WHAT WE BUILD STAYS ON FOR GENERATIONS

PURAVANKARA

ANNUAL REPORT 2010-11

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WHAT WE BUILD STAYS ON FOR GENERATIONS

Having made a modest beginning in Mumbai in 1975, we have transformed ourselves as a leading real estate developer in India with business presence in Bengaluru, Chennai, Mumbai, Hyderabad, Coimbatore, Kochi and Dubai. Being one of the leading real estate developers, we have led the transformation of Indian real estate sector from the front.

At a time when consumer preferences are fast evolving with their changing lifestyles and aspirations, realtors have a vital responsibility of offering flexibility to their customers; for today as well as tomorrow. We blend the best of our local expertise with those of our partners and international consultants of global repute, like Keppel of Singapore, to provide a wide range of options to our customers.

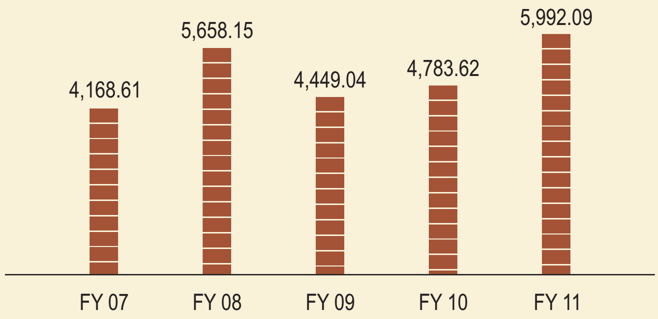
We measure our success in the currency of goodwill and take pride in utmost transparency and highest possible disclosures in our dealings with respective stakeholders – customers, employees, investors, lenders, exchequer and community.

Diversity is the measure of our sustainability besides being a potent tool of de-risking our business. Not surprising then, we have been consciously widening our housing product offerings across premium and affordable segments; integrating the critical functions of project planning, construction, sales and even interior furnishing; fast spreading our city network across India besides foraying into tier II and III cities too.

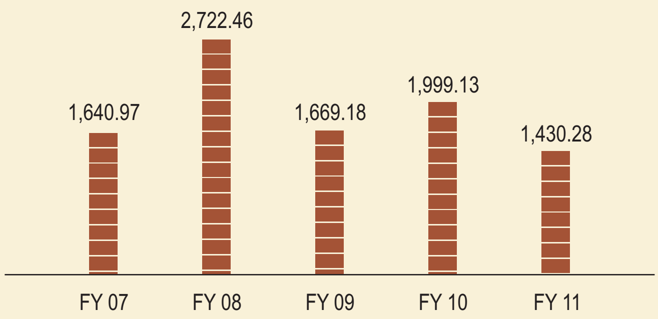
For an Indian real estate business that is in the fourth decade of its excellence, at Puravankara, nothing matters more to us than longevity. We arise everyday with a resolve that whatever we build must stay on for generations – in buildings, profits, brands and goodwill.

KEY PERFORMANCE INDICATORS

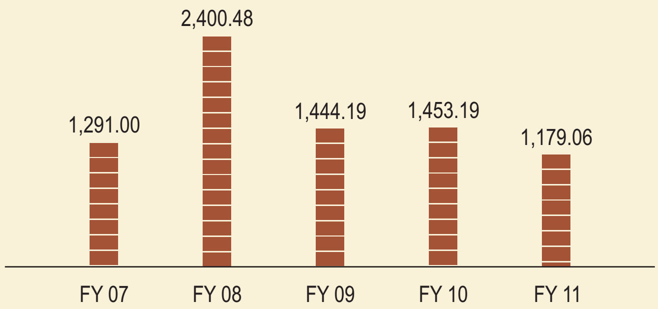
Total Income (₹ Million)



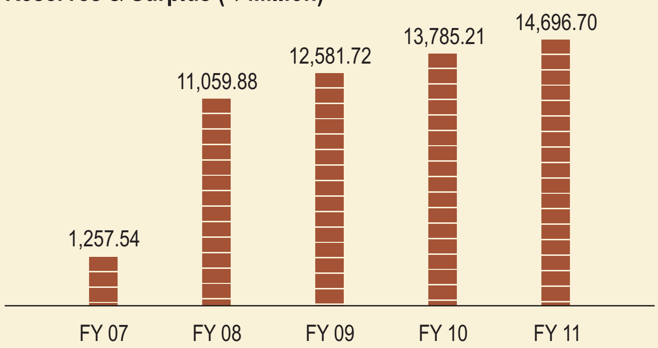
EBITDA (₹ Million)



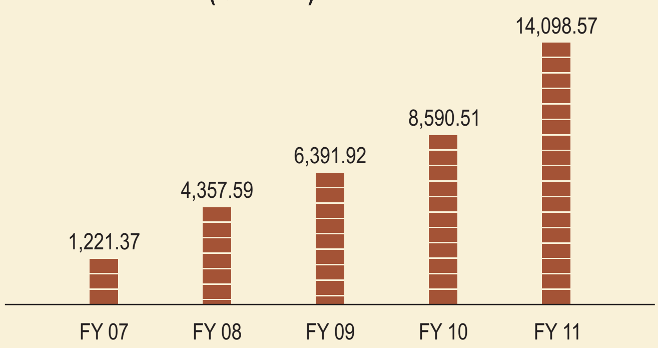
Profit after Tax (₹ Million)



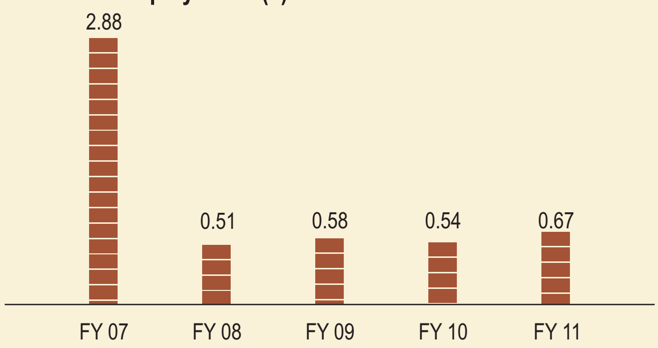
Reserves & Surplus (₹ Million)



Net Current Assets (₹ Million)



Net Debt to Equity Ratio (x)



PARTICULARS	FY11	FY10	FY09	FY08	FY07
Total Income (₹ Million)	5,992.09	4,783.62	4,449.04	5,658.15	4,168.61
EBITDA* from Operations (₹ Million)	1,430.28	1,999.13	1,669.18	2,722.46	1,640.97
Profit before Tax (₹ Million)	1,458.74	1,751.26	1,470.16	2,467.48	1,463.39
Profit after Tax (₹ Million)	1,179.06	1,453.19	1,444.19	2,400.48	1,291.00
EPS (basic & diluted) (₹)	5.52	6.81	6.77	11.71	6.72
Cash EPS (basic & diluted) (₹)	7.00	8.71	7.15	12.32	7.75
EBITDA* Margin (%)	23.87	41.79	37.52	48.12	39.36
Net Profit Margin (%)	19.68	30.38	32.46	42.43	30.97
Dividend Payout (%)	18.10	14.69	-	17.78	13.94
Share Capital (₹ Million)	1,067.12	1,067.12	1,067.12	1,067.12	960.09
Reserves and Surplus (₹ Million)	14,696.70	13,785.21	12,581.72	11,059.88	1,257.54
Loan Funds (₹ Million)	11,587.13	8,810.66	8,145.83	6,524.01	6,761.10
Net Block (₹ Million)	427.24	362.34	462.91	496.71	381.94
Net Current Assets (₹ Million)	14,098.57	8,590.51	6,391.92	4,357.59	1,221.37
Return on Average Net Worth (%)	7.48	9.78	10.58	19.79	58.22
Net Debt Equity Ratio	0.67	0.54	0.58	0.51	2.88
Interest Coverage Ratio	3.28	7.00	17.46	171.00	304.10
Current Ratio	7.52	6.44	5.36	4.65	2.62

** Earnings Before Interest, Tax, Depreciation & Amortization*

PURAVANKARA IN BRIEF

We are a leading real estate developer from India with a rich industry experience of 35 years and a widespread business presence in Bengaluru, Chennai, Mumbai, Hyderabad, Coimbatore, Kochi and Dubai. Having delivered 34 landmark projects in the past, we are currently executing 35 million sq. ft. of projects across the cities of Bengaluru, Chennai, Coimbatore and Kochi.

