style-type: none"> • Higher financing costs 	<ul style="list-style-type: none"> • In house Quality Control department • Dedicated Planning department • Increased use of technology • Low outstanding on land payment • To also use one of the leading nationalised banks going forward

Management Discussion and Analysis - Background and Risks (continued)

No.	Inherent Risk Description	Business Process	Impact Factors	Mitigation Measures
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	<ul style="list-style-type: none"> • Delay in project completion • Impact on reputation • Abortive costs 	<ul style="list-style-type: none"> • In-house construction and quality team • Use of snagging checklists • Structure certified by Govt authorised 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	<ul style="list-style-type: none"> • Delay in project completion • Impact on reputation • Abortive costs • Stay order by the courts due to PILs • Project costs incorrectly estimated 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Reduced margins 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Lower demand for Puravankara properties 	<ul style="list-style-type: none"> • Direct sales • 'Know Your Customer's Requirements' ('KYCR') initiatives • Analysis of buying patterns/ size of loan disbursements
13	Loss due to theft, accidents at site, defects, etc.	Project Execution	<ul style="list-style-type: none"> • Financial loss 	<ul style="list-style-type: none"> • Adequate insurance policies • Security guards • Separate Stores Management team • Rotation of stores personnel • Asset Management System to be implemented
14	High network downtime resulting in unavailability of data	Information technology	<ul style="list-style-type: none"> • Unavailability of data • Delays in payments that could result in delay in Project timelines • Delay in providing information to customers/ potential customers 	<ul style="list-style-type: none"> • Rollout of backup lines

No.	Inherent Risk Description	Business Process	Impact Factors	Mitigation Measures
15	Inability to adopt/adapt to new technologies	Project Execution	<ul style="list-style-type: none"> • Impact on quality of construction • Delay in project completion • Impact on margins 	<ul style="list-style-type: none"> • Key management personnel understands and is abreast with the latest technology • MIVAN technology sufficient for next few years
16	Risk of capturing and/or reporting incorrect / inaccurate financial information	Financial Reporting	<ul style="list-style-type: none"> • Incorrect financial reporting 	<ul style="list-style-type: none"> • Centralisation of accounting system, procurement, payments • Audit of controls
17	Death of labourers / construction personnel on site/Accidents on site due to non-adherence to safety procedures, non - enforcement of safety procedures	Project Execution	<ul style="list-style-type: none"> • Delays in the project • Compensation/litigation costs • Impact on reputation 	<ul style="list-style-type: none"> • 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
18	Presence of fly-by-night operators resulting in decreased demand for Puravankara properties	Business Development	<ul style="list-style-type: none"> • Loss of potential customers 	<ul style="list-style-type: none"> • High quality of construction • Established brand name • Experience of 30 years • Launch of Provident to provide affordable housing
19	Issues with Joint Venture partner	Business Development	<ul style="list-style-type: none"> • Impact on types of projects that the Company undertakes • Growth 	<ul style="list-style-type: none"> • Clearly defined commercial terms • Successful relationship
20	Significant Dependence on few members of management/loss of key management personnel	Human Resources	<ul style="list-style-type: none"> • Loss of experience/ expertise • Loss of key relationships 	<ul style="list-style-type: none"> • Adequate systems and structure for smooth transition • Introduction of succession plan for Key Managerial Personnel
21	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	<ul style="list-style-type: none"> • Exposure to legal disputes and related costs • Delayed project commencement/Project abandonment • Surrender of excess land held over ceiling 	<ul style="list-style-type: none"> • Comprehensive Development Plan referred to • Land in green zones/land not zoned is not purchased. • Agreements to sell/Power of attorney in Company's favour • Due diligence process • All land purchases are personally approved by the Chairman of the Company

Management Discussion and Analysis - Background and Risks (continued)

Industry Risks

No.	Inherent Risk Description	Business Process	Impact Factors	Mitigation Measures
1	Slump in the real estate market / significant decline in property prices	Business Development	<ul style="list-style-type: none"> Reduction in property prices Impact on demand for properties 	<ul style="list-style-type: none"> Vast majority of Puravankara flats priced at Rs 3,000 per sq.ft. 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	<ul style="list-style-type: none"> Decreased demand for properties 	<ul style="list-style-type: none"> Vast majority of Puravankara flats priced at Rs 3,000 per sq.ft. Flexible pricing policy Affordable housing - Provident
3	Compulsory land acquisition by Government due to development of infrastructure projects	Land Acquisition	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Financial loss Inability to complete projects on schedule 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Inability to grow business 	<ul style="list-style-type: none"> Launch of larger projects in non-CBD areas Existing land bank will last for next five years

Note:

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

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 which are reviewed by our Audit Committee.

We have a qualified and independent Audit Committee which comprises our Board of Directors. The Audit Committee reviews the adequacy and efficiency of internal controls and recommends any improvements or corrections. These internal controls ensure efficiency in operations, compliance with the internal policies of the Company, applicable laws and regulations, protection of resources and the 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) 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, 2010 and 2009 respectively.

Employee Category	Fiscal 2010	Fiscal 2009
Non Technical	203	202
Technical	214	261
Trainees	14	2
Total	431	465

6. Opportunities and Threats

The Group was optimistic on the future outlook of the Industry even during the downturn. We were confident about the fundamentals for the economy which is strong. The Global economy is also showing a promise of revival which is indicated by the improved performance of some of the IT Companies as well as other export oriented industries.

The Indian middle class and the urban population continue to grow. The population is comparatively young and thriving, especially in the 25 to 45 years range. The aspirations for this population to own their own dwelling at a much younger age and the higher priority they accord to acquiring homes give rise to the constant demand for dwelling units. 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 this 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 and the Company has already established its brand in the market in this segment.

Auditors' Report on the Consolidated Financial Statements

The Board of Directors
Puravankara Projects Limited

1. We have audited the attached Consolidated Balance Sheet of Puravankara Projects Limited ('the Company'), its subsidiaries and associates (collectively referred to as 'the Group') as at 31 March 2010 and also the Consolidated Profit and Loss Account for the year ended on that date and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto (collectively referred as the 'consolidated financial statements'). These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain consolidated entities, whose financial statements reflect total assets of Rs.2,592,570,683 as at 31 March 2010, the total revenue of Rs.1,811,084 and cash outflows amounting to Rs.502,728 for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors. We did not audit the financial statements of an associate whose financial statements reflect the Company's share of profit of Rs.11,771,272 for the year ended on that date, in the consolidated financial statements. These financial statements have not been audited by other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard ('AS') 21, Consolidated Financial Statements and AS 23, Accounting for Investments in Associates in Consolidated Financial Statements notified pursuant to the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India, in case of:
 - (a) the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2010;
 - (b) the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

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

Bangalore
29 April 2010

Consolidated Balance Sheet

(Rs.)

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

Significant accounting policies 1

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

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

For Walker, Chandio & Co **For and on behalf of the Board of Directors**
Chartered Accountants

per **Aashish Arjun Singh**
Partner

Ravi Puravankara
Chairman and
Managing Director

Nani R. Choksey
Director

Ashish Puravankara
Director

Kiran Chappar
Company Secretary

Bangalore
29 April 2010

Bangalore
29 April 2010

Consolidated Profit and Loss Account

(Rs.)

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

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

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

For Walker, Chandio & Co
Chartered Accountants

per Aashish Arjun Singh
Partner

Bangalore
29 April 2010

For and on behalf of the Board of Directors

Ravi Puravankara
Chairman and
Managing Director

Bangalore
29 April 2010

Nani R. Choksey
Director

Ashish Puravankara
Director

Kiran Chappar
Company Secretary

Notes to the Consolidated Financial Statements

1. Significant Accounting Policies

a. Basis of preparation

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

b. Use of estimates

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

c. Basis of consolidation

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

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

Associates are those entities over which the Company is able to exercise significant influence but which are neither subsidiaries nor interests in a joint venture. Investments in associates are initially recognised 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 recognised when the significant risks and rewards of ownership have been transferred to the customer, which coincides with the entering into a legally binding agreement. Revenues from such contracts are recognised under the percentage of completion method. Contract revenues represent the aggregate amounts of sale price for agreements entered into and are accrued based on the percentage that the actual construction costs incurred until the reporting date bears to the total estimated construction costs to completion. Land costs are not included for the purposes of computing the percentage of completion.

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

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

Cost and recognised profits to date in excess of progress billings on construction projects in progress are disclosed under Properties Under Development (a current asset). Where the progress billings exceed the costs and recognised profits to date on projects under construction, the same is disclosed as Advances Received

Notes to the Consolidated Financial Statements (continued)

From Customers, (a current liability). Any billed amount that has not been collected is disclosed under Trade Debtors and is net of any provision for amounts doubtful of recovery.

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

Rental income

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

e. Properties held for sale

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

f. Properties held for development

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

g. Fixed assets

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

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

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

h. Depreciation

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

i. Advertisement and Promotional expenses

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

j. Impairment of Assets

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

k. Cash and cash equivalents

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

l. Inventory

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

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

m. Foreign currency transactions

(a) Initial Recognition

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

(b) Conversion

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

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

n. Leases

Finance Leases

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

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 recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

o. Employee benefits

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

Provident fund

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

Gratuity

Gratuity is a post employment benefit and is a defined benefit plan. The liability recognised 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 unrecognised actuarial gains or losses and past

Notes to the Consolidated Financial Statements (continued)

service costs. Independent actuaries using the projected unit credit method calculate the defined benefit obligation annually.

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

Vacation pay

Liability in respect of vacation pay becoming due or expected to be availed within one year from the balance sheet date is recognised 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 recognised on the basis of amount paid or payable for the period during which the employees render services.

p. Stock based compensation

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

q. Taxes on income

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

Deferred tax assets are recognised 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 realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits.

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

r. Earnings per share

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

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

s. Provisions and contingent liabilities

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

2. Group Structure

The operational subsidiaries and associates consolidated under the Group as at 31 March 2010 comprise the entities listed below:

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

(Rs.)

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

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

Notes to the Consolidated Financial Statements (continued)

		(Rs.)	
		31 March 2010	31 March 2009
4. Reserves and Surplus			
Share Premium		7,988,811,915	7,988,811,915
General Reserve		400,500,000	298,000,000
Debenture Redemption Reserve		96,300,863	34,417,386
Profit and Loss Account			
Balance at the beginning of the year		4,260,489,259	2,850,718,245
Add: Net profit for the year		1,453,185,086	1,444,188,400
Less: Transfer to Debenture Redemption Reserve		61,883,477	34,417,386
Less: Proposed Dividend		213,424,335	-
Less: Tax on distribution of dividend		36,271,466	-
Less: Transfer to General Reserve		102,500,000	-
Balance at the end of the year		5,299,595,067	4,260,489,259
		13,785,207,845	12,581,718,560
5. Loans			
Secured Loans		8,725,655,156	8,105,826,229
Unsecured Loans - short term loan from bank		85,000,000	40,000,000
		8,810,655,156	8,145,826,229
Secured Loans			
Term loans	(a)	5,122,967,850	6,001,937,343
Debentures	(b)	550,000,000	550,000,000
Cash Credit & Other loans	(c)	3,052,687,306	1,553,888,886
		8,725,655,156	8,105,826,229
(a) Term Loans			
i.	On 8 September 2008, the Company entered into a term loan agreement with HSBC for Rs.1,100 million, out of which Rs.350 million has been drawn as of 30 June 2009. This facility is secured by mortgage of the properties purchased at Mallasandra Village, Bangalore and receivables of the related project to be developed at the said property and the personal guarantee of Mr. Ravi Puravankara, the Chairman and Managing Director of the Company. The loan was originally repayable in 5 quarterly installments from July 2009 until July 2010. However, the repayment has been restructured in June 2009 such that the installment due in July 2009 and pending installments from August 2009 as per the schedule will be migrated to overdraft. The outstanding as on 31 March 2010 was Rs.140 million.		
ii.	On 19 May 2007, Melmont Construction Private Limited and Purva Realities Private Limited entered into an agreement with HDFC Limited for a term loan of Rs.1,250 million. This facility is secured by mortgage of property at Edapally and proposed builtup area being constructed thereon, pledge of equity shares of Melmont Construction Private Limited and Purva Realities Private Limited held by the Company and personal guarantees of Mr. Ravi Puravankara, the Chairman and Managing Director and Mr. Nani R Choksey, Director of the Company. The tenor of the loan is 40 months. The outstanding as on 31 March 2010 was Rs. 456 million.		
iii.	On 30 May 2008, the Company entered into a term loan agreement with ICICI Home Finance Company Limited for a term loan of Rs.1,250 million. Out of the sanctioned limit, the Company had drawn Rs.1,130 million as on 31 March 2009 and the balance of Rs.120 million in April 2009. This facility is secured by		

mortgage of the properties together with all buildings and structures thereon, both present and future and scheduled receivables of Purva Venezia and Purva Highlands and is also backed by the personal guarantee of Mr. Ravi Puravankara, the Chairman and Managing Director, Mr. Nani R. Choksey and Mr. Ashish Puravankara, Directors of the Company, repayable in 16 monthly installments commencing 15 June 2009. However, this loan was restructured in July 2009 such that it is repayable in 16 monthly installments commencing 15 October 2010 including Rs.78.1 million due on 15 June 2009. The outstanding as on 31 March 2010 was Rs. 1,250 million.

- iv. On 3 June 2008, the Company entered into an agreement with ICICI Bank for a term loan facility up to a maximum of Rs.1,250 million. This facility is secured by mortgage of the properties together with all buildings and structures thereon, both present and future, scheduled receivables of Purva Venezia and Purva Highlands, lands at Uganavadi village and Kaikondanahalli village and is also backed by the personal guarantee of Mr. Ravi Puravankara, the Chairman and Managing Director, Mr. Nani R. Choksey and Mr. Ashish Puravankara, Directors of the Company. The loan is repayable in 12 monthly installments starting from 15 March 2011. The outstanding as on 31 March 2010 was Rs. 820 million.
- v. On 4 December 2008, the Company entered into an agreement with Life Insurance Corporation of India for a loan of Rs.2,000 million. This facility is secured by mortgage of land at Marine Drive, Kochi, the receivables and is also backed by the personal guarantee of Mr. Ravi Puravankara, the Chairman and Managing Director of the Company. The loan is repayable in 14 equal quarterly installments commencing from January 2010. The outstanding as on 31 March 2010 was Rs. 1,857.14 million.
- vi. On 6 October 2009, Provident Housing Limited entered into an agreement with LIC Housing Finance Limited for a term loan of Rs.1,150 million. This facility is secured by mortgage of property at Pudupakkam Chennai, negative lien of unsold flats being constructed thereon, hypothecation of receivables of Cosmocity project, corporate guarantee of Puravankara Projects Limited and personal guarantees of Mr. Ravi Puravankara, Mr. Nani R. Choksey and Mr. Ashish Puravankara, Directors of the Company. The tenor of the loan is 30 months with moratorium period of 15 months for repayment. The outstanding as on 31 March 2010 was Rs.599.83 million.

(b) Debentures

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

(c) Cash Credit & Other Loans

- i. On 19 August 2004, the Company entered into an agreement with Andhra Bank for a cash credit facility of Rs.150 million which was further enhanced to Rs.200 million in the month of October 2008 and Rs. 500 million in the month of March 2010. This facility is secured against the properties of the Company. The outstanding as on 31 March 2010 was Rs. 490.16 million.
- ii. On 20 June 2008, the Company entered into an agreement with IDBI Bank for a working capital facility of Rs.1,000 million which is secured against the properties of the Company and personal guarantee of Mr. Ravi Puravankara, the Chairman and Managing Director of the Company. The outstanding as on 31 March 2010 was Rs. 983.41 million.
- iii. On 20 November 2008, the Company has availed a Secured Overdraft facility from Andhra Bank for Rs. 800 million which is secured against the land together with the buildings and structure thereon at Geddalahalli, Bangalore and is also backed by the personal guarantee of Mr. Ravi Puravankara, the Chairman and Managing Director, Mr. Nani R. Choksey and Mr. Ashish Puravankara, Directors of the Company. The outstanding as on 31 March 2010 was Rs. 535.04 million.

Notes to the Consolidated Financial Statements (continued)

- iv. On 5 August 2006, the Company entered into a term loan agreement with Standard Chartered Bank for Rs 1,000 million towards construction and development of its projects and for existing debt repayment, repayable in 24 monthly installments from the 15th month of the date of first drawdown (date of the first drawdown : 16 November 2006) . This facility is secured by mortgage of the land and building of certain specified projects and their project receipts and is also backed by the personal guarantee of Mr. Ravi Puravankara, the Chairman and Managing Director of the Company. Additional facility of Rs. 200 million was availed on 5 April 2007 against the same security as above, repayable in 24 monthly installments starting from 16 February 2008. In June 2009, this term loan has been rescheduled such that the monthly installments due of Rs.50 million for next 8 months were migrated to overdraft as and when the installment fell due. The resultant overdraft balance of Rs.400 million shall be repayable in 12 monthly installments of Rs.33.33 million starting from 16 May 2010. As a result, from June 2009 to March 2010 an amount of Rs. 400 million has been migrated from term loan to overdraft. The outstanding as on 31 March 2010 on this overdraft account was Rs. 356.85 million.
- v. On 8 January 2008, the Company entered into a term loan agreement with HSBC for Rs.1,350 million which was originally payable in quarterly installments from October 2008 till October 2009 and Rs.350 million was payable in quarterly installments, from January 2009 till October 2009. However, this loan was restructured in June 2009 such that the installments due as of 29 June 2009 and also remaining amounts were migrated into overdraft on the due dates of the installments as per the earlier repayment schedule. The resultant overdraft is repayable in 13 monthly installments after a moratorium of 14 months. From June 2009 to December 2009 an amount of Rs.832.5 million has been migrated from term loan to overdraft which is secured by mortgage of the land and building of Purva Swanlake project and receivables of Purva Swanlake and Purva Moneto. The outstanding as on 31 March 2010 on this overdraft account was Rs. 683.69 million.
- vi. Other loans represent loans taken for purchase of vehicles. These loans are secured by a charge against respective vehicles. The outstanding as on 31 March 2010 was Rs. 3.54 million.