VISION

Our vision is to build a future wherein Puravankara is a household name across the country and is known worldwide for development and marketing of a fine living environment with highest quality and unmatched value-for-money.

THE YOU PHILOSOPHY

All our endeavours, at Puravankara, revolve around just one entity-our customers. It is their needs, ideas and demands that drive us. And once they are a part of the Puravankara family, they continue to remain at the center of our universe.

OUR BUSINESS SPECTRUM

Premium Housing segment under the flagship brand Puravankara

Affordable Housing segment under 'Provident' brand

Infrastructure and Contracting segment under our subsidiary company, Starworth Infrastructure & Construction Ltd.

YEAR'S HIGHLIGHTS

Launched 'Purva Atria Platina' project in Bengaluru

Announced Luxury Project 'Purva Skywood' in Bengaluru

Announced 'Purva Windermere' luxury project in Chennai

Bagged two prestigious honours at 'Realty Plus Excellence Awards 2010' namely 'Employer of the Year' in real estate segment and 'Luxury Project of the Year - Purva Fountainsquare'

CHAIRMAN'S MESSAGE

Dear Friends,

At Puravankara, we have always tried to celebrate joy and happiness that stays for generations. Our customers affirm for superior functionality, aesthetics and construction quality we provide and the same has gone a long way in making Puravankara one of the most credible and respected brands in the real estate sector in India. While our credo in both the high-end luxury segment and the affordable segment is well established, in the era of fast changing business dynamics, sustaining growth is one of the biggest challenges today. I am of the opinion that to foster growth, execution and implementation would be the key to our continuous success.

Celebrating 35 years of excellence in the Indian real estate market, our Company is standing at a very interesting juncture of its growth path. The impetus behind our reputation and superior market positioning stems from our single-minded focus to create that distinctive edge in all our brands. To achieve this and to be ahead of competition, the most important factor has been how we handle the execution and implementation of our projects. Your company has achieved a sizeable scale now, however going forward we have a much larger plan and accordingly we have identified factors that play a vital role in improving our efficiency at all levels.

As I had said before, we are constantly improving our delivery capabilities and are taking care to enhance our technological capabilities for our in-house construction operations. We are currently executing 25 million sq. ft. of projects across the cities of Bengaluru, Chennai, Coimbatore and Kochi. We are aggressively looking at expanding into newer markets with a clear aim of becoming a Pan India player by the close of this decade.

In the last one year, with a renewed focus across functional areas, we have drawn up our key result areas for each of our verticals. Efforts are on to re-structure the organization design besides the systems and processes which are being put into place. Acknowledging the intensity at which we work, we are clearly defining the qualitative and quantitative results that must be achieved within the stipulated time frame. This requires timely formulation and implementation of detailed action plans for each vertical, clearly defining the roles and timelines, which each member of our management and staff of the group are working towards.

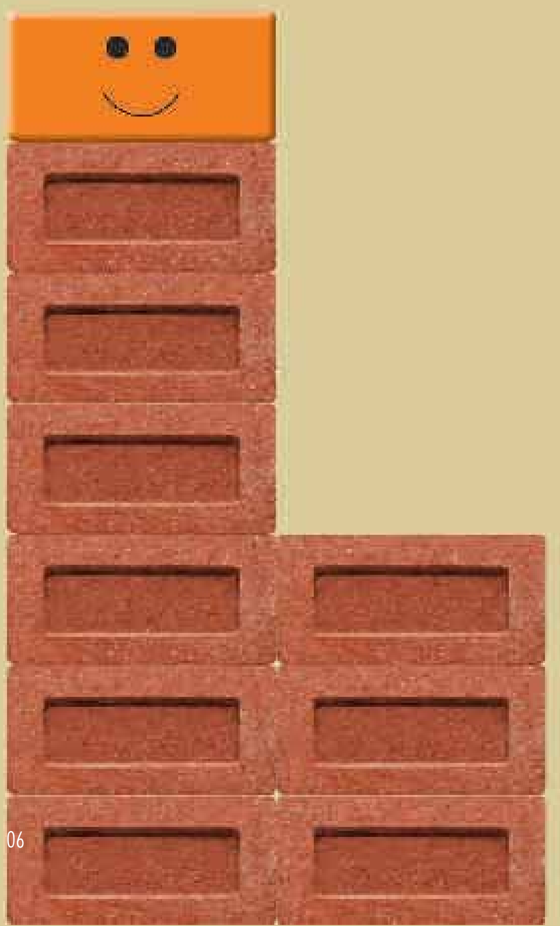
Achievement and accomplishment are among the most satisfying pleasures of all. Finishing a project on time and within budget, improving product and service quality, outshining the competition with a new idea, all these give delight and define success. Keeping this as the strategy for our coming years, we are poised to scale up our project execution and marketing capabilities at an aggressive pace and unlock the underlying potential of our Company.

At Puravankara, we have been privileged to have the profuse trust and support of all our stakeholders. I would like to thank each one of them for their continuing belief in our capabilities. I look forward to your continued and trusted companionship on our journey forward.

With best regards,

Ravi Puravankara
Chairman and Managing Director

A LEGACY WHICH HAS TRANSCENDED A GENERATION



What started as a dream of our founder Chairman, 35 years ago, has today metamorphosed into a gratifying reality. A reality that bears testimony to the passion of Puravankara in delivering homes and commercial spaces which inspire innovation and at the same time present its occupants with a reason to celebrate the joy of living; courtesy our user-friendly design and high-quality construction. Started in Mumbai, the Puravankara legacy today epitomises commitment, professionalism, transparency and growth; qualities very few in the real estate sector can aver. True, we have transformed into one of the leading and largest real estate developer in South India today.

Our journey from Maharashtra to Karnataka and to other states in India is a journey of ingenuity, trust and also of the value creation that we have undertaken for our committed stakeholders, time and again. Our vision and approach towards organized and well-planned development has led to our growth in scale and spread.

Purva Fountainsquare

Purva Riviera

Over these years, the Group has delivered 34 landmark residential projects in the cities of Mumbai, Bengaluru and Chennai. These world-class projects mirror a rich legacy the Company has built for itself. It is a legacy that is transcending a generation. It is a legacy that Puravankara is ever proud of.

A REPUTATION THAT WILL STRENGTHEN OVER GENERATIONS

Established on the cornerstone of ethics, Puravankara puts credibility ahead of other business considerations. Integrity is the adhesive that binds us and helps us in striking the intricate balance between the interests of our diverse set of stakeholders. We constantly endeavor to practice utmost transparency in our communication, commitment and transactions.

Our emphasis on customer-centricity has helped us achieve enviable goodwill. True, our customers vouch not only for our deliverable but also for the transparent communication on cost, delivery schedules and pro-active updates on the development of the ongoing projects amongst others. Our infallible track record in servicing debts and maintaining a healthy debt to equity ratio makes us a preferred borrower for many lenders. The fact that we are the first real estate company in India to attract foreign direct investment testifies our business acumen as well as ethics.