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

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

Unsecured Loans

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

6. Deferred Tax Liability

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

7. Fixed Assets

(Rs.)

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

Notes to the Consolidated Financial Statements (continued)

(Rs.)

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

(Rs.)

	31 March 2010	31 March 2009
13. Properties Held for Sale		
At the beginning of the year	973,503,851	909,508,192
Add : Additions during the year	157,213,723	372,910,952
Less: Sales during the year	268,901,343	221,155,536
Less: Write downs during the year	31,997,712	87,759,757
Add: Write backs during the year	22,634,585	-
	852,453,104	973,503,851
14. Loans and Advances		
Advances to suppliers	444,327,391	264,043,186
Advances for land contracts	1,151,732,819	1,113,473,571
Deposits	521,324,651	509,238,659
Loans to associates	174,067,759	144,018,352
Advance tax (net of provision)	62,435,660	92,953,783
Taxes and duties recoverable	385,417,621	443,030,667
Prepaid expenses	1,416,721	983,764
Other advances	142,321,899	198,263,854
	2,883,044,521	2,766,005,836
The above are unsecured & considered good.		
15. Current Liabilities		
Advances received from customers	2,550,164,297	2,951,626,710
Duties and taxes payable	11,054,327	16,728,926
Security deposits	30,796,146	35,352,566
Trade creditors	576,839,585	1,052,156,017
Dues to related parties	457,690,877	451,856,867
Other liabilities	159,785,019	136,873,819
Unpaid Dividend	93,344	93,474
	3,786,423,595	4,644,688,379
16. Provisions		
Provision for gratuity	15,709,003	-
Provision for vacation pay	15,948,308	14,079,902
Proposed dividend	213,424,335	-
Tax on proposed dividend	36,271,466	-
	281,353,112	14,079,902

Notes to the Consolidated Financial Statements (continued)

(Rs.)

	Year ended 31 March 2010	Year ended 31 March 2009
17. Revenues		
Revenues from projects	4,729,118,939	4,375,219,531
Rental income	25,178,057	37,980,286
Income from interiors	29,322,712	35,842,117
	4,783,619,708	4,449,041,934
18. Cost of Revenues		
Construction cost		
Material and contract costs	1,095,943,727	1,656,263,909
Staff costs	140,272,784	211,221,692
Depreciation	98,009,575	42,547,720
Other direct costs	428,090,506	447,301,721
	1,762,316,592	2,357,335,042
Land cost	985,809,221	281,571,844
	2,748,125,813	2,638,906,886
19. Selling Expenses		
Staff costs	33,097,305	37,839,740
Advertising and sales promotion	110,696,972	161,069,977
Sales incentives and commission	5,461,217	4,633,513
Brokerage and referral charges	14,101,203	4,715,819
Travel and conveyance	3,827,284	3,770,316
Communication	1,912,473	2,196,929
Depreciation	1,415,856	1,581,466
	170,512,310	215,807,760
20. General and Administrative Expenses		
Staff costs	142,928,342	124,307,057
Depreciation	11,514,723	11,495,661
Rates and taxes	33,164,488	45,650,922
Repairs and maintenance	21,673,675	21,342,996
Legal and professional charges	25,743,342	16,676,180
Audit fees	2,678,657	2,674,160
Communication costs	8,372,760	8,818,594
Printing and stationery	3,732,352	10,091,276
Travelling and conveyance	15,283,466	19,365,882
Security charges	13,115,526	9,803,799
Foreign exchange loss/(gain)	(672,832)	682,249
Miscellaneous expenses	4,914,611	11,909,374
	282,449,110	282,818,150

(Rs.)

	Year ended 31 March 2010	Year ended 31 March 2009
21. Finance Income/(Charges)		
Interest expenses on loans and cash credits	(1,156,451,395)	(1,039,503,199)
Loan and other processing charges	(66,648,144)	(99,321,347)
Less:		
Expended as part of Cost of Revenues	247,745,358	83,773,045
Capitalized and included in Properties Under Development	815,519,027	395,882,698
Capitalized and included in Properties Held for Development	131,215,520	620,716,116
Less: Finance Income:		
Bank deposits	13,043,518	11,444,914
Loan to associates	10,927,569	11,375,140
Interest received from customers	20,553,283	23,262,536
	15,904,736	7,629,903
22. Provision for tax		
Current tax	312,187,036	43,150,475
Deferred tax charge/(credit)	(14,107,761)	12,636,730
Minimum Alternate Tax credit	-	(29,812,895)
	298,079,275	25,974,310
<p>During the year an amount of Rs. NIL (31 March 2009 - 29.81 million) has been recognised as a tax credit. This amount represents the corporate income tax charged as Minimum Alternate Tax (MAT) previously and is considered to be recoverable against taxes payable in the future.</p>		
23. Earnings Per Share		
Weighted average number of shares outstanding during the year	213,424,335	213,424,335
Net profit after tax attributable to equity shareholders	1,453,185,086	1,444,188,400
Earnings per share:		
Basic and diluted	6.81	6.77
Nominal value per equity share	5.00	5.00
24. Stock-based compensation		
<p>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.</p>		

Notes to the Consolidated Financial Statements (continued)

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

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

	31 March 2010	31 March 2009	
	Shares arising out of options (Numbers)	Shares arising out of options (Numbers)	Weighted average exercise price (Rs.)
At the beginning of the year	966,000	966,000	465.86
Granted during the year	-	-	-
Forfeited during the year	-	-	-
Lapsed during the year	483,000	-	-
Cancelled during the year	-	-	-
Exercised during the year	-	-	-
At the end of the year	483,000	966,000	456.86
Exercisable at the end of the year	-	483,000	465.86

The weighted average exercise price of the options outstanding at 31 March 2010 was Rs. 465.86 and they had weighted average remaining contractual life of 9 months.

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

	(Rs.)	
	Year ended 31 March 2010	Year ended 31 March 2009
Net profit, as reported	1,453,185,086	1,444,188,400
Add: Stock-based employee compensation expense included in the Profit and loss account	-	-
Less: Stock based employee compensation expense determined under the fair value method	15,387,419	27,639,998
Proforma net income	1,437,797,667	1,416,548,402
Earnings per share - Basic		
As reported	6.81	6.77
Proforma	6.74	6.64
Earnings per share - Diluted		
As reported	6.81	6.77
Proforma	6.74	6.64

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

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

25. Leases

Properties taken on operating leases

The lease expenses for cancellable and non-cancellable operating leases was Rs. 35,778,781 for the year ended 31 March 2010 (2009- Rs. 40,799,036). Lease commitment as at the Balance Sheet date were as follows:-

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

Sublease

The Company has sublet one of the properties under a non-cancellable operating lease agreement. These lease agreements are for the period ranging between 1 to 5 years. Lease Income was Rs. 25,178,057 for the year ended 31 March 2010 (2009 - Rs. 37,980,386). Minimum amount of future lease rental receivable under these agreements are:-

a) Within one year	4,553,947	10,791,614
b) Within one to five years	274,020	4,970,407
	4,827,967	15,762,021

26. Other commitments and contingencies

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

Notes to the Consolidated Financial Statements (continued)

27. Related party transactions

- i. Parties where control exists

Parties where control exists include

Key Management Personnel:

Mr. Ravi Puravankara

Relatives of Key Management Personnel:

Ms. Geeta S Vhatkar

Ms. Aarti Punjabi

Mr. Ashish Puravankara

Mr. Suresh Puravankara

Ms. Amanda Puravankara

Ms. Tanya Puravankara

Ms. Vishalakshi Puravankara

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

Purva Developments

Uniquepark Constructions Private Limited

Unique Constructions

Welworth

Puravankara Investments

Handiman Services Limited

Dealwel - Proprietorship

Dealwel Finance Corporation

Tanya Trust

Amanda Trust

Purva Properties and Resorts Private Limited

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

Nature of Transaction	Associates		Key Management Personnel		Relatives of Key Management Personnel		Other Related Parties	
	31 Mar 10	31 Mar 09	31 Mar 10	31 Mar 09	31 Mar 10	31 Mar 09	31 Mar 10	31 Mar 09
	(Rs.)							
Transactions during the year:								
Interest on loans								
Keppel Puravankara Development Private Limited	2,167,384	5,447,756	-	-	-	-	-	-
Keppel Magus Development Private Limited	8,760,185	5,927,383	-	-	-	-	-	-
Loans given to								
Propmart Technologies Limited	22,450,000	13,000,000	-	-	-	-	-	-
Keppel Magus Development Private Limited	-	64,854,455	-	-	-	-	-	-
Keppel Puravankara Development Private Limited	-	3,031,991	-	-	-	-	-	-
Loans received from								
Ravi Puravankara	-	-	96,406,614	718,000,000	-	-	-	-
Puravankara Investments	-	-	-	-	-	-	480,000	-
Loans repaid to								
Ravi Puravankara	-	-	85,406,614	298,000,000	-	-	-	-
Loans repaid by								
Keppel Puravankara Development Private Limited	-	169,806,626	-	-	-	-	-	-
Keppel Magus Development Private Limited	1,000,000	-	-	-	-	-	-	-
Propmart Technologies Limited	350,000	2,500,000	-	-	-	-	-	-
Purchase of land from:								
Geetha S Vhatkar	-	-	-	-	-	-	42,884,044	-
Installments paid for purchase of flats to								
Keppel Puravankara Development Private Limited	-	241,010	-	-	-	-	-	-
Value of flats sold to								
Ashish Puravankara	-	-	-	-	-	-	2,631,200	-
Aarti Panjabi	-	-	-	-	-	-	2,631,200	-
Suresh Puravankara	-	-	-	-	-	-	2,735,200	-
Amanda Puravankara	-	-	-	-	-	-	2,631,200	-
Tanya Puravankara	-	-	-	-	-	-	2,631,200	-
Vishalakshi Puravankara	-	-	-	-	-	-	2,519,200	-
Tanya Trust	-	-	-	-	-	-	-	8,039,000
Amanda Trust	-	-	-	-	-	-	-	10,397,000

Notes to the Consolidated Financial Statements (continued)

The transactions with related parties for the year are as follows (continued)

Nature of Transaction	Associates		Key Management Personnel		Relatives of Key Management Personnel		Other Related Parties	
	31 Mar 10	31 Mar 09	31 Mar 10	31 Mar 09	31 Mar 10	31 Mar 09	31 Mar 10	31 Mar 09
	(Rs.)							
Sale consideration received on behalf of								
Puravankara Investments	-	-	-	-	-	-	-	5,610,000
Security and maintenance expenses								
Handiman Services Limited	-	-	-	-	-	-	74,563,618	92,177,409
Rental expenses								
Puravankara Investments	-	-	-	-	-	-	-	1,417,500
Dealwel	-	-	-	-	-	-	2,034,114	1,890,000
Brokerage expenses								
Propmart Technologies Limited	635,251	-	-	-	-	-	-	-
Remuneration								
Ravi Puravankara	-	-	17,952,000	17,952,000	-	-	-	-
Ashish Puravankara	-	-	-	-	8,884,356	8,524,356	-	-
Geeta S Vhatkar	-	-	-	-	-	24,116	-	-
Balances at the year end								
Loans given to								
Propmart Technologies Limited	68,285,000	46,185,000	-	-	-	-	-	-
Keppel Puravankara Development Private Limited	27,240,736	27,051,514	-	-	-	-	-	-
Keppel Magus Development Private Limited	78,542,023	70,781,838	-	-	-	-	-	-
Advances for land contracts paid to								
Geeta S Vhatkar	-	-	142,300,016	142,300,016	-	-	-	-
Security Deposits paid to								
Dealwel	-	-	-	-	-	-	1,500,000	1,500,000
Puravankara Investments	-	-	-	-	-	-	4,500,000	4,500,000
Dues from								
Aarti Panjabi	-	-	28,660,750	-	-	-	-	-
Dues to								
Handiman Services Limited	-	-	-	-	-	-	5,171,061	10,817,051
Puravankara Investments	-	-	-	-	-	-	19,778,540	19,298,540
Purva Development	-	-	-	-	-	-	1,776,276	1,776,276
Purva Properties and Resorts Private Limited	-	-	-	-	-	-	15,000	15,000
Ravi Puravankara	-	-	430,950,000	419,950,000	-	-	-	-

28. Employee benefits

A. Defined benefit plan

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

(Rs.)

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

Notes to the Consolidated Financial Statements (continued)

(Rs.)

	31 March 2010		31 March 2009	
	Gratuity	Vacation Pay	Gratuity	Vacation Pay
4. Changes in the fair value of plan assets				
Fair value as at the beginning of the year	17,799,945	-	16,291,093	-
Expected return on plan assets	1,816,057	-	1,120,071	-
Actuarial (loss)/ gains	(324,863)	-	968,949	-
Contributions	10,431,226	4,739,746	-	7,884,112
Benefits paid	(629,685)	(4,739,746)	(580,168)	(7,884,112)
Fair value as at the end of the year	29,092,680	-	17,799,945	-
Assumptions used in the above valuations are as under:				
Interest rate	8%	8%	7%	7%
Discount rate	8%	8%	7%	7%
Expected return on plan assets	8%	-	7%	-
Future salary increase	6%	6%	6%	6%
Attrition rate	2%	2%	5%	5%
Retirement age	60 years	60 years	60 years	60 years

B. Defined contribution plan

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

29. Segmental Information

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

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

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

32. Prior period comparatives

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

For and on behalf of the Board of Directors

Ravi Puravankara
Chairman and
Managing Director

Nani R. Choksey
Director

Ashish Puravankara
Director

Kiran Chappar
Company Secretary

Bangalore
29 April 2010

Consolidated Cash Flow Statement

(Rs.)

	Year ended 31 March 2010	Year ended 31 March 2009
A. Cash flow from operating activities		
Profit before tax	1,751,264,361	1,470,162,710
Adjustments for:		
Depreciation and amortization	110,940,154	55,629,409
Properties held for sale written down	31,997,712	87,759,757
Properties held for sale written back	(22,634,585)	-
(Profit) / loss on sale of fixed assets	(136,219)	359,492
Interest income	(44,524,371)	(46,082,590)
Interest expense, net of capitalization	28,619,633	38,452,687
Share of (profit)/loss in associates	(152,827,150)	(151,023,669)
Operating profit before working capital changes	1,702,699,535	1,455,257,796
Movements in working capital :		
(Increase) / Decrease in trade debtors	33,967,851	(322,509,438)
(Increase) / Decrease in inventories	(29,466,535)	(26,657,996)
(Increase) / Decrease in loans and advances	(116,961,300)	(153,569,945)
(Increase) / Decrease in properties under development	(19,033,232)	(1,148,578,821)
(Increase) / Decrease in properties held for sale	111,687,620	(151,755,417)
Increase / (Decrease) in current liabilities and provisions	(854,413,492)	45,949,589
Cash (used in) / received from operations	828,480,447	(301,864,232)
Direct taxes paid	(273,147,321)	(126,151,849)
Net cash from / (used in) operating activities	555,333,126	(428,016,081)
B. Cash flows from investing activities		
Purchase of fixed assets	(10,485,826)	(23,253,558)
Loans to associates	(22,450,000)	(80,886,446)
Proceeds from sale of fixed assets	252,000	1,059,000
Loans repaid by associates	1,350,000	172,306,626
Properties held for development	508,074,503	(201,051,969)
Interest received	26,507,277	37,069,662
Net cash from /(used in) investing activities	503,247,954	(94,756,685)

Consolidated Cash Flow Statement (continued)

(Rs.)

	Year ended 31 March 2010	Year ended 31 March 2009
C. Cash flows from financing activities		
Proceeds from term loans	1,540,000,000	3,776,347,015
Repayment of term loans	(1,124,567,075)	(2,868,536,212)
Issue of debentures	-	550,000,000
Repayment of debentures	-	(250,000,000)
Repayment of commercial paper loan	-	(750,000,000)
Proceeds from /(repayments of) short-term borrowings	249,571,001	1,164,009,738
Loans from related parties	96,886,614	718,000,000
Loans repaid to related parties	(85,406,614)	(298,000,000)
Dividends paid including taxes	(130)	(499,298,127)
Interest paid	(1,220,853,293)	(1,101,524,689)
Net cash generated from / (used in) financing activities	(544,369,497)	440,997,725
Net increase/(decrease) in cash and cash equivalents (A + B + C)	514,211,583	(81,775,041)
Cash and cash equivalents at the beginning of the year	267,939,839	349,714,880
Cash and cash equivalents at the end of the year	782,151,422	267,939,839

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

For Walker, Chandio & Co
Chartered Accountants

per Aashish Arjun Singh
Partner

Bangalore
29 April 2010

For and on behalf of the Board of Directors

Ravi Puravankara
Chairman and
Managing Director

Bangalore
29 April 2010

Nani R. Choksey
Director

Ashish Puravankara
Director

Kiran Chappara
Company Secretary

Management Discussion and Analysis - Financial Conditions & Results of Operations

Income

Our total income comprises of income from operations, which are given under 'Revenues' below:

Revenues

Our revenues comprise of:

- income from projects;
- rental income;
- income from interiors

We derive revenues primarily from our residential projects. We also derive income from the lease of our commercial properties and our interior works division.