Independent directors' representation on our Board of Directors is 50%. Our highly-qualified Independent Directors deploy their rich experience in the real estate industry in shaping a sustainable and profitable future for the Company. Our board is well supplemented by a highly-efficient and professional operational management team. Our simplified corporate structure further enhances our commitment to disclosures.

Purva Panorama

Purva Midtown

Our reputation as a fair and transparent company has consistently strengthened amongst capital market participants, including equity analysts and investors. We are amongst the very few Indian companies who announce audited financial results every quarter. Our high standards of governance and accounting practices are revered. 'The Institute of Chartered Accountants of India (ICAI)' has awarded us for excellence in financial reporting for the year ended 31 March 2008.

A VISION THAT IS SEEN FOR GENERATIONS

Businesses across the globe are confronting the challenge of sustainable growth and development today. At Puravankara, we have weaved sustainability intrinsically into our DNA long ago. Our in-depth knowledge and understanding of the needs and aspirations of Indian customers along with the rich knowhow of real estate sector is unmatched. We are further strengthening our value proposition by adopting global best practices and technologies towards enhancing material, cost and time efficiency in our construction processes.

While the premium housing segment has built and maintained the momentum for Indian real estate sector in the decade gone by, it is the rise of lower middle class in metros as well as tier I/II cities that would drive its growth in current decade. At Puravankara, we spotted this trend quite early and forayed into affordable housing segment under 'Provident' brand in 2009. While most of the realtors are planning to enter this segment now, we have about 6 million sq. ft. of projects at various stages of development and another 10 million sq. ft. approaching to be launched in the fiscal year 2011-12. The overwhelming response that we have witnessed for 'Provident' has encouraged us to take it into more cities.

Having successfully met our guidance of selling around 3 million sq. ft. in FY 11, the Company is aiming to take it higher in the next few years. In order to expand our footprints in more cities, we have forayed into the Coimbatore market with launch of 1.7 million sq. ft. Purva Bluemont- city's first international lifestyle residential project. The first phase of the project is scheduled to be completed by the beginning of 2013. We have also launched 4 new luxury projects- Purva Windermere, Purva Oceana, Purva Skywood and Purva Midtown Residences- in key locations across Chennai, Kochi and Bengaluru, respectively.

Purva Riviera

Purva Windermere

A CULTURE THAT IS IMBIBED BY GENERATIONS

Brand Puravankara is synonymous to quality, fairness and transparency. Rightly then, at Puravankara, vision, ethics, challenge, growth and rewards form the basis of coming together. Put together, they form the essence of culture that prevails across the rank and file of the Company.

An integral part of our work culture is the differentiated value that every member of the team Puravankara strives to deliver. We make conscious investments in providing our employees an equitable and open work environment that fosters the spirit of ownership and competitiveness. We have put in place adequate recognition and reward initiatives that help in developing future leaders from within.

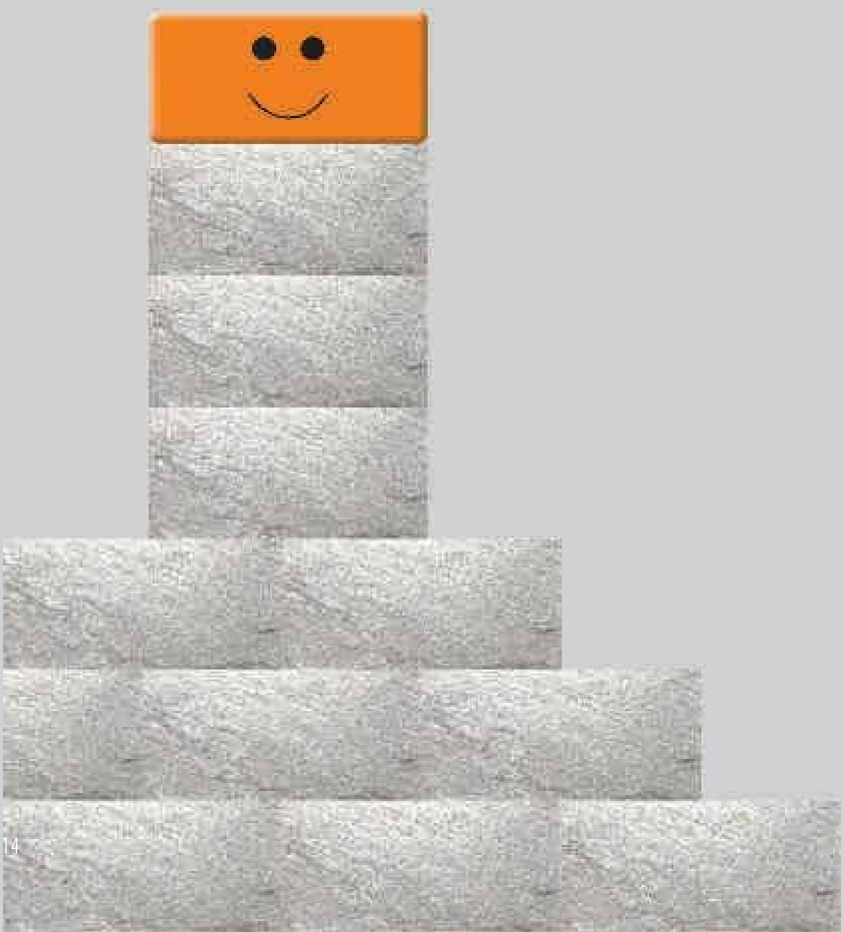
In addition to the standard channels of communication with the employees, we deploy a periodic newsletter 'Purva Happyscape' to facilitate employee-to-employee communication. Our conscious efforts and professional approach to Human Capital Development was recognised at the Realty Plus Excellence Awards, 2010-2011 where we bagged the coveted award of the 'Best Employer of the Year'.

Purva Riviera

Whitefield Bougainvilla

Purva Champions, our employee referral programme enables the employee to avail of 1% of the apartment's cost on every referred friend or family. Purva Connect is our intra-company sports and recreation programme which keeps refreshing the spirit of competitiveness, harmony and bonding amongst the employees. Initiative such as these, along with open and transparent appraisal system and intensive on-the-job skills enhancement trainings and workshops make the work environment more enriching and gratifying.

SMILES WE SPREAD MULTIPLY WITH GENERATIONS



Owning a home undoubtedly is one of the most satisfying feelings for any human being. Being in the business of helping people in owning their dream homes, we treat our valued customers as true masters of our business.

A truly enriching customer experience – from project identification to house owning and beyond – is the hallmark of Puravankara and also differentiates us from peers. We approach our customers more as an advisor. We listen to them! Understanding their needs we advise them on the right projects to invest in and even guide them on financing available with various lenders. We deploy our enriching customer understanding in continuously improving our future offerings.

Keeping in mind the hustle and bustle of modern day city life, we focus on designing projects that provide our homeowners a more enriching lifestyle. From user-friendly specifications to varied amenities for all age groups to beautiful landscaped gardens to convenient connectivity of the locations; all our endeavours are aimed at providing a better lifestyle to our discerning customers. We update our customers regarding the progress of their homes by posting monthly updates on our website. In addition, the customer relationship management team sends out monthly progress updates to the customers.

Purva Venezia

Purva Venezia

We offer a slew of advantages to our existing customers. Purva Privilege Program entitles our existing customers an incentive of 2% on cost of any apartment through their referrals. Purva Advantage Program entitles all existing homeowners to special offers and discounts at numerous merchant establishments.

A PHILOSOPHY OF CARING FOR GENERATIONS

Corporate Social Responsibility: *Puravankara has embarked on a mission towards fulfilling its social commitments. The philanthropic and CSR initiatives have been enhanced with a focus on betterment of civic amenities as well as promotion of arts, education and sports. The company aims to foster significant improvements in the education, arts, sports and environment scenario in India by introducing improved methodologies and establishing partnerships to infuse change.*

Purva Connect

Puravankara has been engaged in the development and maintenance of roads, parks and fire stations in Bengaluru. It has undertaken to develop the double road connecting the Doddaballalpura Road to the Yeshwantpura Road in association with the Urban Development Department of Government of Karnataka. It is involved in the maintenance and development of the existing road connecting Kanakapura Road to the Peripheral Road through Vajarahalli Village. The Company has been maintaining the 2 kilometre stretch of the Maratahalli Flyover Road since July 2008. Working towards the cause of a greener Bengaluru, it has been involved in maintenance of the War Memorial Park on Brigade Road-Residency Road junction and the Suvarna Park at Domlur. It has also contributed to the construction of a fire station at Sarjapur Road, Bengaluru.

Purva Connect

Puravankara has made financial contributions for sponsoring education programmes with bodies like Asha Charitable Trust. The company has also sponsored fire safety booklets developed by Nandan Pillai Foundation in association with the Fire Control Department. It also contributed beds to an old-age home under the Asha Jeevan Scheme. They have also sponsored various plays and theatre performances held in Bengaluru organized by the India Foundation for the Arts, a non-governmental organization.

To promote latent talent in the field of Cricket, Puravankara has started a cricket team for rural Bengaluru by the name of Provident Bangalore Rural in the Karnataka Premiere League. They have also partnered with Touche Golf to promote new and aspirant young golf players across the country. Apart from these, Puravankara, in its endeavour to reach out to all the home buyers, started a programme called Purva Connect. The laughter of the children at these camps was matched only with their bright eyed enthusiasm to learn new things. With theatre, sports, drama, drawing etc, the all-in-all objective was to facilitate the best in infotainment in children.

LEADERSHIP AT PURAVANKARA

Sitting Left to Right:

RVS Rao
Independent Director

Ravi Puravankara
Chairman and Managing Director

Nani R. Choksey
Deputy Managing Director

Standing Left to Right:

Anup S Shah
Independent Director

Pradeep Guha
Independent Director

Ashish Puravankara
Joint Managing Director

Jackbastian K. Nazareth
Chief Executive Officer

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
Joint Managing Director

Mr. Ashish Purvavankara 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. He has been a director on our Board since 15 July 2000.

Nani R. Choksey
Deputy Managing Director

Mr. Nani R. Choksey has over 35 years of experience in the real estate development, construction and finance sectors. He has been associated with our Group since its inception in 1975. He is a founder Director and has played a pivotal role in the growth of the Company. He has been actively involved in all projects of our Company.

Jackbastian K. Nazareth
Chief Executive Officer

Mr. Jackbastian K. Nazareth holds a Masters degree in Business Administration from the Goa Institute of Management and a Bachelors degree in Civil Engineering from the Karnataka University. He has over 21 years of experience in real estate development, corporate affairs, financial management and civil engineering consultancy. He currently serves as the Chief Executive Officer of the Company. He is responsible for the day to day operations of the Company including the detailed project conceptualization, design and finance functions. Prior to joining Puravankara he has served as an Executive Director of Sobha Developers Limited. His other major assignments include as the Director - Sales of TSI Ventures Private Limited, and subsequently as the Managing Director- Head Sales and Marketing of Tishman Speyer India Private Limited.

Anup S Shah
Independent Director

Mr. Anup S 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 30 years of experience in the legal field. He is the proprietor of Anup S Shah Law Firm and AAMSTEL 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, Bengaluru. He has been a director on our Board since 1 June 2005.

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 Bengaluru 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 was a director of HDFC Limited. As a USAID consultant, he was the team leader who 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 and an executive committee member of Bengaluru Management Association and the Greater Mysore Chamber of Industry. He has been a director on our Board since 26 December 2006.

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 35 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 Vice 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. He has been a director on our Board since 26 December 2006.

MANAGEMENT DISCUSSION & ANALYSIS

A. ECONOMY & INDUSTRY OVERVIEW

Global Economy

Global economic recovery is gaining strength with advanced economies witnessing a hand-off of demand from public to private entities and many emerging market economies also observing robust demand. In addition, developing economies are on route to a fast and sustainable growth as financial conditions continue to improve. However, rising food and commodity prices pose a threat to households belonging to the lower end of the socio-economic pyramid. With food and energy prices rising, there is increased pressure for higher wages. As a result, potential increase in production is witnessing a capacity constraint. The International Monetary Fund (IMF) in its 'World Economic Outlook' (April, 2011 ed.) has estimated world output to have grown by 5% in 2010. According to their forecast, world output will grow by 4.4% in 2011.

Indian Economy

The Indian economy continues to ride on the strengths of its inherent fundamentals, namely favorable demographics such as a significantly large young population and a substantial ever growing middle class segment; mature and diverse economic segments of agriculture, industry and services; self reliant for demand as a result of increased domestic demand, and lastly the power of a democracy and well regulated financial and capital markets. Leveraging these strengths in the fiscal year 2010-11, the Indian economy recorded a strong GDP growth of 8.5% (indicated in the Revised Estimate of Central Statistical Organization (CSO), Government of India). Construction saw some improvement with a growth rate of 8.1% as compared to 7% in FY10. Similarly, the sub-group of 'Financing, Insurance, Real Estate and Business services' witnessed some relief with a growth rate of 9.9% compared to 9.2% in FY10.

According to the United Nations Conference on Trade and Development (UNCTAD), India ranked third among global Foreign Direct Investment (FDI) destinations in 2009 and was slated to be amongst the top five most attractive destinations for international investors during 2010-11.

Indian Real Estate Sector

The equation between the Indian real estate sector and the country's economic strength is inter-dependant. The real estate sector is a key driver of economic growth, with housing sector alone contributing about 5% to country's GDP. This sector has proved to be increasingly attractive for obtaining Foreign Direct Investments (FDIs) in India and has recorded inflows in excess of US$ 2.8 billion during 2000 to 2009. Keen interests of foreign players in the Indian real estate sector are translating into their growing participation in the form of real estate developers and investors. Studies by experts in the industry project an estimated addition of US$ 21 billion of FDI over next 10 years in India's real estate sector.

With the continued momentum of Indian economy, the real estate sector in India too is coming of age. The transformation it is undergoing from a highly fragmented and unorganized market to a semi-organized and transparent one can be attributed to increasing participation from a large number of public companies. The sector continues to be dominated by regional players, some of which are taking early strides towards achieving a pan-India presence. This sector can be further sub-divided into residential, commercial, retail and hospitality asset classes, with residential segment being the major contributor.

Broad categories in the residential segment include premium housing, mid-market housing, affordable housing and low-cost housing. The residential segment class is poised for an accelerated growth and is likely to drive growth of the entire real estate sector. Factors such as rapid urbanization, a mounting shift towards nuclear families, increasing percentage of people belonging to a working category age group and wider availability of affordable housing serve as key growth drivers for this segment. Initiatives such as income tax rebate on housing loan and priority sector lending guidelines of the Government of India, are aiding growth of the

residential segment. Industry players have announced the launch of 'affordable housing' projects, a large part of these plans is concentrated towards developments in the suburbs of tier-I cities and within tier-II cities. Demand for housing segment is estimated to grow at a compounded annual growth rate (CAGR) of 15% from 2010-14 and reach 4.25 million units at pan-India level at the end of this period. About 60% of this estimated demand is expected to be spread across top 7 metro cities.