Income from projects

The income from our projects consists of income primarily from our residential projects. Over 99.47% of our total income is contributed by the residential business, with the balance 0.53% being contributed by the commercial business. We generate income from the sale of residential apartments and condominiums. A small portion of our income is also derived from transfer fees and flat cancellation charges. Our Income from projects represented 98.86% and 98.34% respectively, of our revenues in fiscal 2010 and fiscal 2009.

We account for income from projects using the "percentage of completion" method. Under this method, revenue is recognised on the basis of the percentage of the actual construction cost incurred thereon as against the total estimated cost of the project under execution. Estimates of saleable area and the related income as well as project costs are reviewed periodically. The effect of any changes to estimates is recognised in the financial statements for the period in which such changes are determined. Our project execution teams re-evaluate project costs periodically, particularly when in their opinion there have been significant changes in market conditions, costs of labour and materials and other contingencies. Material re-evaluations will affect our income in the relevant fiscal periods. Our estimates of the saleable area and the estimated total costs of projects are also subject to change depending on the nature of the approvals we receive for these projects and other economic considerations. The major source of our future sales revenue is our ongoing and forthcoming projects.

Rental income

We lease our commercial properties and derive rental income. Rental income represented 0.53% and 0.85% respectively in fiscal 2010 and 2009.

Revenue from interiors

We derive income from our interior works division, which is involved in designing, installing and maintaining the furniture, fixtures and other fittings in our property developments

Expenditure

Our expenditure includes:

- cost of revenues
- selling costs
- general and administrative expenses
- finance income / (charges)

Cost of Revenues

Our cost of revenues comprise of material and construction costs, salaries, wages and bonus, depreciation, land costs, other costs.

Construction Costs

Our construction costs primarily consists of material used in our construction, salaries, wages and bonuses, contribution to provident and other funds and staff welfare benefits. Our construction costs also include depreciation of building, plant and machinery and certain other items used in construction. Depreciation on fixed assets is provided on straight

Management Discussion and Analysis - Financial Conditions & Results of Operations (continued)

line method in the manner and rates prescribed in Schedule XIV to the Companies Act. For shuttering materials, which is treated as part of plant and machinery, the estimated useful life, based on technical evaluation has been determined as seven years and the value is depreciated accordingly.

Land Costs

Land costs consist of the cost of acquisition of land, and the cost of acquisition of development rights.

Other Costs

Our other costs consist of the expenses incurred in the equipment and machinery for the construction and design for our projects. This also include any expenses involved in equipment and machinery required for the interior works services and other services that we provide and which are not specifically allocated to a project.

Selling Costs

This relates to the cost of business promotion and the costs of advertisement and publicity for our projects. The selling costs consist of salary, wages and bonus of our employees involved in our sales and marketing function, costs in relation to advertising and sales promotion, sales incentives and commission, brokerage and referral charges, travel and communication expenses incurred in relation to the sales and marketing of our projects.

General and Administrative expenses

Our general and administrative expenses consist of employee costs comprising of salaries, wages, allowances and bonuses paid to employees, contribution to employees' provident funds and other staff welfare expenses and not recognised under either 'costs of revenues' or under 'selling costs' above. In addition, we also recognise rates and taxes, our expenditure under legal and professional charges, communication costs, printing and stationary, travelling and conveyance, security charges, remuneration for auditors, repairs and maintenance of our office premises and losses from our foreign exchange fluctuations. We also include provisions made for certain expenses and other miscellaneous expenses and depreciation charges not covered under 'cost of revenues' or 'selling costs' under this category.

Net Finance income/(charge)

This consists of the net of interest income from bank deposits, interest from loan to our associates, interest received from our customers and expenses incurred by us as interest charges payable by us on short term and long term loans including working capital loans, overdrafts, interest charges on loans for the purchase of certain equipments and vehicles and financial charges like processing fees for loans, bank guarantees, net of interest capitalised.

Share of Profit in Associates

This consists of our share of profit in associates, namely Keppel Puravankara Development Private Limited and Keppel Magus Development Private Limited.

Profit Before Tax

Our profit before tax represents the difference between our total income and total expenditure after adjusting for share of profit in associates.

Gross Profit

Our gross profit represents the difference between our revenues and our cost of revenues. Our management believes that gross profit provides a useful basis on which to compare our core operating performance from period to period. Although we incur expenses other than cost of revenues in the course of operating our business, we believe that cost of revenues provides the underlying trend in the efficiency of our operations and believe that providing the gross profit calculated using revenues and cost of revenues that management believes to be more closely related to the efficiency of our operations is helpful additional disclosure. The gross profit calculated on this basis is not intended to be, and should not be considered to be, a substitute for our profit before tax.

Taxation

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.

Provision for current taxes is made at current tax rates after taking into consideration the benefits admissible under the provisions of the Income Tax Act, 1961. The major benefit we take advantage of is under Section 80-IB of the Income Tax Act, 1961 as a majority of our residential projects meets the criteria including of size prescribed by the statute.

Deferred tax assets are recognised 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 realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits.

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

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 because of growing urbanisation of Indian population, expanding middle class, increased disposable income, easy availability of housing finance at cheaper rate and tax incentives;
- demand for office premises by the growing Indian market, including the IT industry, the retail industry and the manufacturing industry;

Factors affecting the real estate market in India still has a direct relation to the performance of the Company. The gross domestic product in India has not undergone any significant change when compared to the fiscal year 2009. There has been no substantial change in the other general economic data in comparison to the previous year. However, there is a significant improvement in the sentiments.

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 the mid income 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 which includes the amounts paid for freehold rights and cost of registration and stamp duty was Rs.985.81 million and Rs.281.57 million in fiscal 2010 and fiscal 2009 respectively. We acquire lands from government and 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, which primarily comprise of cost of steel, cost of cement, cost of wood, cost of flooring materials and cost of other accessories.

Cost of Steel: Steel is an important component in the construction of buildings and the cost of steel comprised 32.34% and 29% of our total cost of construction in fiscal 2010 and 2009 respectively. The price of steel is dependent on the international demand supply scenario. The market price of steel has decreased from Rs. 38,500 per metric ton on an average in fiscal 2009 to Rs. 30,000 per metric ton on an average in fiscal 2010.

Management Discussion and Analysis - Financial Conditions & Results of Operations (continued)

Cost of cement: Cement is an important component in the construction of buildings and the cost of cement comprised 13.50% and 12% of our total cost of construction during the fiscal 2010 and 2009 respectively. The price of cement varies across regions due to variations in the demand supply balance, the level of concentration and demand growth.

Cost of timber: Timber is an important component in the construction of buildings and the cost of timber comprised 3.47% and 1.11% of our total cost of construction in fiscal 2010 and 2009 respectively.

Cost of personnel or labour: The cost of personnel used in a specific project is assigned to the cost of construction and development and was 10.21% and 10.5% of our total cost of construction in fiscal year 2010 and 2009 respectively.

Availability of financing for customers: One of the major drivers behind the growth of demand for housing units is low interest rates on housing loans. The interest rate has reduced from the last decade. As a result, the amount of housing loans disbursed in India has been increasing consistently. However, if the rates of interest for housing loans are increased by the financial institutions, it may adversely affect our results of operations.

Taxation: The other primary factor which affects our financial conditions is the tax payable by us. Deferred taxes arise from timing differences between our book profits and our taxable profits that 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 considerations.

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 prescribed by Company's (Accounting Standards), Rules 2006 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 revenues and expenses.

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. However, this task is inexact because our management is making assumptions and providing estimates on matters that are inherently uncertain.

The preparation of financial statements in conformity with the generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

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

Revenues from Projects

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

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

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

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

Impact of the Proposed IFRS implementation;

Revenue recognition on sale of “off plan” multi unit real estate development will be impacted as a result of IFRIC 15. Real Estate companies can recognise revenues on the percentage completion method only when the agreement for construction meets the definition of a ‘construction contract’ under IAS 11 or if there is continuous transfer of control and significant risk and rewards of ownership as construction progresses. In all other cases, Revenues will have to be recognised on completion of construction and delivery.

The Company is required to follow as of now the IFRS method of financial reporting from the financial year 2011-12 and may face certain challenges with regards to revenue recognition in the initial years. However there is still no full clarity on the various aspects of IFRS, especially with regards to relevant amendments to Companies Act, acceptance by other statutory authorities, especially the Income tax, who recognise only the percentage completion method.

Rental income

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

(b) 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 recognised in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

(c) Inventories

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

Net realisable 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.

Management Discussion and Analysis - Financial Conditions & Results of Operations (continued)

Deferred tax assets are recognised 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 realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits.

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

Results of Operations

The following table summarises the consolidated results of operations of the Group FY10 with comparatives for FY09, in each case stated in absolute terms and as a percentage of revenue.

(Rs/million)

	Fiscal 2010		Fiscal 2009	
	Amount	% of Total Income	Amount	% of Total Income
Revenues	4,783.62	100.00%	4,449.04	100.00%
Cost of Revenues	2,748.13	57.45%	2,638.91	59.31%
Gross Profit	2,035.49	42.55%	1,810.13	40.69%
Selling expenses	170.51	3.56%	215.81	4.85%
General and administrative expenses	282.45	5.90%	282.82	6.36%
Operating Profit	1,582.53	33.08%	1,311.50	29.48%
Net finance income/(expense)	15.90	0.33%	7.63	0.17%
Share of profit in associate	152.83	3.19%	151.02	3.39%
Profit before tax	1,751.26	36.61%	1,470.15	33.04%
Provision for tax	298.08	6.23%	25.97	0.58%
Profit after tax	1,453.18	30.38%	1,444.18	32.46%

Our Company's consolidated net profit for the year ended 31 March 2010 is Rs.1,453.18 million compared to Rs.1,444.18 million in the last fiscal. Revenue at Rs.4,783.62 million for the year, an increase of 7.52% over the previous year. Net profit margins have remained more or less same in absolute terms. However the reduction in the percentage from 32.46 to 30.38 percent is mainly due to higher provision for tax. There are reductions in selling, general and administrative expenses compared with the previous year.

The area currently under development is 19.01 million sq. ft. with projects spread across Bangalore, Chennai, Kochi, and Kolkata. There are 13 on-going residential projects and 2 commercial projects currently under development. A range of residential and commercial projects are planned to be launched in the coming months in Coimbatore, Colombo, Cochin, Bangalore and Mysore.

The current land stands at 125.39 million square feet of developable area and 115.44 million square feet of saleable area.

Comparison of Fiscal 2010 and Fiscal 2009

Income

Our revenues increased by 7.52 % to Rs.4,783.62 million in fiscal 2010 from Rs.4,449.04 million in fiscal 2009, primarily due to income from our projects which increased to Rs. 4,729.12 million in fiscal 2010 from Rs.4,375.22 million in fiscal 2009, representing an increase of 8.09%. The increase in the income is also due to sale of land in Kochi - the revenue taken for this transaction is Rs.1,632.15 million.

In fiscal 2010, we were able to recognise income from sale of seven completed projects and ten from our ongoing projects.

Our rental income decreased to Rs.25.18 million in fiscal 2010 from Rs. 37.98 million in fiscal 2009.

Expenditure

Our total expenditure increased by 1.77.% to Rs.3,185.19 million in fiscal 2010 from Rs.3129.91 million in fiscal 2009, primarily due to an increase in our revenues resulting in a corresponding increase in cost.

Our cost of revenues increased by 4.14% to Rs.2,748.13 million in fiscal 2010 from Rs.2,638.91 million in fiscal 2009, primarily due to increase in depreciation and Kochi land sold during the year. Material and contract costs decreased to Rs.1,095.94 million in fiscal 2010 from Rs.1656.26 million in fiscal 2009. This decrease was due to lower recognition of cost of revenues from the various ongoing projects. Depreciation increased to Rs. 98.01 million in fiscal 2010 from Rs.42.55 million in fiscal 2009 mainly on account of accelerated depreciation taken on some of the Plant and Machineries including shuttering materials pertaining to Venezia and Highlands projects. As a percentage of total income, our cost of revenue decreased to 57.45% of total income in fiscal 2010 from 59.31% of total income in fiscal 2009. However land cost increased to Rs.985.81 million in fiscal 2010 from Rs. 281.57 million in fiscal 2009 mainly on account of the cost of Kochi land sold during the year.

Our selling cost decreased by 21% to Rs.170.51 million in fiscal 2010 from Rs.215.81 million in fiscal 2009, primarily due to a decrease in the costs relating to advertising & sales promotion and sales incentives.

Our general and administrative expenses decreased by 0.13% to Rs.282.45 million in fiscal 2010 from Rs.282.82 million in fiscal 2009. As a percentage of total income, our general and administrative expenses decreased to 5.90 % of total income in fiscal 2010 from 6.36% of total income in fiscal 2009. The increase in certain heads of expenses include increase in salaries, wages and bonuses to Rs.142.93 million in fiscal 2010 from Rs. 124.31 million in fiscal 2009, increase in legal and professional charges from Rs.16.68 million in fiscal 2009 to Rs.25.74 million in fiscal 2010 and increase in security charges from Rs.9.80. million in fiscal 2009 to Rs.13.12 million in fiscal 2010. However there are substantial reduction in Rates and Taxes from Rs. 45.65 million in fiscal 2009 to Rs. 33.16 million in fiscal 2010, decrease in printing and stationery from Rs. 10.09 million in fiscal 2009 to Rs.3.73 million in fiscal 2010, decrease in travelling expenses from Rs.19.37 million in 2009 to Rs 15.28 million in 2010 and decrease in Miscellaneous expenses from Rs.11.91 million in 2009 to Rs. 4.91 million.

Our net finance income was Rs.15.90 million in fiscal 2010 compared to a net finance income of Rs.7.63 million in fiscal 2009.

Share in profit of associate

Our net share in profit of associates was Rs.152.83 million representing 3.19% of total income.

Profit before tax

Our profit before tax increased by 19.12% to Rs.1751.26 million in fiscal 2010 from Rs.1470.15 million in fiscal 2009, due to an increase in our operating income. Our profit before tax as a percentage of total income increased to 36.61% in fiscal 2010 from 33.04% in fiscal 2009, primarily due to increase in our total income.

Gross Profit

Our gross profit increased by 12.45 % to Rs.2035.49 million in fiscal 2010 from Rs.1810.13 million in fiscal 2009. As a percentage of our total revenues, our gross profit increased to 42.55% in fiscal 2010 from 40.69% in fiscal 2009, primarily due to decrease in our revenues.

Provision for tax

Our provision for tax liabilities increased to Rs.298.08 million in fiscal 2010 from Rs.25.97 million in fiscal 2009, as a result of the profits booked on the sale of Kochi land. Our current tax liability has increased to Rs.312.19 million in fiscal 2010 from Rs.43.15 million in fiscal 2009 due to the profits booked on the sale of Kochi land. Our profit before tax in fiscal 2010 increased by 19.12% compared to fiscal 2009.

Net Profit After Tax

Our net profit after tax increased by 0.62% to Rs. 1,453.18 million in fiscal 2010 from Rs.1444.18 million in fiscal 2009. As a percentage of total income, the net profit decreased to 30.38% in fiscal 2010 from 32.46% in fiscal 2009.

Financial Indebtedness

Our total net debt was Rs. 8,028.51 million and Rs. 7,877.89 million as of 2010 and 2009 respectively. Our net debt equity ratio was 0.54 in fiscal 2010 compared to 0.58 in fiscal 2009.

Management Discussion and Analysis - Financial Conditions & Results of Operations (continued)

Liquidity and Capital Resources

Our primary liquidity requirements have been to finance our purchases of land, working capital requirements and for development of our projects. We have met these requirements from cash flows from operations, short-term and long-term borrowings.

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, and our ability to raise and service the required financing depends on, various factors such as interest rates, property prices and market conditions.

Net Worth

Our net worth, which is defined as the difference between (a) total assets and (b) total liabilities and provisions, was Rs. 14,852.33 million and Rs. 13,648.84 million, respectively for the fiscal years 2010 and 2009.

Net Cash Flows

As of March 31, 2010 and 2009 we had cash and cash equivalents of Rs.782.15 million and Rs.267.94 million, respectively. The table below summarizes our cash flows as restated for fiscal 2010 and 2009:

	(Rs/million)	
	Fiscal 2010	Fiscal 2009
Net cash used in operating activities	555.33	(428.02)
Net cash used in investing activities	503.25	(94.76)
Net cash from financing activities	(544.37)	441.00

Cash Flow from our Operating Activities

Our net cash used in operating activities in fiscal 2010 was 555.33 million, although our profit before taxes for such period was Rs.1,751.26 million. The difference was attributable to increase in inventories, loans and advances, properties under development. Also due to decrease in trade debtors, properties held for sale current liabilities and provisions. Our net cash used in operating activities in fiscal 2010 and 2009 was Rs. 555.33 and Rs.(428.02) respectively.

Cash Flow from Investing Activities

Our cash flow from investment activities represents net purchase of fixed assets (after adjustment for assets sold) comprising plant and equipment, shuttering materials used in our construction business and purchase of investments and interest received. Our cash flows from financing activities is positive during the current fiscal primarily due to sale of a property held for development. Our net cash from investing activities in fiscal 2010 and 2009 was 503.25 and (94.76) respectively.