Overall growth of the economy, influx of multinational companies (MNCs) and the growth of the service sector including IT/ITeS, Telecom, BFSI etc. are driving demand growth in the commercial sector. While the commercial segment continues to manifest in and around metro cities, there has been a shift of business activity from the Central Business District (CBD) to the peripheral and sub-urban extensions. The emergence of new economic centers in tier I/II cities is opening new growth avenues for the commercial real estate segment. Pan-India demand for office space is expected to reach about 240.7 million square feet by the year 2014, with 46% contribution from Mumbai, NCR and Bengaluru. Bengaluru is expected to note the highest cumulative demand of 42.1 million square feet, owing to the increasing interest from corporate firms and renewed growth from IT/ITeS sector.

Having survived the initial spate of skepticism, consolidation of organized retail stems from rising 'consumerism.' Despite retail amounting to a small portion of the real estate industry today, it is poised to achieve accelerated growth in light of changing consumer preferences and the proposed 100 FDIs for multi-brand retail outlets which are currently awaiting necessary approvals.

Hospitality is fast emerging as a promising new segment of the real estate sector. Tourism has recorded strong growth in terms of both, leisure and business travel from domestic populace and overseas travelers. The hospitality industry is facing a challenge in terms of building world-class hotel infrastructure. Indian hoteliers are fast scaling up at a time when international hotel chains are entering India.

Apart from the major realty asset classes viz. housing, commercial office, reality and retail spaces; India's real estate sector is witnessing the emergence of new segments and sub-segments such as education, healthcare, service apartment and senior citizen housing. The cumulative real estate demand for the education sector across the top seven cities is estimated to be approximately 75 million square feet by the year 2014, 70% of which is expected to come up from Delhi NCR, Mumbai and Bengaluru.

B. OPERATIONAL REVIEW

The genesis of Puravankara dates back to the year 1975, in the city of Mumbai. 35 years hence, Puravankara has grown to become one of the leading real estate developers in India, with a dominant presence in South India and a definitive plan to expand its footprints across India and overseas.

Serving the needs and aspirations of a discerning clientele for residential, commercial and retail spaces, today, Puravankara is a name to reckon with, not only in the domestic markets, namely Bengaluru, Chennai, Coimbatore, Hyderabad, Kochi, Kolkata and Mysore but also overseas, in Colombo and Dubai.

With a committed pool of experienced professionals across all verticals, Puravankara houses unparalleled capabilities of project management and execution. The organization has a policy of continuous assessment of technologies and processes in order to ensure best business practices. In addition to developing international standard luxury apartment and villa complexes under the brand Puravankara and premium affordable apartments under the brand Provident, Puravankara's offerings also include commercial spaces. It also has the expertise to build large integrated townships. All residential developments include modern amenities and international standard lifestyle facilities.

The Company is currently developing projects amounting to 25.20 million sq. ft. With an extensive land bank of 143.43 million sq. ft, of which future developable area amounts to 118.23 million sq. ft, Puravankara is positioned for achieving exponential growth. The Group is currently constructing 17,117 homes across South India and Kolkata under the brands, Puravankara, Provident and Elita.

Brand Provident was launched in the fiscal year 2009-10 under the subsidiary company, Provident Housing Limited. Both its initial projects, one each in Bengaluru and Chennai, have received an overwhelming response with over 85% of the open stock sold. The Company plans to launch similar affordable housing projects in other cities such as Mysore, Kochi, Coimbatore and Hyderabad.

Setting trends in Indian Real Estate

Since inception, Puravankara has completed 36 residential and commercial projects, while being at the forefront of Indian real estate evolution. To its credit, it has delivered many firsts – it was the first Indian real estate player to obtain FDI through its joint venture with Singapore based Keppel Land Limited. Keppel Land Limited is the property arm of Keppel Corporation Limited in which the Government of Singapore has a controlling stake of 54%. The joint venture company, Keppel Puravankara Development Private Limited, is currently in the process of developing two residential projects in Bengaluru and Kolkata respectively under the brand name Elita.

Puravankara has the distinction of launching the country's first ever residents' privileges program, 'Purva Privileges'. This is a unique customer and consumer benefit initiative which was launched in 2004. It entitles all Purva homeowners and their tenants to attractive referral programs, concierge services. An offshoot of the privileges programs, 'Purva Advantage' further entitles homeowners to a host of special offers. This bears testimony to Puravankara's philosophy of caring for customers in totality.

Puravankara's history as an organization is a reflection of the spirit of entrepreneurship, a far-sighted vision, dynamic leadership, and ability to overcome adversity and take calculated risks, teamwork by committed professionals, and agility to take advantage of emergent opportunities. With this ethos, Puravankara is poised to launch new projects in the next couple of years given the latent demand. The company is also aggressively looking at expanding into newer markets while focusing on the execution of the on-going projects with adopting newer technologies in construction.

Integrity and Credibility

Inspired by its founder's philosophy of 'ethics before everything else', Puravankara conducts business with utmost transparency and exercises highest standards of governance and disclosures. It is *among the few real estate companies in the country that declare audited financial results for every quarter. The company believes in setting high benchmarks for accounting policies and practices. 'The institute of Chartered Accountants of India (ICAI)' awarded Puravankara for 'Excellence in Financial Reporting' for the year ended 31 March, 2008.*

Awards & Accolades

Over the past 35 years, the Group has been bestowed upon with numerous awards which recognize its contributions to the Indian real estate sector. Puravankara had the privilege of being a finalist in the residential category, at the "International Prix d'Excellence" organized by FIABCI, Paris, the International Federation of Real Estate, for its iconic project, "Purva Park". It was awarded the "Luxury Project of the Year" award for "Purva Fountainsquare" at the Realty Plus Excellence Awards-South, 2010-2011. On the same platform, Puravankara also won the "Employer to the Year" award. Its residential sensation, "Purva Fountainsquare" has also been awarded the "Best Landscape" award in the residential category by the Mysore Horticulture Society, 2010. Lastly, it was also recognized for "Best Urban Design & Master Planning" at the Construction Source Felicitation Award Ceremony, 2010. In addition, two of its prestigious projects, "Purva Graces" and "Purva Heights" received a PA 1 rating by CRISIL.

C. FINANCIAL REVIEW

RELEVANT INSIGHT INTO OUR ACCOUNTING

Income

Puravankara's total income comprises of revenue from projects, interior works and rental proceeds. Majority of the Group's revenue is derived from its residential projects. In addition, Puravankara draws income from leasing its commercial properties.

Income from projects

Sale of residential projects contributed to over 99.59% of our total income in FY11 (98.86% in FY10) and the balance 0.41% can be attributed to income derived from rental and interior works. A small portion of the company's income was obtained from transfer fees and flat cancellation charges.

The company follows percentage of completion for revenue recognition for income from projects as per Accounting Standard 7, "Construction Contract" issued by the Institute of Chartered Accountants of India. Under this method, revenue is recognized on the basis of the percentage of actual construction cost incurred as against the total estimated cost of the project under execution. Estimates of saleable area and their corresponding income along with project costs are reviewed periodically. The impacts of revisions, if any, made to estimates are recognized in financial statements for the period in which such changes are determined. Estimates of saleable area and total project costs are subject to change, depending on the nature of the approvals we receive for these projects and other economic considerations. Major source of future sales revenue will be from ongoing and forthcoming projects.

Rental income

Rental income represents income from lease of our commercial properties.

Revenue from interiors

Our interior works division derives its revenues from the services it performs, namely, designing, installing and maintaining furniture, fixtures and other fittings and executing interior works for our large family of customer base in our completed projects.