Cash Flow from Financing Activities

Our cash flow from financing activities is determined primarily by the level of our borrowings, loans repaid to our related parties, the schedule of principal and interest payments on them. In fiscal 2010, our cash flow from financing activities was Rs. (544.37) million. In fiscal 2009, our cash flow from financing activities was Rs. 441.00 million.

Financial Condition

The financial leverage and gearing had been within control during the fiscal year 2009-10. The debt equity ratio had been maintained at a reasonable level between 0.54 to 0.58. The Group has met all the repayment of loan and interest to the financial institutions as per the schedule of the loan and disbursement arrangements.

Assets

Fixed Assets: The net book value of our total fixed assets was Rs.362.34 million, Rs.462.91 million as at March 31, 2010 and 2009, respectively. Our fixed assets comprise of buildings, plant and machinery, office equipments, furniture and fixture, computers, Shuttering Material and Vehicles.

Investments: Our investments consist mainly of equity shares in our subsidiary companies. In addition we also have investments in associate companies, in Keppel Puravankara Development Private Limited and Keppel Magus Development Private Limited. Our total investment in associate companies were Rs.1,191.07 in million and Rs.1,038.24 million as at March 31, 2010 and 2009, respectively.

Properties held for development : This consists of various lands which have been acquired for the purpose of development. Our properties held for development were Rs. 13,527.72 million and Rs. 13,924.35 million as at March 31 2010 and 2009 respectively.

Current Assets, Loans and Advances: The total current assets, loans and advances were Rs.12,658.28 million and Rs.11,050.69 million as at March 31, 2010 and 2009, respectively. Our current assets, loans and advances comprise of cash and cash equivalents, inventory, trade debtors, properties under development, properties held for sale, and loans and advances.

Cash and cash equivalents: Our cash and cash equivalents consist of cash on hand and cash held in current, deposit and foreign currency accounts with specified banks. The cash and cash equivalents were Rs.782.15 million and Rs.267.94 million as at March 31, 2010 and 2009 respectively.

Inventory: Our inventories consist primarily of raw materials for our construction projects. Our inventories were Rs.226.81 million and Rs.197.34 million as at March 31, 2010 and 2009, respectively.

Trade Debtors: The total amount payable by our trade debtors was Rs.1,112.00 million and Rs.1,146.15 million as at March 31, 2010 and 2009, respectively. Our trade debtors consist of unsecured debtors.

Properties under development: This consists of our projects currently under development. Our projects under development was Rs.6,801.81 million and Rs.5,699.75 million as at March 31, 2010 and 2009, 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 realisable value (equal to selling price less cost of selling), whichever is lower. Our properties held for sale was Rs.852.45 million and Rs.973.50 million as at March 31, 2010 and 2009, respectively.

Loans and Advances: Our total loans and advances were Rs.2,883.04 million and Rs.2,766.01 million as at March 31, 2010 and 2009, respectively. Our loans and advances also comprise of advances and loans made by us to suppliers, advances to Associates, advances for acquisition of land, advance for purchase of flats, advance for taxes, prepaid expenses and other advances.

Liabilities

Total Liabilities and Provisions: Our total liabilities and provisions were Rs.4,067.78 million and Rs.4,658.77 million as at March 31, 2010 and 2009 respectively. Our current liabilities include sundry creditors and deposits received from customers, dues to employees, dues to 'Related Parties', duties and taxes payable and security deposits received and other liabilities. The amount reserved as 'provisions' includes the provisions that we make for vacation pay.

Transactions with Associate Companies 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 31,2010, our balances involving transactions with related parties include Rs.174.07 million in loans and advances to associate companies. For details regarding our related party transactions, please see "Related Party Transactions".

Significant Developments after March 31, 2010 that may affect our future Results of Operations

In compliance with AS 4, to 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 their ability to pay their material liabilities within the next 12 months.

Implementation of IFRS reporting standard will impact the revenue recognition of the Company in the initial years as the revenues shall be skewed towards the period of completion of projects and delivery to the customers.

Directors' Profile

Ravi Puravankara, *Chairman and Managing Director*

Mr. Ravi Puravankara has been associated with the real estate sector since 1975 and has been involved in several real estate ventures. He is the promoter of the Puravankara Group. He was the president of the International Real Estate Federation (FIABCI), Indian Chapter, Paris. He is the driving force behind the Company's initiatives. He has over 35 years of experience in the field of real estate and development. Under his management and guidance we have documented processes in our constructions activities and introduced international quality standards.

Ashish Puravankara, *Whole-time Director*

Mr. Ashish Puravankara holds a Bachelors degree in Business Administration from Virginia Tech and a Master's Degree in Business Administration from Willamette University in Salem, Oregon. He has played a pivotal role in the growth of the Company. He has over 10 years of experience in the field of real estate. He has been responsible for the identification of opportunities for our Company and has also been instrumental in implementing best construction practices by the acquisition of new materials and focusing on technology as a means to achieve quality construction.

Nani R. Choksey, *Whole-time Director*

Mr. Nani R. Choksey has over 34 years of experience in the real estate development, construction and finance sectors. He has been associated with our Group since its inception. He is a founder Director and played a pivotal role in the growth of the Company. He has been actively involved in all projects of our Company.

Ravi Ramu, *Non-executive Director*

Mr. Ravi Ramu graduated with a Bachelors degree in Commerce from the Madras University. He is a member of the Institute of Chartered Accountants in England and Wales and a member of the Institute of Chartered Accountants, India. He has served as the Group Chief Financial Officer and Director of Strategic Initiatives of Mphasis BFL Limited and as the Senior Partner and Head of the Information, Communication and Entertainment practice at KPMG India. He has also worked with KPMG in Holland and has been associated with the Emirates Bank Group in Dubai, the UAE, in Financial Control and Planning. He has over 31 years of experience in the areas of finance, systems and procedures and currently oversees our finance and accounting function.

Anup Shah, *Independent Director*

Mr. Anup Shah graduated with a Bachelor's degree in commerce from H.R. College in Mumbai and a Bachelor's degree in law from Government Law College, Mumbai. He has over 29 years of experience in the legal field. He is a partner of AZB Law Firm. His areas of expertise include commercial and property due diligence, corporate and commercial litigation, property related issues, land laws, arbitration and alternative dispute resolution. He also answers readers' queries through "Legal Eagle", a weekly article in The Times of India, Bangalore.

RVS Rao, Independent Director

Mr. RVS Rao holds a Bachelors degree in Commerce from the Mysore University and a Bachelors degree in Law from the Bangalore University. He has completed Master Class for director conducted in association with World Council for Corporate Governance, London. He has over 38 years of experience in the fields of banking and finance. He has been a Director of HDFC Limited. As a USAID consultant, he was the team leader that reviewed operations and made recommendations for Housing Finance Company, Ghana. He was also the team leader of the consultancy team which advised the National Development Bank of Sri Lanka in establishing its mortgage finance business. He is an associate of Indian Institute of Bankers, Mumbai, a life member of All India Management Association, New Delhi, was an executive committee member of Bangalore Management Association and the Greater Mysore Chamber of Industry.

Pradeep Guha, Independent Director

Mr. Pradeep Guha holds a Bachelor's degree in Arts from Mumbai University and a Management Diploma from Asian Institute of Management, Manila. He has over 34 years of experience in the fields of media, advertising, marketing and branding. He has recently finished a very successful stint as the CEO of Zee Entertainment Enterprises Ltd. During his tenure, Zee has reclaimed its erstwhile position of prominence in the Indian television arena. He has been associated with the print medium for 29 years and was the President of The Times of India Group, as well as on its Board of Directors. He is the Vice-President and Area Director of International Advertising Association, Asia Pacific region. He is the official representative to the Asian Federation of Advertising Associations and is the current Chairman of the Federation. He is a past President of the Indian Newspaper Society, ex-Chairman of the National Readership Studies Council, past President of the Advertising Club Bombay and the first Chairman of the Broadcast Audience Research Council.

Directors' Report

Your Directors are pleased to present their report for the financial year ended 31 March 2010.

Financial Performance

For the year ended 31 March 2010 Puravankara Projects Limited recorded a net profit of Rs. 1,365,579,980 compared to previous year's net profit of Rs. 1,329,535,143. A sum of Rs. 61,883,477 is appropriated towards the Debenture Redemption Reserve and Rs. 102,500,000 to the General Reserve.

Dividend

The Board of Directors has recommended a dividend of Re. 1 per Equity share on 213,424,335 Equity shares of Rs. 5/- each for the financial year ended 31 March 2010, which if approved at the forth coming Annual General Meeting, will be paid to (i) all those Equity shareholders whose name appear in the register of members as on 25 June 2010 after considering all physical share certificates lodged for transfer, and (ii) those whose names appear as beneficial owners as per the information furnished by the NSDL and the CDSL as on 25 June 2010.

Directors

Mr. Pradeep Guha and Mr. RVS Rao, Directors of the Company, liable to retire by rotation in the ensuing Annual General Meeting and being eligible for re-appointment offer themselves for re-appointment as directors.

Directors' Responsibility Statement

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

- i. in preparation of the annual accounts the applicable accounting standards have been followed;
- ii. 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 2010 and of the profit of the Company for that period;
- iii. 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
- iv. the annual accounts of the Company have been prepared on a 'going concern' basis.

Auditors

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.

Subsidiaries

Your Company has received the approval from the Ministry of Corporate Affairs, Ministry of Finance, New Delhi, granting an exemption from attaching the Audited Balance Sheet, Profit and Loss Account, Auditors' Report and Directors' Report of the subsidiaries to the Annual Report of your Company, for the financial year 31 March 2010. Your Company has annexed to this report the information regarding each subsidiary pertaining to capital, reserves, total assets, total liabilities, details of investment, turnover and profit/loss.

Your Directors hereby inform you that the annual accounts and related information of the subsidiaries will be available for inspection at the Registered Office of the Company.

Personnel

As required under the provisions of Section 217(2A) of the Companies Act, 1956, readwith the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of the employees are set out in the Annexure to this report.

Energy, Technology Absorption and Foreign Exchange

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, readwith 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:

We firmly believe that technology is the genesis of innovative business practices, which in turn enable the organisation to carry out business effectively and efficiently. Even though the real estate development industry is labour intensive, we believe that there is an increasing need to mechanise the processes involved in order to minimise costs and increase efficiency. We have invested in a mechanised and technological construction capability in order to increase the scale of our operations and the quality of our products. We have also implemented an ERP package based on Oracle software to integrate our various operations. 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 efforts are made.

Foreign Exchange: Foreign exchange earned during the year is equivalent to Rs. 8,867,307 and the expenditure is equivalent to Rs. 12,745,056.

Corporate Governance

A separate section on Corporate Governance and a certificate from the statutory auditors of the Company regarding 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 1 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.

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, who 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

**Bangalore
29 April 2010**

**Ravi Puravankara
Chairman and Managing Director**

Annexure to the Directors' Report

Details of the subsidiaries for which an exemption is sought under Section 212 (8) of the Companies Act, 1956, for the financial year 2009-10

Subsidiary	Country of incorporation	Date of becoming subsidiary	Issued, paid-up capital	Reserves	Total assets	Total liabilities	Turnover	Profit / (Loss)
Purva Opel Properties Private Limited	India	10 Apr 07	100,000	(60,457)	99,910	60,367	-	(6,691)
Purva Ruby Properties Private Limited	India	10 Apr 07	100,000	(60,457)	99,910	60,367	-	(6,691)
Purva Star Properties Private Limited	India	13 Apr 07	100,000	(60,457)	99,910	60,367	-	(6,691)
Purva Good Earth Properties Private Limited	India	10 Apr 07	100,000	(60,491)	99,876	60,367	-	(6,691)
Purva Sapphire Land Private Limited	India	10 Apr 07	100,000	(60,483)	99,884	60,367	-	(6,719)
Puravankara Hotels Limited	India	28 Mar 08	500,000	(47,721)	504,910	52,631	-	(11,350)
Nile Developers Private Limited	India	22 Nov 07	1,000,000	70,638,576	200,471,758	128,833,182	-	(23,001)
Vaigai Developers Private Limited	India	22 Nov 07	1,000,000	50,737,958	155,267,384	103,529,426	-	(17,045)
Purva Realities Private Limited	India	10 May 06	100,000	(56,255)	358,643,253	358,599,508	-	(10,705)
Purva Marine Properties Private Limited	India	2 Feb 06	150,000	(117,790)	58,878	26,668	-	(16,545)
Centurions Housing and Constructions Private Limited	India	29 Jan 04	100,000	(989,791)	128,622,470	129,512,261	-	(17,300)
Melmont Construction Private Limited	India	10 Apr 04	100,000	(22,987,154)	1,184,414,414	1,207,301,568	1,800,000	(22,141,189)
Prudential Housing and Infrastructure Development Limited	India	29 Nov 02	500,000	(11,676,651)	434,370,317	445,546,968	-	(389,415)
Purva Land Limited	India	18 Jul 08	500,000	(73,946)	504,544	78,490	-	(31,698)
Provident Housing Limited	India	14 Nov 08	500,000	(50,687,549)	1,558,179,649	1,608,367,198	199,164,811	(31,245,368)
Starworth Infrastructure & Construction Limited	India	13 Aug 08	500,000	(8,543,592)	893,681	8,937,273	-	(8,487,431)
Purva Corporation+	British Virgin Islands	2 Jun 05	10,000	(7,840)	20,737	18,577	-	(1,036)
Purva Lanka Holding (Private) Limited++	Sri Lanka	1 Dec 06	130,000,000	(1,399,551)	164,252,648	35,652,199	-	(152,722)

Note :

All are wholly owned subsidiaries of Puravankara Projects Limited.

+ - Amount in USD

++ - Amount in Sri Lankan Rupees

Annexure to the Directors' Report

Statement pursuant to Section 217(2A) of the Companies Act, 1956 readwith the Companies (Particulars of Employees) Rules, 1975

Name	Designation	Qualification	Age (Years)	Joining Date	Experience (Years)	Total Gross Remuneration (Rs.)	Previous Employment
Persons employed throughout the 12 months period and who were in receipt of remuneration which in aggregate was not less than Rs. 24 lakhs for the year ended 31 March 2010							
Ravi Puravankara	Chairman and Managing Director	Civil Engineer	58	1986 - Promoter	35	17,952,000	-
Ashish Puravankara	Whole-time Director	BBA, MBA	31	14 July 2000	10	8,962,956	-
Nani R. Choksey	Whole-time Director	B.Com	59	1986 - Founder Director	34	8,160,615	-
Dr. Govind Sachdev	President - Construction	PHD Civil, M Tech	62	19 May 2008	40	13,077,780	Lanco Infratech Limited
Sasi Kumar R	Sr. Vice President - Technical	B.Sc. (Civil), C.E.	55	2 September 2000	31	6,003,092	Kap (India) Constructions
Koka Ramayya Naidu	Sr. Vice President - Purchase	B.Sc., B.E. (Mech)	59	16 October 2007	31	3,999,040	Reliance Industries Limited
Vishnu Moorthi H	Vice President - Properties, Risk and Control	B.Com, FCA	44	1 February 2007	23	4,200,000	Independent Consultant
Ranjit Thomas	Vice President - Operations	B.Sc. (Civil), C.E.	50	8 September 2004	26	3,516,102	Link India Group of Companies
Krishna Kumar S	Vice President - Operations	MBA	44	2 September, 2004	23	2,727,262	Integrated Property Management Services Limited
Nagananda H G	Sr. General Manager - Legal	BAL, LLB	41	15 February 2002	17	2,830,960	Sobha Developers Limited
Vijayendra Kumar P	Head - Human Resources & Administration	BA, MSW	48	14 November 2002	24	2,780,160	Questech India Limited
Ramesh Krishnaswamy	Finance Controller	B.Com, FCA, DISA	53	15 December 2008	26	2,530,699	DTDC Courier and Cargo Limited
Persons employed for a part of the financial year who were in receipt of remuneration at a rate which in aggregate was not less than Rs. 2 lakh per month							
Ravi Ramu	Whole-time Director	B.Com, ACA (England and Wales), ACA (India)	51	1 July 2006	31	15,993,234	Times Group
Naina Cariappa	Sr. Vice President - Marketing & Sales	MBA	37	7 February 2005	12	3,035,805	Quest Partners
Uwe Rudolf Poppe	Inspector - Quality Control	B.Tech (Civil)	48	1 February 2007	19	781,865	Sobha Developers Limited
Jackbastian Kaitan Nazareth	Chief Operating Officer	B.E (Civil), MBA	42	11 February 2010	20	1,267,566	Sobha Developers Limited
Ramesh Babu K N	Sr. Vice President - Technical	B.E. (Civil)	51	5 October 2009	28	2,534,278	Mantri Developers Pvt. Limited
Vinod Kumar	Vice President - Sales & Marketing	BA, PGDSM	43	15 February 2010	18	319,601	Rakindo Developers Pvt. Limited
Bhuvanendra K V	Vice President - Legal	BA, LLB	46	10 March 2010	20	251,204	Mantri Developers Pvt. Limited

Notes:

1. Mr. Ravi Ramu became a non-executive Director of the Company with effect from 1 March 2010.
2. Gross remuneration comprises of basic salary, allowances, taxable value of perquisites and the Company's contribution to provident fund as per the Income Tax Act, 1961 and the Rules made thereunder.
3. All appointments are contractual.
4. None of the employees are related to any Director of the Company except Ashish Puravankara, who is related to the Chairman and Managing Director of the Company.

Bangalore
29 April 2010

For Puravankara Projects Limited

Ravi Puravankara
Chairman and Managing Director

Report on Corporate Governance

Company's Philosophy on Code of Governance

The Company strives to attain a high level of accountability, transparency and fairness in its functioning and conduct of business with due emphasis on statutory compliances. The management acknowledges and appreciates its responsibility towards society at large.

Board of Directors

Your Board comprises of 7 directors. Details of the Directors:

Name	Designation	Relationship with other Directors	Total No. of Directorships	Committee Memberships	Chairmanship of Committees
Ravi Puravankara	Chairman & Managing Director	Father of Ashish Puravankara	9	1	-
Ashish Puravankara	Whole-time Director	Son of Ravi Puravankara	15	1	-
Nani R. Choksey	Whole-time Director	-	13	1	-
Ravi Ramu	*Non-executive Director	-	1	-	-
RVS Rao	Independent Director	-	3	4	2
Anup S Shah	Independent Director	-	2	2	1
Pradeep Guha	Independent Director	-	4	2	-

*Mr. Ravi Ramu became a non-executive Director of the Company with effect from 1 March 2010.

Directorships covered under Section 278 of the Companies Act, 1956, and memberships of the Audit Committee and Shareholders' Grievance Committee are considered.

Meetings of the Board of Directors

During the year 5 meetings of the Board of Directors were convened and held on 30 April 2009, 25 May 2009, 31 July 2009, 28 October 2009 and 29 January 2010. The meetings of the Board vis-a-vis attendance of the Directors are provided herein below:

Name	Board meetings held during tenure	Board meetings attended	Attendance at the last AGM
Ravi Puravankara	5	5	Not Present
Ashish Puravankara	5	5	Yes
Nani R. Choksey	5	5	Yes
Ravi Ramu	5	5	Yes
Anup S Shah	5	4	Not Present
RVS Rao	5	2	Not Present
Pradeep Guha	5	2	Not Present

Directors' Remuneration

Remuneration paid to the Board of Directors for the financial year 2009-10 has been provided herein below:

			(Rs.)
Name	Salary, Allowances & Perquisites	Contribution to Provident Fund	Total
Ravi Puravankara	16,800,000	1,152,000	17,952,000
Ashish Puravankara	8,953,596	9,360	8,962,956
Nani Choksey	8,078,595	82,020	81,60,615
Ravi Ramu*	15,465,234	528,000	15,993,234

* The remuneration paid to Mr. Ravi Ramu was upto 1 March 2010.

The Independent Directors are being paid a commission of Rs. 8,00,000 and have been paid Rs. 15,000 for attending each meeting of the Board of Directors and the Audit Committee for the financial year 2009-10. The Company paid a sum of Rs. 280,000 during the year for various professional services rendered by Anup S Shah Law Firm of which Mr. Anup S Shah was the proprietor, and Rs. 1,432,573 to AAMSTEL Law Associates of which Mr. Anup S Shah was the proprietor, and Rs. 3,466,559 to AZB and Partners of which Mr. Anup S Shah is a partner. The Whole-time Directors do not receive sitting fee and commission. All the Whole-time Directors have been appointed for a period of 5 years from the date of respective appointment.

Report on Corporate Governance (continued)

Shares / Stock Option held by the Directors

Details of the Directors' shareholding as on 31 March 2010 is provided herein below:

Name	Equity Shares	Percentage of Shareholding	Stock Options+
Ravi Puravankara	191,988,480	89.96%	N.A.
Ashish Puravankara	3,600	-	N.A.
Nani R. Choksey	1,920	-	*386,400
Ravi Ramu	Nil	N.A.	**579,600
RVS Rao	2,000	-	N.A.
Anup S Shah	Nil	N.A.	N.A.
Pradeep Guha	Nil	N.A.	N.A.

+ Stock options granted under 2006 Employee Stock Option Scheme of Puravankara Projects Limited.

* 50% vested on 31 December 2008 and lapsed on 31 December 2009. The balance vests on 31 December 2010.

** 50% vested on 30 June 2008 and lapsed on 30 June 2009. The balance vests on 30 June 2010.

Committees of the Board of Directors

The Company has the following committees of the Board

- i. Audit
- ii. Investors Grievance
- iii. Compensation
- iv. Management Sub-committee

Audit Committee

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 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 Mr. Anup S Shah, Mr. RVS Rao, Mr. Ravi Puravankara and Mr. Pradeep Guha as the members. Mr. Pradeep Guha became the member of the Committee with effect from 31 July 2009. Mr. Anup S Shah acts as the Chairman of the Committee. Mr. Kiran Chappar, Company Secretary, acts as the Secretary of the Committee.

During the year 4 meetings of the Committee were convened and held on 30 April 2009, 31 July 2009, 28 October 2009 and 29 January 2010. During the year the meetings of the Committee vis-à-vis the attendance of the members are provided herein below:

Name	Meetings held during tenure	Meetings attended
Anup S Shah	4	3
RVS Rao	4	2
Ravi Puravankara	4	4
Pradeep Guha	3	3

Investors Grievance Committee

Clause 49 of the Listing Agreement entered into with the Stock Exchanges makes it 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.

The Committee comprises of Mr. RVS Rao, Mr. Nani R. Choksey and Mr. Ashish Puravankara as the members. Mr. RVS Rao acts as the Chairman of the Committee. Mr. Kiran Chappar, Company Secretary, acts as the Compliance Officer. During the year the Committee met on 11 January 2010. During the year, the Company received and resolved two complaints from the shareholders.

Compensation Committee

The Board has constituted a Compensation Committee comprising of Mr. Ravi Puravankara, Mr. RVS Rao and Mr. Pradeep Guha. Mr. Ravi Puravankara acts as the Chairman of the Committee.

The Compensation Committee has been authorised on behalf of the Board to do all such acts and deeds as it may deem necessary or desirable with respect to the implementation and operation of 2006 Employee Stock Option Scheme of Puravankara Project Limited ("Puravankara ESOS") and to determine at its absolute discretion all the terms governing the Puravankara ESOS including any variation thereof in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 or as modified from time to time ("SEBI Guidelines"), including but not limited to the following:

- i. The options to be granted - the quantum, date of grant and the criteria and eligibility for the grant of options.
- ii. Fixing the exercise price.
- iii. Terms and conditions for vesting and exercise of options including the exercise of option on termination and resignation by eligible employee and the treatment of unvested options thereto.
- iv. Exercise period and conditions for lapse of vested options.
- v. Adjustments of options and exercise price in case of corporate actions including, rights issues, bonus issues, merger, etc.
- vi. Framing of all other relevant and appropriate procedures for the granting, vesting and exercising of options and ensuring compliance with all the relevant provisions of applicable laws, regulations and guidelines.
- vii. Such other acts and deeds as may be deemed necessary in connection with the administration of the Puravankara ESOS in accordance with the terms of reference, direction, guidance as may be provided by the Board of Directors from time to time and in accordance with the SEBI Guidelines.

There was no meeting of the Committee during the year.

Management Sub-committee

A 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. The Committee comprised of Mr. Ravi Puravankara, Mr. Ashish Puravankara, Mr. Nani R. Choksey and Mr. Ravi Ramu as the members. Mr. Ravi Ramu, subsequent to becoming a non-executive director of the Company, stepped down as a member of the Committee with effect from 1 March 2010. The members of the Committee placed on record their appreciation for the services rendered by Mr. Ravi Ramu.

Report on Corporate Governance (continued)

Postal Ballot

The members of the Company, pursuant to the provisions of Section 192A of the Companies Act, 1956, approved a special resolution on 18 June 2009 to amend Clause II of the Memorandum of Association of the Company for shifting the Registered Office from the State of Maharashtra to the State of Karnataka. As per the report submitted by Mr. Vijay Krishna K T, Practising Company Secretary, the Scrutiniser, 1,045 ballot forms representing 99.998% of the valid votes cast were in favour of the resolution and 43 ballot forms representing 0.002% of the valid votes cast were against the resolution.

Compliance

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) except that the composition of the Board was not in accordance with the provisions of Clause 49(IA) of the Listing Agreement by not having an independent director from 22 September 2009 to 31 March 2010 and a non-executive director from 22 September 2009 to 28 February 2010. The Chairman of the Audit Committee was not present in the Annual General Meeting held on 24 December 2009. The Company is taking necessary steps to make the composition of the Board in accordance with Clause 49(IA) of the said Agreement. The Chairman of the Annual General Meeting addressed the members' queries pertaining to the performance of the Company and corporate social responsibility. The SEBI, Stock Exchanges or any other statutory authority have not imposed any penalties or strictures relating to capital market transaction since listing of the equity shares. At present, the Company has not adopted the non-mandatory requirements of Clause 49 of the Listing Agreement.

Code of Conduct

The Board has laid down a Code of Conduct for the Board of Directors and the senior management of the Company. The said Code is also posted on the website of the Company. All the Board members and the senior management have affirmed compliance with the Code.

Declaration of Compliance with the Code of Conduct

I hereby confirm that all the Directors and the senior management team have affirmed compliance with the Company's Code of Conduct.

Bangalore
29 April 2010

Ravi Puravankara
Chairman and Managing Director

Details of the last 3 Annual General Meetings

Nature of Meeting	Date & Time	Venue	Special Resolution
Twenty Third Annual General Meeting	24 December 2009 at 11.00 a.m.	The Gateway Hotel Residency Road Bangalore - 560 025	None
Twenty Second Annual General Meeting	16 September 2008 at 2.30 p.m.	ITC Hotel Maratha Mumbai, Sahar Mumbai - 400 099	Payment of commission to the non-executive directors
Twenty First Annual General Meeting	2 July 2007 at 11.00 a.m.	No. 227, S.V. Road Bandra (West) Mumbai - 400 050	Limit of FII investments was increased upto 50% of the paid-up equity capital

Details of the Extraordinary General Meeting

Nature of Meeting	Date & Time	Venue	Special Resolution
Extraordinary General Meeting	22 June 2009 at 11.00 a.m.	The Gateway Hotel Residency Road Bangalore - 560 025	Authorising the Board of Directors of the Company to raise a sum of Rs. 750 crores by issuing equity shares or other convertible instruments

Means of Communication

The quarterly results of the Company are normally published in the Financial Express, Times of India (Kannada) and Udayavani and displayed on the Company's website, on www.puravankara.com. The Company's official news releases and investor corporate presentations are also displayed on this website.

Market Price Data and Performance

Month	Bombay Stock Exchange Limited (BSE) (Rs. per share)		National Stock Exchange of India Limited (NSE) (Rs. per share)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April 2009	76.85	40.80	75.60	40.50
May 2009	107.65	62.10	109.75	61.35
June 2009	123.35	74.65	121.85	75.10
July 2009	106.30	64.00	106.70	63.50
August 2009	136.50	82.05	136.30	75.30
September 2009	131.35	112.10	131.45	112.00
October 2009	129.70	88.05	129.70	88.10
November 2009	108.80	81.30	115.35	80.05
December 2009	98.90	88.00	98.50	84.40
January 2010	124.85	92.00	124.80	91.50
February 2010	106.00	91.10	106.00	78.35
March 2010	113.55	94.00	118.00	92.35

Distribution of Shareholding as on 31 March 2010

Category of shareholder	No. of shareholders	No. of shares	Percentage holding (%)
Promoter			
Mr. Ravi Puravankara	1	191,988,480	89.956
Relatives of Promoter	7	11,520	0.005
Institutions			
Foreign Institutional Investors	12	13,645,056	6.393
Insurance Companies	3	1,981,275	0.928
Mutual Funds	1	500,000	0.234
Non-institutions			
Individual Shareholders	32,115	3,876,953	1.817
Bodies Corporate	489	1,095,382	0.513
Clearing Members	239	325,669	0.153
Total	32,867	213,424,335	100

The promoter, Mr. Ravi Puravankara, directly holds all his shares in the Company. None of his shares are pledged or encumbered.

Dematerialisation of Shares and Liquidity

213,412,763 Equity shares representing 99.99% of the Issued and Paid-up capital of the Company is held in the dematerialised form.

Share Transfer System

11,572 Equity shares representing 0.01% of the Issued and Paid-up capital of the Company is held in the physical form. 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.

Report on Corporate Governance (continued)

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 Bangalore, Chennai, Hyderabad, Cochin, Kolkata, Coimbatore, Mysore and Mumbai. We have our branch offices at Bangalore, Chennai, Mumbai, Kochi and the UAE.

Address for Correspondence

Registered Office: Puravankara Projects Limited, No. 130 /1, Ulsoor Road, Bangalore - 560 042, India

Tel: +91-80-2559 9000, Fax: +91-80-2559 9350

Email: investors@puravankara.com, Website: www.puravankara.com

Registrar and Transfer Agents

Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078

Tel: +91-22- 2594 6970, Fax: +91-22- 2594 6969, Email: udaya.rao@linkintime.co.in

Auditors' certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To,

The Members of Puravankara Projects Limited

We have examined the compliance of conditions of Corporate Governance by Puravankara Projects Limited ("the Company") for the year ended 31 March 2010, as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of 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 explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement, except for the following:

1. The composition of the Board of Directors as regards independent directors not in accordance with the requirements of Clause 49 for the period from 22 September 2009 to 31 March 2010 representing the time period beyond that permitted by Clause 49 for the replacement of resigning independent directors;
2. The composition of the Board of Director as regards executive and non-executive directors not in accordance with the requirements of Clause 49 for the period from 22 September 2009 to 28 February 2010; and
3. The Chairman of the Audit Committee was not present at the Annual General Meeting held on 24 December 2009.

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, Chandio & Co

Chartered Accountants

Firm Registration No. 001076N

per **Aashish Arjun Singh**

Partner

Membership No. 210122

Bangalore

29 April 2010

General Shareholder Information

i.	Annual General Meeting Date, time and venue	Tuesday, 29 June 2010 at 10.30 a.m. at The Gateway Hotel Residency Road Bangalore - 560 025, India
ii.	Date of Book Closure	26 to 28, June 2010 (both days inclusive)
iii.	Dividend Payment Date	On or after 29 June 2010
iv.	Financial Calendar (tentative) Results for the quarter ending:	
	i. June 2010	a. Last week of July 2010
	ii. September 2010	b. Last week of October 2010
	iii. December 2010	c. Last week of January 2011
	iv. March 2011	d. Last week of April 2011
	Annual General Meeting	July 2011
v.	Listing on the Stock Exchanges	a. Bombay Stock Exchange Limited (BSE) Floor No. 25, P J Towers Dalal Street Mumbai - 400 001
		b. National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex Bandra (E) Mumbai - 400 051
vi.	Stock Code	a. NSE - PURVA b. BSE - 532891
vii.	ISIN of the Company	Equity shares - INE323I01011
viii.	Secured, Non-convertible and Redeemable Debentures	Issued on private placement to ICICI Prudential Mutual Fund on 10 September 2008 and redeemable on 30 November 2010.

Auditors' Report on the Financial Statements (Parent Company)

To,

The Members of Puravankara Projects Limited

1. We have audited the attached Balance Sheet of Puravankara Projects Limited, (the 'Company') as at 31 March 2010, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto (collectively referred as the 'financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (the 'Order') (as amended), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to above, 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 purposes 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. On the basis of written representations received from the directors, as on 31 March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - e. In our opinion and to the best of our information and according to the explanations given to us, the financial statements dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act and the Rules framed there under and 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, in the case of:
 - i) the Balance Sheet, of the state of affairs of the Company as at 31 March 2010;
 - ii) the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) the Cash Flow Statement, of the cash flows for the year ended on that date.

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

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

Bangalore
29 April 2010

Annexure to the Auditors' Report

Annexure to the Auditors' Report of even date to the members of Puravankara Projects Limited, on the financial statements for the year ended 31 March 2010.

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. In our opinion, this periodicity of physical verification 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 inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (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 were noticed on physical verification.
- (iii) (a) There are nine wholly-owned subsidiary companies and two associate companies covered in the register maintained under Section 301 of the Act to which the Company has granted unsecured loans. The maximum amount outstanding during the year was Rs.1,795,912,369 and the year-end balance was Rs.1,795,734,944.
- (b) In our opinion, the rate of interest and the interest free nature where applicable and other terms and conditions of such loans are not, *prima facie*, prejudicial to the interest of the Company.
- (c) The principal amounts, are repayable on demand and there is no repayment schedule, the payment of interest, where applicable, has been regular.
- (d) In respect of the said loans, the same are repayable on demand and there are no overdue amounts.
- (e) The Company had taken interest free loans from three parties covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year was Rs.537,590,962 and the year-end balance was Rs.452,504,816.
- (f) In our opinion, the interest free nature and other terms and conditions for such loans are not, *prima facie*, prejudicial to the interest of the Company.
- (g) The principal amounts, are repayable on demand and there is no repayment schedule.
- (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.
- (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 specialised 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 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) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act, in respect of the services rendered by the Company. Accordingly, the provisions of clause 4(viii) of the Order are not applicable.