Expenditure

The Groups' expenditure includes cost of revenues, selling costs, general and administrative expenses, and finance income/ (charges).

Cost of Revenues

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

Construction costs

Our construction costs primarily consist of material used in 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 line method in the manner and rates prescribed in Schedule XIV to the Companies Act.

Selling costs

Our selling costs include advertising and sales promotion costs, 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 comprise of employee costs, contribution to employees' provident funds and other staff welfare expenses and not recognized under either 'costs of revenue' or under 'selling costs' above. In addition, we also recognize rates and taxes, our expenditure under legal and professional charges, printing and stationary, travelling and conveyance, communication costs, security charges, remuneration for auditors, repairs and maintenance of our office premises and losses from foreign exchange fluctuations.

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 capitalized.

Share of Profit in Associates

This comprises of our share of profit / (loss) in associates, from 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 / (loss) 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, to compare our core operating performance between periods. 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 recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits.

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

FACTORS AFFECTING RESULTS OF OPERATIONS

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

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

Each of these factors is discussed below:

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

- *demand for more housing units in cities and towns due to movement of population from rural to urban, expanding middle class, increased disposable income, availability of housing finance and tax incentives;*
- *demand for office premises due to growing Indian market, including the IT industry, the retail industry and the manufacturing industry, foreign companies setting up office in India.*

Factors affecting the real estate market in India still have a direct relation to the performance of the Company. The gross domestic product in India has not undergone any significant change compared to the previous fiscals. Real estate sector in India is on upturn. The main growth thrust is coming due to favourable demographics, increasing purchasing power, existence of customer friendly banks & housing finance companies, professionalism in real estate and favorable reforms initiated by the government to attract global investors

Supply of land: Our operations are dependent on the availability of land for our projects. Our growth is linked to the availability of land in areas where we can develop projects that are marketable mainly to 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 includes non-refundable deposits towards Joint Development Agreements and amounts paid for freehold rights, cost of registration and stamp duty. 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.

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

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

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

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

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

Rental income

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

(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 realizable value with the cost being determined on a 'First In First Out' basis.

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

(d) Accounting for taxes for income

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

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

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

RESULTS OF OPERATIONS

The following table summarizes the consolidated results of operations of the Group FY11 with comparatives for FY10, in each case stated in absolute terms and as a percentage of revenue.

(₹/million)

	FY 2011		FY 2010	
	Amount	% of Total Income	Amount	% of Total Income
Revenues	5,992.09	100.00	4,783.62	100.00
Cost of Revenues	4,028.02	67.22	2,748.13	57.45
Gross Profit	1,964.07	32.78	2,035.49	42.55
Selling expenses	260.15	4.34	170.51	3.56
General and administrative expenses	288.02	4.81	282.45	5.90
Operating Profit	1,415.90	23.63	1,582.53	33.08
Net finance income/(expense)	54.44	0.91	15.90	0.33
Share of profit in associate	(11.60)	-0.19	152.83	3.19
Profit before tax	1,458.74	24.34	1,751.26	36.61
Provision for tax	279.68	4.67	298.08	6.23
Profit after tax	1,179.06	19.68	1,453.18	30.38

Our Company's consolidated net profit after tax for the year ended 31 March 2011 is ₹1,179.06 million compared to ₹1,453.18 million in the last fiscal. Revenue recorded at ₹5,992.09 million for the year translated to an increase of 25.26% over the previous year. The lower profits are principally due to the increase in the input costs for certain projects, higher tax provision due to the sale of non 80IB units and lower contribution from Associates.

The area currently under development is 25.20 million sq. ft. with projects spread across Bengaluru, Chennai, Kochi and Kolkata. There are 16 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, Kochi, Bengaluru and Mysore.

The current land stands at 143.43 million square feet of developable area and 112.05 million square feet of saleable area.

Comparison of Fiscal 2011and Fiscal 2010

Income

Our revenues increased by 25.26 % to ₹5,992.02 million in fiscal 2011 from ₹4,783.62 million in fiscal 2010, primarily due to increase in sale of apartments during the current fiscal.

In fiscal 2011, we were able to recognize income from sale of seven completed projects and eleven from our ongoing projects.

Our rental income decreased to ₹10.90 million in fiscal 2011 from ₹25.18 million in fiscal 2010 mainly due to termination of leases during the current fiscal and to have fresh leases with increased rent.

Expenditure

Our total expenditure increased by 41.96.% to ₹4,521.75 million in fiscal 2011 from ₹3,185.18 million in fiscal 2010, primarily due to an increase in our revenues resulting in a corresponding increase in cost.

Our cost of revenues increased by 46.57% to ₹4,028.02 million in fiscal 2011 from ₹2,748.13 million in fiscal 2010, primarily due to the increase in the input costs for certain projects during the year. As a percentage of total income, our cost of revenue increased to 67.22% of total income in fiscal 2011 from 57.45% of total income in fiscal 2010.

Our selling cost increased by 52.57% to ₹260.15 million in fiscal 2011 from ₹170.51 million in fiscal 2010, primarily due to launches and increase of our reach. It is charged as period cost but the benefit will be realized in subsequent years.

Our general and administrative expenses increased by 1.97% to ₹288.02 million in fiscal 2011 from ₹282.45 million in fiscal 2010 due to increase in our operation and general inflationary increase.

Our net finance income was ₹54.44 million in fiscal 2011 compared to a net finance income of ₹15.90 million in fiscal 2010.

Share in profit of associate

Our net share in loss of associates was ₹11.61 million mainly due to increase in the input costs.

Profit before tax

Our profit before tax decreased by 16.70% to ₹1,458.74 million in fiscal 2011 from ₹1,751.26 million in fiscal 2010 mainly due to an increase in our input cost for certain projects and marginal increase in selling & administration expenses.. Our profit before tax as a percentage of total income decreased to 24.34% in fiscal 2011 from 36.61% in fiscal 2010, primarily due to increase in our cost of revenue.

Gross Profit

Our gross profit decreased by 3.51% to ₹1,964.07 million in fiscal 2011 from ₹2,035.49 million in fiscal 2010. As a percentage of our total revenues, our gross profit decreased to 32.78% in fiscal 2011 from 42.55% in fiscal 2010, primarily due to increase in our cost of revenue.

Provision for tax

Our provision for tax liabilities decreased to ₹279.68 million in fiscal 2011 from ₹298.08 million in fiscal 2010. Our current tax liability has decreased to ₹267.41 million in fiscal 2011 from ₹312.19 million in fiscal 2010.

Net Profit After Tax

Our net profit after tax decreased by 18.86% to ₹1,179.06 million in fiscal 2011 from ₹1,453.18 million in fiscal 2010. As a percentage of total income, the net profit decreased to 19.68% in fiscal 2011 from 30.38% in fiscal 2010.

However, Profit has increased by 38% compared to the corresponding 12 month period in 2010 excluding the profits from the sale of surplus land of ₹587 Million recorded in the previous fiscal.

Financial Indebtedness

Our total net debt was ₹10,588.13 million and ₹8,028.51 million as of 2011 and 2010 respectively. Our net debt equity ratio was 0.67 in fiscal 2011 compared to 0.54 in fiscal 2010.

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 internal accruals 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 ₹15,763.82 million and ₹14,852.33 million, respectively for the fiscal years 2011 and 2010.