Annexure to the Auditors' Report (continued)

- (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. 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 (Rs)	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)	17,100,000	2001 to 2006	Customs, Excise and Service Tax Appellate Tribunal
The Kerala Value Added Tax Act, 2003	Value Added Tax (including interest)	619,292	2005-06	The Deputy Commissioner (Appeals)

- (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 a financial institution or debenture holders during the year. In respect of dues to banks, a lender has re-scheduled repayments amounting to Rs.257,500,000 that were due from the Company. The said approval for re-scheduling the repayment was obtained from the lender before the year-end.
- (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, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable.
- (xvi) In our opinion, the Company has applied the term loans for the purpose for which the loans were obtained.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment.
- (xviii) 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 a security in respect of debentures outstanding during the year.
- (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 **Aashish Arjun Singh**
Partner
 Membership No. 210122

Bangalore
29 April 2010

Balance Sheet (Parent Company)

(Rs.)

	Note	31 March 2010	31 March 2009
Sources of Funds			
Shareholders' Funds			
Share capital	2	1,067,121,675	1,067,121,675
Reserves and surplus	3	13,166,711,395	12,050,827,216
		14,233,833,070	13,117,948,891
Loan Funds			
Secured loans	4	7,669,229,241	7,154,675,146
Unsecured loans	5	85,000,000	40,000,000
		7,754,229,241	7,194,675,146
Deferred Tax Liability	6	8,649,584	22,757,344
		21,996,711,895	20,335,381,381
Application of Funds			
Fixed Assets	7		
Cost		635,583,117	627,797,946
Less: Accumulated depreciation/amortization		279,046,696	168,953,091
Net book value		356,536,421	458,844,855
Investments	8	527,445,867	527,445,867
Properties Held for Development	9	11,536,776,079	12,058,336,201
Current Assets, Loans and Advances			
Cash and cash equivalents	10	468,233,802	250,902,582
Inventories		226,811,381	197,344,846
Trade debtors	11	994,077,233	1,146,147,509
Properties under development	12	6,070,106,723	5,501,572,806
Properties held for sale	13	852,453,104	973,503,851
Loans and advances	14	4,333,966,773	3,741,585,977
		12,945,649,016	11,811,057,571
Less: Current Liabilities and Provisions			
Current liabilities	15	3,091,146,456	4,506,223,211
Provisions	16	278,549,032	14,079,902
		3,369,695,488	4,520,303,113
Net Current Assets		9,575,953,528	7,290,754,458
		21,996,711,895	20,335,381,381

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, Chandio & Co Chartered Accountants **For and on behalf of the Board of Directors**

per **Aashish Arjun Singh**
Partner

Ravi Puravankara
Chairman and
Managing Director

Nani R. Choksey
Director

Ashish Puravankara
Director

Kiran Chappar
Company Secretary

Bangalore
29 April 2010

Bangalore
29 April 2010

Profit and Loss Account (Parent Company)

(Rs.)

	Note	Year ended 31 March 2010	Year ended 31 March 2009
Revenues	17	5,038,177,351	4,449,041,934
Cost of revenues	18	3,071,546,179	2,638,906,886
Gross Profit		1,966,631,172	1,810,135,048
Selling expenses	19	73,224,056	201,536,041
General and administrative expenses	20	245,936,273	260,829,100
Operating Profit		1,647,470,843	1,347,769,907
Net finance income/(charges)	21	16,188,412	7,739,546
Profit before tax		1,663,659,255	1,355,509,453
Tax expense	22	298,079,275	25,974,310
Profit after tax		1,365,579,980	1,329,535,143
Earnings per share : Basic and diluted	23	6.40	6.23
Significant accounting policies	1		

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

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

For Walker, Chandio & Co Chartered Accountants

For and on behalf of the Board of Directors

per Aashish Arjun Singh
Partner

Ravi Puravankara
Chairman and
Managing Director

Nani R. Choksey
Director

Ashish Puravankara
Director

Kiran Chappar
Company Secretary

Bangalore
29 April 2010

Bangalore
29 April 2010

Notes to the Financial Statements (Parent Company)

1. Significant Accounting Policies

a. Basis of preparation

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

b. Use of estimates

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

c. Revenue recognition

Revenues from projects

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

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

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

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

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

Rental income

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

d. Properties held for sale

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

Notes to the Financial Statements (Parent Company) (continued)

e. 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.

f. Fixed assets

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

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

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

g. Depreciation

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

h. Advertisement and Promotional expenses

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

i. 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 recognised in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

j. Cash and cash equivalents

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

k. Inventory

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

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

l. Foreign currency transactions

(a) Initial Recognition

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

(b) Conversion

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

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

m. 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 capitalised 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 capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalised 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 recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

n. Employee benefits

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

Provident fund

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

Gratuity

Gratuity is a post employment benefit and is a defined benefit plan. The liability recognised 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 unrecognised actuarial gains or losses and past service costs. Independent actuaries using the projected unit credit method calculate the defined benefit obligation annually.

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

Notes to the Financial Statements (Parent Company) (continued)

Vacation pay

Liability in respect of vacation pay becoming due or expected to be availed within one year from the balance sheet date is recognised 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 recognised on the basis of amount paid or payable for the period during which the employees render services.

o. Stock based compensation

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

p. Taxes on income

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

Deferred tax assets are recognised 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 realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits.

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

q. Earnings per share

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

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

r. 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.

s. Investments

Long term investments are stated at cost less provision for permanent diminution in value, if any.

(Rs.)

		31 March 2010	31 March 2009
2. Share Capital			
Authorised			
320,000,000 Equity shares of Rs 5 each (31 March 2009- 240,000,000 equity shares of Rs. 5 each)		1,600,000,000	1,200,000,000
Issued, subscribed and paid up			
213,424,335 (31 March 2009- 213,424,335) Equity shares of Rs.5 each fully paid-up		1,067,121,675	1,067,121,675
		1,067,121,675	1,067,121,675
(Of the above, 176,000,000 (31 March 2009 - 176,000,000) equity shares are allotted as fully paid-up by way of bonus shares from share premium account/Profit and Loss account)			
3. Reserves and Surplus			
Share Premium			
Balance at the beginning of the year		7,988,811,915	7,911,162,184
Less: Expenses relating to issue of shares		-	(77,649,731)
Balance at the end of the year		7,988,811,915	7,988,811,915
General Reserve			
Balance at the beginning of the year		298,000,000	298,000,000
Add: Transfer from Profit and Loss Account		102,500,000	-
Balance at the end of the year		400,500,000	298,000,000
Debenture Redemption Reserve			
Balance at the beginning of the year		34,417,386	-
Add: Transfer from Profit and Loss Account		61,883,477	34,417,386
Balance at the end of the year		96,300,863	34,417,386
Profit and Loss Account			
Balance at the beginning of the year		3,729,597,915	2,434,480,158
Add: Net profit for the year		1,365,579,980	1,329,535,143
Less: Transfer to Debenture Redemption Reserve		61,883,477	34,417,386
Less: Proposed Dividend		213,424,335	-
Less: Tax on distribution of dividend		36,271,466	-
Less: Transfer to General Reserve		102,500,000	-
Balance at the end of the year		4,681,098,617	3,729,597,915
		13,166,711,395	12,050,827,216
4. Secured Loans			
Term loans from banks	(a)	960,000,000	1,921,937,343
Term loan from financial institution	(b)	1,857,142,850	2,000,000,000
Term loan from others	(c)	1,250,000,000	1,130,000,000
Debentures	(d)	550,000,000	550,000,000
Cash credit & other loans from banks	(e)	3,052,086,391	1,552,737,803
		7,669,229,241	7,154,675,146

Notes to the Financial Statements (Parent Company) (continued)

(a) Term loans from banks

- i. On 8 September 2008, the Company entered into a term loan agreement with HSBC for Rs.1,100 million, out of which Rs.350 million has been drawn as of 30 June 2009. This facility is secured by mortgage of the properties purchased at Mallasandra Village, Bangalore and receivables of the related project to be developed at the said property and the personal guarantee of Mr. Ravi Puravankara, the Chairman and Managing Director of the Company. The loan was originally repayable in 5 quarterly installments from July 2009 until July 2010. However, the repayment has been restructured in June 2009 such that the installment due in July 2009 and pending installments from August 2009 as per the schedule will be migrated to overdraft. The outstanding as on 31 March 2010 was Rs.140 million.
- ii. On 3 June 2008, the Company entered into an agreement with ICICI Bank for a term loan facility up to a maximum of Rs.1,250 million. This facility is secured by mortgage of the properties together with all buildings and structures thereon, both present and future, scheduled receivables of Purva Venezia and Purva Highlands, lands at Uganavadi village and Kaikondanahalli village and is also backed by the personal guarantee of Mr. Ravi Puravankara, the Chairman and Managing Director, Mr. Nani R. Choksey and Mr. Ashish Puravankara, Directors of the Company. The loan is repayable in 12 monthly installments starting from 15 March 2011. The outstanding as on 31 March 2010 was Rs. 820 million.

(b) Term loan from financial institution

On 4 December 2008, the Company entered into an agreement with Life Insurance Corporation of India for a loan of Rs.2,000 million. This facility is secured by mortgage of land at Marine Drive, Kochi, the receivables and is also backed by the personal guarantee of Mr. Ravi Puravankara, the Chairman and Managing Director of the Company. The loan is repayable in 14 equal quarterly installments commencing from January 2010. The outstanding as on 31 March 2010 was Rs. 1,857.14 million.

(c) Term loan from others

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

(d) Debentures

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

(e) Cash credit & other loans from banks

- i. On 19 August 2004, the Company entered into an agreement with Andhra Bank for a cash credit facility of Rs.150 million which was further enhanced to Rs.200 million in the month of October 2008 and Rs. 500 million in the month of March 2010. This facility is secured against the properties of the Company. The outstanding as on 31 March 2010 was Rs. 490.16 million.
- ii. On 20 June 2008, the Company entered into an agreement with IDBI Bank for a working capital facility of Rs.1,000 million which is secured against the properties of the Company and personal guarantee of Mr.Ravi Puravankara, the Chairman and Managing Director of the Company. The outstanding as on 31 March 2010 was Rs. 983.41 million.
- iii. On 20 November 2008, the Company has availed a Secured Overdraft facility from Andhra Bank for Rs 800 million which is secured against the land together with the buildings and structure thereon at Geddalahalli, Bangalore and is also backed by the personal guarantee of

Mr. Ravi Puravankara, the Chairman and Managing Director, Mr. Nani R Choksey and Mr. Ashish Puravankara, Directors of the Company. The outstanding as on 31 March 2010 was Rs. 535.04 million.

- iv. On 5 August 2006, the Company entered into a term loan agreement with Standard Chartered Bank for Rs. 1,000 million towards construction and development of its projects and for existing debt repayment, repayable in 24 monthly installments from the 15th month of the date of first drawdown (date of the first drawdown : 16 November 2006). This facility is secured by mortgage of the land and building of certain specified projects and their project receipts and is also backed by the personal guarantee of Mr. Ravi Puravankara, the Chairman and Managing Director of the Company. Additional facility of Rs.200 million was availed on 5 April 2007 against the same security as above, repayable in 24 monthly installments starting from 16 February 2008. In June 2009 this term loan has been rescheduled such that the monthly installments due of Rs.50 million for next 8 months were migrated to overdraft as and when the installment fell due. The resultant overdraft balance of Rs.400 million shall be repayable in 12 monthly installments of Rs.33.33 million starting from 16 May 2010. As a result, from June 2009 to March 2010 an amount of Rs. 400 million has been migrated from term loan to overdraft. The outstanding as on 31 March 2010 on this overdraft account was Rs. 356.85 million.
- v. On 8 January 2008, the Company entered into a term loan agreement with HSBC for Rs.1,350 million which was originally payable in quarterly installments from October 2008 till October 2009 and Rs. 350 million was payable in quarterly installments, from January 2009 till October 2009. However, this loan was restructured in June 2009 such that the instalments due as of 29 June 2009 and also remaining amounts were migrated into overdraft on the due dates of the instalments as per the earlier repayment schedule. The resultant overdraft is repayable in 13 monthly instalments after a moratorium of 14 months. From June 2009 to December 2009 an amount of Rs.832.5 million has been migrated from term loan to overdraft which is secured by mortgage of the land and building of Purva Swanlake project and receivables of Purva Swanlake and Purva Moneto. The outstanding as on 31 March 2010 on this overdraft account was Rs. 683.69 million.
- vi. Other loans represent loans taken for purchase of vehicles. These loans are secured by a charge against respective vehicles. The outstanding as on 31 March 2010 was Rs. 2.94 million.

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

	(Rs.)	
	31 March 2010	31 March 2009
Term loans	1,225,051,301	2,706,194,491
Debentures	550,000,000	-
Overdrafts and Other loans	754,646,695	7,722,408
	2,529,697,996	2,713,916,899

5. Unsecured Loans

Short term loan from Bank	85,000,000	40,000,000
	85,000,000	40,000,000

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

6. Deferred Tax Liability

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

Notes to the Financial Statements (Parent Company) (continued)

7. Fixed Assets

(Rs.)

Category of assets	Cost				Accumulated Depreciation/Amortization				Net Book Value	
	Opening Balance	Additions during the year	Deletions during the year	Closing Balance	Opening Balance	Charge for the year	Deletions during the year	Closing Balance	As at 31 March 2010	As at 31 March 2009
Tangible Assets										
Buildings	37,074,680	-	-	37,074,680	1,622,550	604,317	-	2,226,867	34,847,813	35,452,130
Plant & Machinery	265,428,730	1,706,670	-	267,135,400	39,694,590	32,338,286	-	72,032,876	195,102,524	225,734,140
Office Equipment	12,568,060	473,073	-	13,041,133	2,710,431	652,167	-	3,362,598	9,678,535	9,857,629
Computers	21,081,795	1,781,197	-	22,862,992	9,772,316	3,266,803	-	13,039,119	9,823,873	11,309,479
Furniture & Fixtures	9,972,306	89,607	-	10,061,913	4,264,120	589,763	-	4,853,883	5,208,030	5,708,186
Vehicles	63,392,068	4,307,886	586,782	67,113,172	21,743,368	6,342,069	471,001	27,614,436	39,498,736	41,648,700
Shuttering Material	198,115,907	-	-	198,115,907	82,235,446	63,768,667	-	146,004,113	52,111,794	115,880,461
Intangible Assets										
Computer Software	20,164,400	13,520	-	20,177,920	6,910,270	3,002,534	-	9,912,804	10,265,116	13,254,130
Total	627,797,946	8,371,953	586,782	635,583,117	168,953,091	110,564,606	471,001	279,046,696	356,536,421	458,844,855
Last year	611,312,180	18,915,240	2,429,474	627,797,946	114,606,379	55,357,695	1,010,983	168,953,091	458,844,855	

(Rs.)

	31 March 2010	31 March 2009
8. Investment		
Investment in Subsidiaries:		
(Long term, trade, unquoted and fully paid up)		
Prudential Housing and Infrastructure Development Limited (50,000 Equity Shares (31 Mar 2009 - 50,000) of Rs.10 each)	500,000	500,000
Centurions Housing and Constructions Private Limited (10,000 Equity Shares (31 Mar 2009 - 10,000) of Rs.10 each)	25,000	25,000
Melmont Construction Private Limited (10,000 Equity Shares (31 Mar 2009 - 10,000) of Rs.10 each)	100,000	100,000
Purva Corporation (10,000 Equity Shares (31 Mar 2009 - 10,000) of USD 1 each)	450,000	450,000
Purva Marine Properties Private Limited (15,000 Equity Shares (31 Mar 2009 - 15,000) of Rs.10 each)	150,000	150,000
Purva Realities Private Limited (10,000 Equity Shares (31 Mar 2009 - 10,000) of Rs.10 each)	100,000	100,000
Puravankara Lanka Holding Private Limited (12,999,999 Equity Shares (31 Mar 2009 -12,999,999) of LKR 10 each)	54,166,667	54,166,667
Nile Developers Private Limited (100,000 Equity Shares (31 Mar 2009-100,000) of Rs.10 each)	3,424,000	3,424,000
Vaigai Developers Private Limited (100,000 Equity Shares (31 Mar 2009 - 100,000) of Rs.10 each)	994,200	994,200
Purva Good Earth Properties Private Limited (10,000 Equity Shares (31 Mar 2009 - 10,000) of Rs.10 each)	100,000	100,000
Purva Star Properties Private Limited (10,000 Equity Shares (31 Mar 2009 - 10,000) of Rs.10 each)	100,000	100,000
Purva Sapphire Land Private Limited (10,000 Equity Shares (31 Mar 2009 - 10,000) of Rs.10 each)	100,000	100,000
Purva Ruby Properties Private Limited (10,000 Equity Shares (31 Mar 2009 - 10,000) of Rs.10 each)	100,000	100,000
Purva Opel Properties Private Limited (10,000 Equity Shares (31 Mar 2009 - 10,000) of Rs.10 each)	100,000	100,000
Puravankara Hotels Limited (50,000 Equity Shares (31 Mar 2009 - 50,000) of Rs.10 each)	500,000	500,000
Starworth Infrastructure & Construction Limited (50,000 Equity Shares (31 Mar 2009 - 50,000) of Rs.10 each)	500,000	500,000
Provident Housing Limited (50,000 Equity Shares (31 Mar 2009 - 50,000) of Rs.10 each)	500,000	500,000
Purva Land Limited (50,000 Equity Shares (31 Mar 2009 - 50,000) of Rs.10 each)	500,000	500,000

Notes to the Financial Statements (Parent Company) (continued)

(Rs.)

	31 March 2010	31 March 2009
Investment in Associates:		
(Long term, trade, unquoted and fully paid up)		
<i>Propmart Technologies Limited</i>	23,350,000	23,350,000
(2,335,000 Equity Shares (31 Mar 2009 - 2,335,000) of Rs.10 each)		
<i>Keppel Puravankara Development Private Limited - Equity Shares</i>	44,100,000	44,100,000
(4,410,000 Equity Shares (31 Mar 2009 - 4,410,000) of Rs.10 each at par)		
<i>Keppel Puravankara Development Private Limited - Preference Shares</i>	176,400,000	176,400,000
(17,640,000 13.25% cumulative, redeemable, convertible Preference Shares (31 Mar 2009 - 17,640,000) of Rs.10 each at par)		
<i>Keppel Magus Development Private Limited</i>	221,186,000	221,186,000
(362,600 Equity shares (31 Mar 2009 - 362,600) of Rs.610 each, fully paid)		
	527,445,867	527,445,867
9. Properties Held for Development		
At the beginning of the year	12,058,336,201	11,224,282,825
Add : Additions during the year	170,109,700	1,672,061,815
Less: Deletions during the year	691,669,822	-
Less: Transferred to Properties Under Development	-	838,008,439
	11,536,776,079	12,058,336,201
10. Cash and Cash Equivalents		
Cash in hand	3,545,876	1,890,239
Balance with Scheduled banks:		
In current accounts	304,510,211	113,303,419
In deposit account	156,278,212	134,441,839
Balance with non-scheduled banks:		
In current account: HSBC, Dubai	428,973	1,245,365
(Maximum amount outstanding during the year Rs.1,245,365 (31 March 2009 Rs. 2,414,120))		
In current account: Hatton National Bank PLC, Sri Lanka	3,470,530	21,720
(Maximum amount outstanding during the year Rs.6,120,788 (31 March 2009 Rs.5,368,750))		
	468,233,802	250,902,582
11. Trade Debtors		
(Unsecured and considered good)		
Debts outstanding over six months	582,760,428	642,394,812
Debts outstanding less than six months	411,316,805	503,752,697
	994,077,233	1,146,147,509

(Rs.)

	31 March 2010	31 March 2009
12. Properties Under Development		
Land cost	2,473,247,581	2,733,097,953
Material and construction cost	8,031,224,104	6,172,413,129
Profit recognised to-date	2,991,819,913	2,182,399,000
Less: Progress payments received and receivable	7,426,184,875	5,586,337,276
	6,070,106,723	5,501,572,806
13. Properties Held for Sale		
At the beginning of the year	973,503,851	909,508,192
Add : Additions during the year	157,213,723	372,910,952
Less: Sales during the year	268,901,343	221,155,536
Less: Write downs during the year	31,997,712	87,759,757
Add: Write backs during the year	22,634,585	-
	852,453,104	973,503,851
14. Loans and Advances		
(Unsecured and considered good)		
Advances to suppliers *	169,541,222	253,871,431
Advances for land contracts *	902,600,027	899,653,845
Deposits	514,339,334	506,151,021
Loans to associates *	174,067,759	144,018,352
Loans to subsidiaries *	1,976,327,231	1,194,089,169
Advance tax (net of provision)	55,249,493	91,553,677
Taxes and duties recoverable	385,349,850	443,030,667
Prepaid expenses *	1,407,741	974,784
Other advances *	155,084,116	208,243,031
	4,333,966,773	3,741,585,977
* Advances recoverable in cash or kind or for value to be received.		
15. Current Liabilities		
Trade creditors		
- Total outstanding dues to micro enterprises and small enterprises	4,041,927	6,582,390
- Total outstanding dues to creditors other than micro enterprises and small enterprises	508,231,144	1,032,743,429
Advances received from customers	1,929,024,634	2,827,024,124
Duties and taxes payable	3,832,602	15,945,599
Security deposits	30,796,146	35,352,566
Dues to related parties	457,690,877	451,760,880
Other liabilities	157,435,782	136,720,749
Unpaid dividend	93,344	93,474
	3,091,146,456	4,506,223,211
Dues to micro enterprises and small enterprises has been disclosed based on information available with the Company.		
16. Provisions		
Provision for gratuity	13,862,773	-
Provision for vacation pay	14,990,458	14,079,902
Proposed dividend	213,424,335	-
Tax on proposed dividend	36,271,466	-
	278,549,032	14,079,902

Notes to the Financial Statements (Parent Company) (continued)

(Rs.)

	Year ended 31 March 2010	Year ended 31 March 2009
17. Revenues		
Revenue from projects	4,983,125,226	4,375,219,531
Rental income	25,729,413	37,980,286
Income from interiors	29,322,712	35,842,117
	5,038,177,351	4,449,041,934
18. Cost of Revenues		
Construction cost		
Material and contract costs	974,363,931	1,652,572,673
Electricity, fuel and water	11,300,754	21,667,305
Salaries, wages and bonus	132,692,883	196,479,333
Contribution to provident fund	3,832,084	6,986,140
Staff welfare	942,744	9,902,384
Insurance	1,972,224	1,714,647
Depreciation	98,009,575	42,547,720
Other direct costs	422,084,577	425,464,840
	1,645,198,772	2,357,335,042
Land cost	1,426,347,407	281,571,844
	3,071,546,179	2,638,906,886
19. Selling Expenses		
Salaries, wages and bonus	30,157,211	36,031,942
Contribution to provident fund	718,008	870,085
Staff welfare	223,622	937,712
Advertising and sales promotion	25,113,072	146,798,259
Sales incentives and commission	3,875,511	4,633,513
Brokerage and referral charges	6,368,681	4,715,819
Travel and conveyance	3,439,622	3,770,316
Communication	1,912,473	2,196,929
Depreciation	1,415,856	1,581,466
	73,224,056	201,536,041
20. General and Administrative Expenses		
Salaries, wages and bonus	111,418,448	89,376,461
Contribution to provident fund	2,736,264	2,944,658
Staff welfare	1,010,238	19,519,602
Depreciation	11,139,175	11,228,509
Rates and taxes	30,081,929	42,556,363
Repairs and maintenance - others	15,754,990	15,994,532
Legal and professional charges	24,574,477	14,012,819
Audit fees	2,400,000	2,674,160
Communication costs	7,649,893	8,787,717
Printing and stationery	2,948,381	10,003,100
Electricity, fuel and water	4,070,397	4,633,533
Insurance	974,999	944,776
Travelling and conveyance	13,758,488	18,890,318
Security charges	12,401,288	9,767,318
Foreign exchange loss/ (gain)	317,239	(179,945)
Miscellaneous expenses	4,700,067	9,675,179
	245,936,273	260,829,100

(Rs.)

	Year ended 31 March 2010	Year ended 31 March 2009
21. Finance Income/(Charges)		
Interest on term loans	(649,496,967)	(654,375,890)
Interest on cash credits	(276,237,971)	(120,576,035)
Interest on debentures	(86,625,000)	(53,547,603)
Interest on commercial paper	-	(63,795,675)
Bank charges	(4,140,644)	(4,220,268)
Loan and other processing charges	(52,093,175)	(99,321,347)
Less:		
Expended as part of Cost of Revenues	247,052,096	131,701,187
Capitalized and included in Properties Under Development	784,520,140	347,954,555
Capitalized and included in Properties Held for Development	8,685,563	477,838,032
Less: Finance Income:		
Bank deposits (Tax deducted at source Rs.86,770 (31 Mar 2009 Rs.581,704))	13,043,518	11,444,914
Loan to associates (Tax deducted at source Rs.335,029 (31 Mar 2009 Rs.1,412,300))	10,927,569	11,375,140
Interest received from customers	20,553,283	23,262,536
	16,188,412	7,739,546
22. Tax expense		
Current tax	312,187,036	43,150,475
Deferred tax charge/(credit)	(14,107,761)	12,636,730
MAT credit	-	(29,812,895)
	298,079,275	25,974,310
During the year an amount of Rs. NIL (31 Mar 2009 - 29.81 million) has been recognised as a tax credit. This amount represents the corporate income tax charged as Minimum Alternate Tax (MAT) previously and is considered to be recoverable against taxes payable in the future.		
23. Earnings Per Share (EPS)		
Weighted average number of shares outstanding during the year	213,424,335	213,424,335
Net profit after tax attributable to equity shareholders	1,365,579,980	1,329,535,143
Earnings per share:		
Basic and diluted	6.40	6.23
Nominal value per equity share	5.00	5.00
24. Stock-based compensation		
On 1 July 2006, the members of the Company approved the Puravankara Projects Limited 2006 Employee Stock Option Scheme ('ESOS' or 'the Plan') of the Company. The plan provides for the issuance of stock options to eligible employees (including directors of the Company) with the total options issuable under the Plan not to exceed 1,366,080 options and includes a limit for the maximum and minimum number of options that may be granted to each employee. Under the plan, these options vest over a period of four years and can be exercised for a period of one year from vesting.		

Notes to the Financial Statements (Parent Company) (continued)

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

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

	31 March 2010	31 March 2009	
	Shares arising out of options (Numbers)	Shares arising out of options (Numbers)	Weighted average exercise price (Rs.)
At the beginning of the year	966,000	966,000	465.86
Granted during the year	-	-	-
Forfeited during the year	-	-	-
Lapsed during the year	483,000	-	-
Cancelled during the year	-	-	-
Exercised during the year	-	-	-
As at 31 March 2010	483,000	966,000	456.86
Exercisable at the end of the year	-	483,000	465.86

The weighted average exercise price of the options outstanding at 31 March 2010 was Rs. 465.86 and they had weighted average remaining contractual life of 9 months.

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

	(Rs.)	
	Year ended 31 March 2010	Year ended 31 March 2009
Net profit, as reported	1,365,579,980	1,329,535,143
Add: Stock-based employee compensation expense included in the Profit and loss account	-	-
Less: Stock based employee compensation expense determined under the fair value method	15,387,419	27,639,998
Proforma net income	1,350,192,561	1,301,895,145
Earnings per share - Basic		
As reported	6.40	6.23
Proforma	6.33	6.10
Earnings per share - Diluted		
As reported	6.40	6.23
Proforma	6.33	6.10

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

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

25. Leases

Properties taken on operating leases

The lease expense for cancellable and non-cancellable operating leases was Rs.34,393,264 for the year ended 31 March 2010 (31 March 2009 - Rs.40,799,036). Lease commitments under the non-cancellable operating leases as at the Balance Sheet date were as follows:-

	(Rs.)	
Particulars	31 March 2010	31 March 2009
a) Within one year	1,215,505	1,203,567
b) Within one to five years	2,402,786	3,618,291
Total	3,618,291	4,821,858

Sublease

The Company has sub let two of the properties under operating lease agreements. These lease agreements are for the period ranging between 1 to 5 years. Lease income was Rs. 25,729,413 for the year ended 31 March 2010 (31 March 2009 - Rs. 37,980,286). Minimum amount of future lease rental receivable under the non-cancellable operating lease agreements are:-

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

26. Other commitments and contingencies

a) Demand from Service Tax Department	17,100,000	17,100,000
b) Guarantees given by the Company on behalf of subsidiaries	1,055,825,000	950,000,000

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

Notes to the Financial Statements (Parent Company) (continued)

27. Related party transactions

(i) Parties where control exists

Parties where control exists include:

Subsidiaries:

Prudential Housing and Infrastructure Development Limited

Centurions Housing and Constructions Private Limited

Melmont Construction Private Limited

Purva Corporation

Purva Marine Properties Private Limited

Purva Realities Private Limited

Puravankara Lanka Holding Private Limited

Puravankara Projects Lanka Private Limited

Nile Developers Private Limited

Vaigai Developers Private Limited

Purva Good Earth Properties Private Limited

Purva Star Properties Private Limited

Purva Sapphire Land Private Limited

Purva Ruby Properties Private Limited

Purva Opel Properties Private Limited

Puravankara Hotels Limited

Starworth Infrastructure & Construction Limited

Provident Housing Limited

Purva Land Limited

Key Management Personnel:

Mr. Ravi Puravankara

(ii) Relative of Key Management Personnel:

Ms. Geeta S. Vhatkar

Ms. Aarti Panjabi

Mr. Ashish Puravankara

Mr. Suresh Puravankara

Ms. Amanda Puravankara

Ms. Tanya Puravankara

Ms. Vishalakshi Puravankara

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

Purva Developments

Uniquepark Constructions Private Limited

Unique Constructions

Welworth

Puravankara Investments

Handiman Services Limited

Dealwel - Proprietorship

Dealwel Finance Corporation

Tanya Trust

Amanda Trust

Purva Properties and Resorts Private Limited

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

(Rs.)

Nature of Transaction	Subsidiaries		Associates		Key Management Personnel		Relatives of Key Management Personnel		Other Related Parties	
	31 Mar 10	31 Mar 09	31 Mar 10	31 Mar 09	31 Mar 10	31 Mar 09	31 Mar 10	31 Mar 09	31 Mar 10	31 Mar 09
Transactions during the year:										
Interest income on loans										
Keppel Puravankara Development Private Limited	-	-	2,167,384	5,447,756	-	-	-	-	-	-
Keppel Magus Development Private Limited	-	-	8,760,185	5,927,383	-	-	-	-	-	-
Loans given to										
Propmart Technologies Limited	-	-	22,450,000	13,000,000	-	-	-	-	-	-
Keppel Magus Development Private Limited	-	-	-	64,854,455	-	-	-	-	-	-
Keppel Puravankara Development Private Limited	-	-	-	3,031,991	-	-	-	-	-	-
Purva Realities Private Limited	-	-	-	-	-	-	-	-	-	-
Melmont Construction Private Limited	2,040	185,972,197	-	-	-	-	-	-	-	-
Prudential Housing and Infrastructure Development Limited	652,757,600	234,226,523	-	-	-	-	-	-	-	-
Centurions Housing and Constructions Private Limited	29,970	23,443,976	-	-	-	-	-	-	-	-
Puravankara Hotels Limited	1,350	14,027	-	-	-	-	-	-	-	-
Purva Corporation	-	44,368	-	-	-	-	-	-	-	-
Purva Good Earth Properties Private Limited	-	15,731	-	-	-	-	-	-	-	-
Purva Star Properties Private Limited	-	15,730	-	-	-	-	-	-	-	-
Purva Sapphire Land Private Limited	-	15,731	-	-	-	-	-	-	-	-
Purva Ruby Properties Private Limited	-	15,731	-	-	-	-	-	-	-	-
Purva Opel Properties Private Limited	-	15,731	-	-	-	-	-	-	-	-
Nile Developer's Private Limited	7,118	423,854	-	-	-	-	-	-	-	-
Naigal Developers Private Limited	7,118	386,054	-	-	-	-	-	-	-	-
Starworth Infrastructure & Construction Limited	7,036,444	873,144	-	-	-	-	-	-	-	-
Provident Housing Limited	276,943,965	60,192,584	-	-	-	-	-	-	-	-
Purva Land Limited	21,350	26,050	-	-	-	-	-	-	-	-
Purva Marine Properties Private Limited	2,040	-	-	-	-	-	-	-	-	-
Loans received from										
Ravi Puravankara	-	-	-	-	96,406,614	718,000,000	-	-	-	-
Puravankara Investments	-	-	-	-	-	-	-	-	-	-
Loans repaid to										
Ravi Puravankara	-	-	-	-	85,406,614	298,000,000	-	-	-	-
Loans repaid by										
Propmart Technologies Limited	-	-	350,000	2,500,000	-	-	-	-	-	-
Keppel Magus Development Private Limited	-	-	1,000,000	169,806,626	-	-	-	-	-	-
Keppel Puravankara Development Private Limited	-	-	-	-	-	-	-	-	-	-
Melmont Construction Private Limited	1,872,268	238,585,905	-	-	-	-	-	-	-	-
Purva Realities Private Limited	-	37,674,510	-	-	-	-	-	-	-	-
Starworth Infrastructure & Construction Limited	280,331	850,000	-	-	-	-	-	-	-	-
Provident Housing Limited	152,985,048	1,128,582	-	-	-	-	-	-	-	-
Prudential Housing and Infrastructure Development Limited	-	97,189	-	-	-	-	-	-	-	-
Centurions Housing and Constructions Private Limited	112,334	1,926	-	-	-	-	-	-	-	-
Advance for Allotment of Shares	2,632,748	11,679,124	-	-	-	-	-	-	-	-
Puravankara Lanka Holding Private Limited	-	-	-	-	-	-	-	-	-	-
Purchase of land from:										
Geeta S. Vhakker	-	-	-	-	-	-	42,884,044	-	-	-
Installments paid for purchase of flats to										
Keppel Puravankara Development Private Limited	-	-	-	-	-	-	-	-	-	-
Investments made in										
Puravankara Lanka Holding Private Limited	-	-	-	-	-	-	241,010	-	-	-
Starworth Infrastructure & Construction Limited	2,083,333	500,000	-	-	-	-	-	-	-	-
Provident Housing Limited	500,000	500,000	-	-	-	-	-	-	-	-
Purva Land Limited	-	500,000	-	-	-	-	-	-	-	-
Sale Consideration received on behalf of										
Puravankara Investments	-	-	-	-	-	-	-	-	-	5,610,000
Transfer of land development rights										
Provident Housing Limited	454,982,183	-	-	-	-	-	-	-	-	-
Value of flats sold to										
Ashish Puravankara	-	-	-	-	-	-	-	-	-	2,631,200
Aarti Panjabi	-	-	-	-	-	-	-	-	-	2,631,200
Suresh Puravankara	-	-	-	-	-	-	-	-	-	2,735,200
Amanda Puravankara	-	-	-	-	-	-	-	-	-	2,631,200
Tanya Puravankara	-	-	-	-	-	-	-	-	-	2,631,200
Vishalkehi Puravankara	-	-	-	-	-	-	-	-	-	2,519,200
Tanya Trust	-	-	-	-	-	-	-	-	-	8,039,000
Ananda Trust	-	-	-	-	-	-	-	-	-	10,397,000

Notes to the Financial Statements (Parent Company) (continued)

(Rs.)