Net Cash Flows

As of March 31, 2011 and 2010 we had cash and cash equivalents of ₹998.99 million and ₹782.15 million, respectively. The table below summarizes our cash flows as restated for fiscal 2011 and 2010:

(₹/million)

	Fiscal 2011	*Fiscal 2010*
Net cash from / (used in) operating activities	*(2,432.11)*	*555.33*
Net cash from /(used in) investing activities	*1,707.68*	*481.26*
Net cash generated from/ (used in) financing activities	*694.36*	*(544.37)*
Net increase/(decrease) in cash and cash equivalents	*(30.07)*	*492.23*

Cash Flow from our Operating Activities

Our net cash used in operating activities in fiscal 2011 was ₹2,432.11 million, although our profit before taxes for such period was ₹1,458.74 million. The movement was primarily due to increase in inventories, debtors, loans and advances, properties under development and decrease in properties held for sale, current liabilities and provisions. The net cash used is mainly towards deployment of land for the properties under development, inventories and receivables.

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 investment in associates, properties held for development and interest received. Our net cash from investing activities in fiscal 2011 and 2010 was ₹1,707.68 million and ₹481.26 million respectively. Our cash flows from invensting activities is positive during the current fiscal primarily due to certain properties moved to operating assets from investment assets.

Cash Flow from Financing Activities

Our cash flow from financing activities is determined primarily by the level of our borrowings, repayment of term loans and interest payments on them, loans repaid to our related parties and payment of dividend. Our cash flow from financing activities was ₹694.36 million in fiscal 201. In fiscal 2010, cash used in financing activities was ₹544.37 million. The increase is mainly due to deployment of funds for properties under development and proportionately arrange for finance.

Financial Condition

The overall financial condition and performance of the company during the fiscal 2011 was healthy and in line with the business plans. The debt equity ratio had been maintained at a reasonable level between 0.54 to 0.67. The Group has met all the repayment of loans 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 ₹427.24 million and ₹362.24 million as at March 31, 2011 & 2010, respectively. Our fixed assets comprise of buildings, plant and machinery, office equipments, furniture and fixtures, 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, Keppel Puravankara Development Private Ltd., Keppel Magus Development Private Ltd. and Sobha Puravankara Aviation Pvt Ltd. Our total investment in associate companies were ₹1,189.41 million and ₹1,191.07 million as at March 31, 2011 and 2010, respectively. The decrease in investment in associates is due to loss in share of our associates during the current fiscal.*

Properties held for development: *This consists of various lands which have been acquired for the purposes of development. Our properties held for development were ₹11,604.82 million and ₹13,527.72 million as at March 31, 2011 and 2010, respectively.*

Current Assets, Loans and Advances: *The total current assets, loans and advances were ₹18,042.90 million and ₹12,667.97 million as at March 31, 2011 and 2010, 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 ₹998.99 million and ₹782.15 million as at March 31, 2011 and 2010 respectively*

Inventory: *Our inventories consist primarily of raw materials for our construction projects. Our inventories were ₹283.84 million and ₹226.81 million as at March 31, 2011 and 2010, respectively.*

Trade Debtors: *The total amount payable by our trade debtors was ₹1,143.52 million and ₹1,112.00 million as at March 31, 2011 and 2010, respectively. Our trade debtors consist of unsecured debtors.*

Properties under development: *This consists of our projects currently under development. Our projects under development was ₹11,623.13 million and ₹6,811.51 million as at March 31, 2011 and 2010, respectively.*

Properties held for sale: *This consists of finished projects which are unsold on the date of the financial statements, which is valued at cost price or net realizable value (equal to selling price less cost of selling), whichever is lower. Our properties held for sale was ₹706.25 million and ₹852.45 million as at March 31, 2011 and 2010, respectively.*

Loans and Advances: *Our total loans and advances were ₹3,287.17 million and ₹2,883.04 million as at March 31, 2011 and 2010, respectively. Our loans and advances also comprise of advances and loans made by us to suppliers, loans given to our associates and subsidiaries, advances for acquisition of land, advance for taxes, prepaid expenses and other advances.*

Liabilities

Total Liabilities and Provisions: *Our total liabilities and provisions were ₹3,944.33 million and ₹4,077.47 million as at March 31, 2011 and 2010 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 disclosed as 'provisions' represent the provisions that we make for vacation pay, gratuity and proposed dividend.*

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.For details regarding our related party transactions, please see "Related Party Transactions".

Significant Developments after March 31, 2011 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 our ability to pay material liabilities within the next 12 months.

D. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has well defined and adequate internal control systems to ensure that all assets are safeguarded and serve to be more productive. Internal controls are supplemented by periodic audits along with management reports which are reviewed by our Audit Committee.

We have an independent and qualified Audit Committee that includes members from our Board of Directors. The Audit Committee reviews the efficiency and competency of internal control systems and makes suggestions for any improvements or corrections. These internal controls ensure efficiency in operations, compliance with internal policies of the Company, applicable laws and regulations, protection of resources and accurate reporting of financial transactions.

E. HUMAN CAPITAL DEVELOPMENT

We continue to believe that our employees are key contributors to our success. The Group's endeavor to impart best training practices and provide a healthy and robust work environment in order to retain talent remains unabated. Our workforce comprises of (i) permanent employees, (ii) consultants who we engage with on a contractual basis to assist in architectural and structural design of our projects and (iii) contractors who we engage with on a contractual basis to employ labourers at our project sites. The table given below indicate the number of employees as on March 31, 2011 in comparison to the corresponding date in 2010.

Employee Category	*Fiscal 2011*	*Fiscal 2010*
Non Technical	*275*	*203*
Technical	*278*	*214*
Trainees	*12*	*14*
Total	***565***	***431***

F. RISKS AND CONCERNS

Risk management is a structured approach to manage uncertainty and its outcome through a scientific process of risk identification and management. In a business enterprise, risk management involves methods and processes adopted by organizations in order to manage

risks related to achieving their objectives. Risk management typically involves the following:

- *Identifying particular events or circumstances relevant to the organizational objectives*
- *Assessing these events and circumstances in terms of the impact they have on the organization*
- *Implementing all planned methods for mitigating the effect of these risks*
- *Clear assignment of designated responsibilities and accountability*
- *Management reporting*
- *Prioritize the risk with regard to the probability of its occurrence and the magnitude of its impact*
- *Monitoring the progress of risk mitigation and control activities to ensure that identified objectives are achieved or in the process of being achieved. Monitoring is an ongoing process and the concerned are to provide progress reports to management periodically.*

By identifying and proactively addressing risks and opportunities, the business enterprises are protected and create value for stakeholders, which include owners, employees, customers, regulators and society at large.

Our Company has appropriate and sufficient internal control systems to monitor business processes at all levels. The Company's management team has identified certain areas of risk that the company is susceptible at the entity and industry level. Listed below are such events and the same is not exhaustive.