Nature of Transaction	Subsidiaries		Associates		Key Management Personnel		Relatives of Key Management Personnel		Other Related Parties	
	31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09
Transactions during the year										
Rental income										
Provident Housing Limited	551,356	-	-	-	-	-	-	-	-	-
Security and Maintenance Expenses										
Handiman Services Limited	-	-	-	-	-	-	-	-	72,494,811	91,361,513
Rental expenses										
Puravankara Investments	-	-	-	-	-	-	-	-	2,034,114	1,417,500
Dealwel	-	-	-	-	-	-	-	-	-	1,890,000
Brokerage expenses										
Propmart Technologies Limited	-	-	635,251	-	-	-	-	-	-	-
Remuneration										
Ravi Puravankara	-	-	-	-	17,952,000	-	8,962,956	8,524,356	-	-
Ashish Puravankara	-	-	-	-	-	-	-	24,116	-	-
Geeta S. Vhatkar	-	-	-	-	-	-	-	-	-	-
Guarantees given (net)										
Provident Housing Limited	599,825,000	-	-	-	-	-	-	-	-	-
Balances at the year end:										
Loans given to										
Propmart Technologies Limited	-	-	68,285,000	46,185,000	-	-	-	-	-	-
Keppel Puravankara Development Private Limited	-	-	27,240,736	27,051,514	-	-	-	-	-	-
Keppel Magus Development Private Limited	-	-	78,542,023	70,781,838	-	-	-	-	-	-
Centurions Housing and Constructions Private Limited	-	-	-	-	-	-	-	-	-	-
Purva Corporation	43,594,676	43,677,040	-	-	-	-	-	-	-	-
Purva Realities Private Limited	780,386	780,386	-	-	-	-	-	-	-	-
Melmont Construction Private Limited	287,702,807	287,700,767	-	-	-	-	-	-	-	-
Prudential Housing and Infrastructure Development Limited	776,997,114	126,111,782	-	-	-	-	-	-	-	-
Nile Developers Private Limited	444,844,508	444,165,459	-	-	-	-	-	-	-	-
Vaigai Developers Private Limited	128,800,372	128,793,254	-	-	-	-	-	-	-	-
Purva Good Earth Properties Private Limited	103,502,572	103,495,454	-	-	-	-	-	-	-	-
Purva Star Properties Private Limited	44,081	44,081	-	-	-	-	-	-	-	-
Purva Sapphire Land Private Limited	44,081	44,081	-	-	-	-	-	-	-	-
Purva Ruby Properties Private Limited	44,081	44,081	-	-	-	-	-	-	-	-
Purva Opel Properties Private Limited	44,081	44,081	-	-	-	-	-	-	-	-
Puravankara Hotels Limited	32,777	31,427	-	-	-	-	-	-	-	-
Starworth Infrastructure & Construction Limited	6,779,257	23,144	-	-	-	-	-	-	-	-
Provident Housing Limited	183,022,918	59,064,002	-	-	-	-	-	-	-	-
Purva Land Limited	47,400	26,050	-	-	-	-	-	-	-	-
Purva Marine Properties Private Limited	2,040	-	-	-	-	-	-	-	-	-
Advance for Allotment of Shares	15,262,986	12,630,238	-	-	-	-	-	-	-	-
Puravankara Lanka Holding Private Limited	-	-	-	-	-	-	-	-	-	-
Advances for land contracts paid to										
Geeta S Vhatkar	-	-	-	-	-	-	142,300,016	142,300,016	-	-
Security Deposits paid to										
Dealwel	-	-	-	-	-	-	-	-	1,500,000	1,500,000
Puravankara Investments	-	-	-	-	-	-	-	-	4,500,000	4,500,000
Dues from										
Aarth Panjabi	-	-	-	-	-	-	28,660,750	-	-	-
Dues to										
Handiman Services Limited	-	-	-	-	-	-	-	-	5,171,061	10,721,064
Puravankara Investments	-	-	-	-	-	-	-	-	19,778,540	19,298,540
Purva Development	-	-	-	-	-	-	-	-	1,776,276	1,776,276
Purva Properties and Resorts Private Limited	-	-	-	-	-	-	-	-	15,000	15,000
Ravi Puravankara	-	-	-	-	430,950,000	-	419,950,000	-	-	-
Guarantees given										
Melmont Construction Private Limited	429,887,187	895,598,307	-	-	-	-	-	-	-	-
Purva Realities Private Limited	26,112,813	54,401,693	-	-	-	-	-	-	-	-
Provident Housing Limited	599,825,000	-	-	-	-	-	-	-	-	-

28. Employee benefits

A. Defined benefit plan

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

(Rs.)

	31 March 2010		31 March 2009	
	Gratuity	Vacation Pay	Gratuity	Vacation Pay
1. The amounts recognised in the Balance Sheet are as follows:				
Present value of the obligation as at the end of the year	42,955,453	14,990,458	10,891,235	14,079,902
Fair value of plan assets as at the end of the year	(29,092,680)	-	(17,799,945)	-
Net liability/(asset) recognised in the Balance Sheet	13,862,773	14,990,458	(6,908,710)	14,079,902
2. The amounts recognised in the Profit and Loss Account are as follows:				
Service cost	8,230,245	4,750,632	3,513,620	11,045,237
Interest cost	846,111	936,802	316,810	462,996
Expected return on plan assets	(1,816,057)	-	(1,120,071)	-
Past service cost	23,745,068	-	-	-
Net actuarial (gain)/loss recognized in the year	197,342	(37,132)	(1,997,884)	(100,507)
Expense recognised in the Profit and Loss Account of the year	31,202,709	5,650,302	712,475	11,407,726
3. Changes in the present value of defined benefit obligation				
Defined benefit obligation as at beginning of the year	10,891,235	14,079,902	8,669,908	10,556,288
Service cost	8,230,245	4,750,632	3,513,620	11,045,237
Interest cost	846,111	936,802	316,810	462,996
Past Service cost	23,745,068	-	-	-
Actuarial losses/(gains)	(127,521)	(37,132)	(1,028,935)	(100,507)
Benefits paid	(629,685)	(4,739,746)	(580,168)	(7,884,112)
Defined benefit obligation as at the end of the year	42,955,453	14,990,458	10,891,235	14,079,902
4. Changes in the fair value of plan assets				
Fair value as at the beginning of the year	17,799,945	-	16,291,093	-
Expected return on plan assets	1,816,057	-	1,120,071	-
Actuarial (loss)/ gains	(324,863)	-	968,949	-
Contributions	10,431,226	4,739,746	-	7,884,112
Benefits paid	(629,685)	(4,739,746)	(580,168)	(7,884,112)
Fair value as at the end of the year	29,092,680	-	17,799,945	-
Assumptions used in the above valuations are as under:				
Interest rate	8%	8%	7%	7%
Discount rate	8%	8%	7%	7%
Expected return on plan assets	8%	-	7%	-
Future salary increase	6%	6%	6%	6%
Attrition rate	2%	2%	5%	5%
Retirement age	60 years	60 years	60 years	60 years

B. Defined contribution plan

The Company makes contribution of statutory provident fund as per Employees Provident Fund and Miscellaneous Provision Act, 1952. This is a defined contribution plan as per AS 15. Contribution made was Rs.7,286,356 for the year ended 31 March 2010 (31 March 2009 - Rs.10,800,883).

Notes to the Financial Statements (Parent Company) (continued)

29. 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.

30. Information pursuant to Clause 32 of the listing agreement with the Stock Exchanges

(Rs.)

Name of the Entity	Balance of loans given as at		Maximum amount of loan outstanding during the year	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
Prudential Housing and Infrastructure Development Limited *	444,844,508	444,165,459	444,844,508	444,165,459
Centurions Housing and Constructions Private Limited *	43,594,676	43,677,040	43,707,010	43,678,966
Melmont Construction Private Limited *	776,997,114	126,111,782	776,997,114	187,725,490
Purva Marine Properties Private Limited *	2,040	-	2,040	-
Purva Realities Private Limited *	287,702,807	287,700,767	287,702,807	325,375,277
Purva Opel Properties Private Limited *	44,081	44,081	44,081	44,081
Purva Ruby Properties Private Limited *	44,081	44,081	44,081	44,081
Purva Good Earth Properties Private Limited *	44,081	44,081	44,081	44,081
Purva Sapphire Land Private Limited *	44,081	44,081	44,081	44,081
Purva Star Properties Private Limited *	44,080	44,080	44,080	44,080
Nile Developers Private Limited *	128,800,372	128,793,254	128,800,372	128,793,654
Vaigai Developers Private Limited *	103,502,572	103,495,454	103,502,572	103,495,454
Puravankara Hotels Limited *	32,777	31,427	32,777	31,427
Purva Land Limited *	47,400	26,050	47,400	26,050
Starworth Infrastructure & Construction Limited *	6,779,257	23,144	6,779,257	950,000
Provident Housing Limited *	183,022,918	59,064,002	183,022,918	59,064,002
Purva Corporation *	780,386	780,386	780,386	890,105
Keppel Puravankara Development Private Limited #	27,240,737	27,051,514	27,418,161	192,943,633
Propmart Technologies Limited #	68,285,000	46,185,000	68,285,000	48,806,938
Keppel Magus Development Private Limited	78,542,023	70,781,838	78,542,023	70,781,838

* Subsidiaries- interest free and repayable on demand

Associates - repayable on demand

31. Supplementary statutory information

a) Determination of net profit in accordance with the provisions of Section 349 of Companies Act, 1956 and commission payable to directors

(Rs.)

	31 March 2010	31 March 2009
Profit before tax as per Profit & Loss Account	1,663,659,255	1,355,509,453
Add:		
Managerial remuneration	53,723,805	54,763,164
(Profit)/Loss on sale of fixed assets	(136,219)	359,492
Net Profit	1,717,246,841	1,410,632,109
Remuneration to Whole Time Directors		
Eligible under Section 309	171,724,684	141,063,211
Remuneration to Non Whole Time Directors		
Eligible under Section 309	17,172,468	14,106,321
Managerial Remuneration*		
i. To Whole-time Directors		
Salary and allowances	48,579,475	49,456,444
Contributions to provident fund	1,771,380	1,746,720
Perquisites	717,950	-
	51,068,805	51,203,164

	(Rs.)	
	31 March 2010	31 March 2009
ii. To Non Whole-time Directors		
Sitting fees	255,000	360,000
Commission	2,400,000	3,200,000
	<u>2,655,000</u>	<u>3,560,000</u>
* Exclusive of provisions for gratuity and vacation pay (which are based on actuarial valuation done on overall company basis)		
b) Particulars relating to foreign currency		
i. Earnings in foreign currency (on cash basis)		
Revenue from projects	8,867,307	7,141,862
ii. Expenditure in foreign currency		
Salary	4,300,949	6,314,456
Travel	2,256,062	7,973,121
Rent	2,774,617	4,698,520
Professional Charges	-	5,904,175
Others	3,413,427	10,836,398
	<u>12,745,056</u>	<u>35,726,670</u>
iii. CIF value of imports		
Construction materials	-	149,877,931
c) Payments to auditors (excluding service tax)		
Audit fees	2,400,000	2,674,160
Certification work	55,000	64,045
	<u>2,455,000</u>	<u>2,738,205</u>
d) Donation to political parties		
Name of the party		
i. Communist Party of India	300,000	50,000
ii. Communist Party of India (M)	207,500	125,000
iii. Bharatiya Janata Party	15,000	-
iv. Kerala Congress (M)	3,500	-
	<u>526,000</u>	<u>175,000</u>

32. Additional disclosures under Schedule VI

The Company is not a manufacturing Company and hence the quantitative details required under Para 3, 4C and 4D of Part II of Schedule VI of the Companies Act are not applicable and have not been provided.

33. Revenues from Projects for the year ended 31 March 2010 includes Rs.454,982,183 from transfer of land developmental rights to the Company's subsidiary and Rs.1,632,153,150 from sale of land.

34. Prior year comparatives

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

For and on behalf of the Board of Directors

Ravi Puravankara
Chairman and
Managing Director

Nani R. Choksey
Director

Ashish Puravankara
Director

Kiran Chappar
Company Secretary

Bangalore
29 April 2010

Cash Flow Statement (Parent Company)

	(Rs.)	
	Year ended 31 March 2010	Year ended 31 March 2009
A. Cash flow from operating activities		
Profit before tax	1,663,659,255	1,355,509,453
Adjustments for:		
Depreciation and amortization	110,564,606	55,357,695
Properties held for sale written down	31,997,712	87,759,757
Properties held for sale written back	(22,634,585)	-
Profit on sale of fixed assets	(136,219)	359,492
Interest income	(44,524,371)	(46,082,590)
Interest expense, net of capitalization	28,335,957	38,343,044
Operating profit before working capital changes	1,767,262,355	1,491,246,851
Movements in working capital :		
(Increase) / Decrease in trade debtors	152,070,275	(322,509,438)
(Increase) / Decrease in inventories	(29,466,535)	(26,657,996)
(Increase) / Decrease in loans and advances	186,760,283	70,167,601
(Increase) / Decrease in properties under development	463,038,319	(1,058,827,501)
(Increase) / Decrease in properties held for sale	111,687,620	(151,755,417)
Increase / (Decrease) in current liabilities and provisions	(1,414,029,543)	(3,887,583)
Cash (used in) / received from operations	1,237,322,774	(2,223,483)
Direct taxes paid	(267,361,260)	(126,151,849)
Net cash from / (used in) operating activities	969,961,514	(128,375,332)
B. Cash flows from investing activities		
Purchase of fixed assets	(8,371,953)	(18,915,240)
Proceeds from sale of fixed assets	252,000	1,059,000
Loans to associates	(22,450,000)	(80,886,446)
Investment in subsidiaries	-	(3,583,333)
Loans to subsidiaries	(937,488,044)	(505,681,381)
Loans repaid by subsidiaries	155,271,036	280,712,710
Loans repaid by associates	1,350,000	172,306,626
Advance for allotment of shares to subsidiaries	(2,632,748)	(11,679,124)
Properties held for development	530,245,685	(169,409,585)
Interest received	26,507,277	37,069,662
Net cash from /(used in) investing activities	(257,316,747)	(299,007,111)

(Rs.)

	Year ended 31 March 2010	Year ended 31 March 2009
C. Cash flows from financing activities		
Proceeds from term loans	940,000,000	3,526,347,015
Repayment of term loans	(630,016,907)	(2,868,556,303)
Issue of debentures	-	550,000,000
Repayment of debentures	-	(250,000,000)
Repayment of commercial paper loan	-	(750,000,000)
Proceeds from / (repayments of) short-term borrowings	249,571,001	1,164,009,737
Loans from related parties	96,886,614	718,000,000
Loans repaid to related parties	(85,406,614)	(298,000,000)
Dividends paid including taxes	(130)	(499,298,127)
Interest paid	(1,066,347,511)	(958,536,961)
Net cash generated from/(used in) financing activities	(495,313,547)	333,965,361
Net increase/(decrease) in cash and cash equivalents (A + B + C)	217,331,220	(93,417,082)
Cash and cash equivalents at the beginning of the year	250,902,582	344,319,664
Cash and cash equivalents at the end of the year	468,233,802	250,902,582

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

For Walker, Chandio & Co Chartered Accountants For and on behalf of the Board of Directors

per Aashish Arjun Singh
Partner

Ravi Puravankara
Chairman and
Managing Director

Nani R. Choksey
Director

Ashish Puravankara
Director

Kiran Chappar
Company Secretary

Bangalore
29 April 2010

Bangalore
29 April 2010

Additional information pursuant to the Provisions of Part IV Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

i. Registration details:

Registration No. State Code

Balance Sheet Date

ii. Capital raised during the year (Amount Rs. '000)

Public Issue Rights Issue

Bonus Issue Private Placement

iii. Position of mobilisation and deployment of funds (Amount Rs. '000)

Total Liabilities Total Assets

Sources of Funds

Paid up capital Reserves & Surplus (P & L a/c)

Secured Loans Unsecured Loans

Deferred Tax Liability

Application of Funds

Net Fixed Assets Investments

Net Current Assets Preliminary Expenses

Accumulated Losses

Properties held for Development

iv. Performance of the Company (Amount Rs. '000)

Turnover Total Expenditure

Profit / (Loss) after tax Earnings per share in Rs.

Dividend Rate (%)

v. Generic names of three principal products / services of the Company (as per monetary terms)

Production Description	Item Code No. (ITC Code)
Housing and Real Estate Development	Nil
Nil	Nil
Nil	Nil

Company Information

Registered Office

No. 130/1, Ulsoor Road
Bangalore - 560 042, India
Tel: +91-80-2559 9000
Fax: +91-80-4343 9381
Website: www.puravankara.com

Company Secretary

Kiran Chappar

Registrar and Transfer Agents

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup (West)
Mumbai - 400 078, India
Tel: +91-22-2594 6970
Fax: +91-22-2594 6979

Bankers

LIC
HDFC
ICICI Bank
HSBC
Standard Chartered Bank
Andhra Bank
IDBI Bank