Company Specific Risks

Sl. 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, JD partners not having clear titles to land etc	Land Acquisition	• Inability to transfer title • Exposure to legal disputes and related costs • Impact on Land Valuations	• Due diligence by independent and in-house counsel • Representations/Encumbrance certificates • Advertisements /Public notices in newspapers • Suitable monetary compensation to settle disputes • Experience of 30 years
2	Delays in completion of projects due to shortage of skilled labor, material, contractors and delays by contractors etc	Project Execution	• Higher construction costs • Impact on reputation/ Customer dissatisfaction • Payment of penalties to customers	• Increased usage of mechanized equipment • Supply of labour outsourced to sub contractors • Dedicated Planning department • Penalty clauses for delay in agreements with Contractors • Extension of working hours on weekdays and Sundays • Interstate purchases
3	Inability to attract and retain employees as a result of increased opportunities in the market, higher salaries offered by competition and employee dissatisfaction with company policies /processes.	Human Resources	• Loss of expertise and continuity • Higher recruitment and training costs • Delay in Project Execution	• Fast growing Company - opportunities are better • Site visits by HR personnel • Defined Appraisal system to provide career guidance and feedback • Compensation benchmarking survey • Formal exit interview procedure to be implemented • Innovative Loyalty building programs being implemented • Separate department of hearing grievances of employees and mitigating the same at periodically.
4	Inadequate systems security due to absence of secure transmission lines, absence of an IT policy indicating safe system usage mechanisms, inadequate access controls to ERP etc	Information Technology	• Loss/pilferage of confidential data	• 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
5	Non-Compliance with requirements of labor laws and other relevant rules and regulations due to inadequate knowledge of requirements, absence of a mechanism to obtain assurance, unorganized nature of labour market, expansion into new geographies etc.	Compliance	• Fines/Penalties/ Imprisonment for non compliance	• In house expert on relevant regulations • Use of external consultants • Periodic monitoring of checklists that list requirements of VAT, Service Tax, Company's Act and Income Tax • System controls for tax compliance • IA Function • Dedicated person to track compliance with labour laws • Distribution of detailed checklists to all relevant departments • Proof of compliance prior to making contractor payments • Periodical internal training

Company Specific Risks

Sl. No.	Inherent Risk Description	Business Process	Impact factors	Mitigation Measures
6	*Customer dissatisfaction with the Sales processes due to over commitments/ incorrect information provided by sales personnel, customization requirements not being adequately addressed, delays in processing agreements etc*	*Sales & Marketing*	• *Customer dissatisfaction* • *Loss of potential customers* • *Growth* • *Margins*	• *Mock flats with standard specifications* • *Adequate redressal system for property complaints* • *Updates on progress of the project through website/mails* • *Minimal customization* • *Projects are launched only after receipt of requisite sanctions.* • *Process of generating/executing agreements being streamlined* • *Periodic review of complaints received and action taken*
7	*Customer dissatisfaction with After Sales processes due to lack of a well defined customer redressl system, disputes over cancellation charges, inadequate property management post sale*	*Sales & Marketing*	• *Customer dissatisfaction* • *Loss of potential customers* • *Growth* • *Margins*	• *Dedicated Customer Care department. Target of 24 hours for acknowledging customer queries/ complaints* • *Cancellation charges clearly mentioned in the application forms and sale agreements* • *PPL handles Property Management*
8	*Inability to obtain financing/ financing on favorable terms, due to downgrading of debt rating, liquidity crunch etc*	*Business Development*	• *Higher financing costs* • *Mismatch in cash flow* • *Period review of the loans portfolio with plant for restructuring*	• *In house Quality Control dept* • *Dedicated Planning department* • *Increased Use of technology* • *Low outstanding on Land payment*
9	*Sub-standard s construction quality due to dependence on third parties, absence of adequate number of quality structural consultants, sub-standard quality of raw material etc*	*Project Execution*	• *Delay in project completion* • *Impact on reputation* • *Abortive costs*	• *In-house construction & quality team* • *Use of snagging checklists* • *Structure certified by Govt authorized consultants* • *Defects liability insurance taken* • *Expert opinion from local consultants*
10	*New territory Risks arising from uncertainty in the natural parameters, inadequate knowledge of local regulations, dilution of control etc*	*Project Execution*	• *Delay in project completion* • *Impact on reputation* • *Abortive costs* • *Stay order by the court due to PIL's* • *Project costs incorrectly estimated*	• *Expert opinion from local consultants sought* • *Location audits on process implementation effectiveness*
11	*Reduced margins due to significant escalation in material, labour costs post project commencement/ ineffective planning etc*	*Project Execution*	• *Reduced Margins*	• *Selling strategy - only a certain percentage of apartments are sold upfront* • *5% contingency margin in initial estimates* • *Implementation of newer technology to reduce construction time* • *Dedicated Planning department*
12	*Inability to anticipate and respond to consumer requirements due to inadequate market research and analysis*	*Business Development*	• *Lower demand for Purva properties*	• *Direct sales* • *'Know Your Customer's Requirements' ('KYCR')initiatives* • *Analysis of buying patterns/ size of loan disbursements*

Sl. No.	Inherent Risk Description	Business Process	Impact factors	Mitigation Measures
13	Loss due to theft, accidents at site, defects etc	Project Execution	• Financial Loss	• Adequate Insurance Policies • Security guards • Separate Stores Management team • Rotation of stores personnel • Asset Management System
14	Use of unlicensed software due to absence of a software usage policy, periodic monitoring mechanism etc	Information Technology	• Penalties for use of unlicensed software	• Microsoft Software Asset Management Review • IT policy indicating software usage to be rolled out • Periodic monitoring mechanism • Group Policy Controls to prevent implementation of unauthorized software
15	High network downtime resulting in unavailability of data	Information technology	• Unavailability of data • Delays in payments that could result in delay in Project timelines • Delay in providing information to customers/ potential customers	• Rollout of backup lines
16	Inability to adopt/adapt to new technologies	Project Execution	• Impact on quality of construction • Delay in project completion • Impact on margins	• Key Management personnel understands and is abreast with the latest technology • MIVAN technology sufficient for next few years
17	Risk of capturing and/ or reporting incorrect /inaccurate financial information	Financial Reporting	• Incorrect financial reporting	• Centralization of accounting system, procurement, payments • Audit of controls • Period consultation with Audit firms
18	Death of laborers / construction personnel on site/Accidents on site due to non-adherence to safety procedures, non – enforcement of safety procedures	Project Execution	• Delays in the project • Compensation /Litigation Costs • Impact on reputation	• Safety Officers • Safety Programs • Workmen's insurance policy • Workers employed through contractors are insured by the contractors • Location audits • Company proposes to apply for a safety award
19	Presence of fly-by-night operators resulting in decreased demand for Purva properties	Business Development	• Loss of potential customers • Educate customers and impact	• High Quality of Construction • Established brand name • Experience of 35 years
20	Issues with Joint Venture partner	Business Development	• Impact on types of projects that the company undertakes • Growth	• Clearly defined commercial terms • Successful relationship
21	Significant Dependence on few members of mgt/Loss of key mgt personnel	Human Resources	• Loss of Experience/ Expertise • Loss of key relationships	• Adequate systems and structure for smooth transition • Introduction of Succession Plan for Key Managerial Personnel
22	Inability to use acquired land for intended purpose due to non-compliance with permitted land uses, inability to transfer titles to land etc	Business Development	• Exposure to legal disputes & related costs • Delayed project commencement/Project abandonment • Surrender of excess land held over ceiling	• 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 • Involvement of senior management

Industry Risks

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

G. OPPORTUNITIES AND THREATS

Driven by a long-term vision for real estate, we have always been optimistic on the promising future outlook of this industry. The global economy is fast recovering and is reflecting in improved performance of some companies in the IT and export oriented industries.

The middle class segment and urban population continue to grow. A significantly higher percentage of Indian populace is young, skilled and thriving, especially in the 25 to 45 years age group. Their aspiration to own their own residence at a much earlier age in life and the subsequent rise in priority to acquire this asset gives rise to the constant demand for such dwelling units. However, the market has experienced a shift in demand for high cost lifestyle apartments to medium cost affordable housing. The Group had recognized this trend early and is among the market leaders in providing affordable housing projects to cater to this demand.

Improved sentiments and performance of various segments of the economy have also resulted in increased demand for premium and lifestyle apartments. With a 35 year heritage in providing quality housing, Puravankara is an established brand to cater to this market segment.

Cautionary Statement

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

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 2011 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 ₹2,305,517,088 as at 31 March 2011, the total revenue of ₹219,858 for year ended on that date and cash flows amounting to ₹1,209,440 for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors. We did not audit the financial statements of an associate whose financial statements reflect the Company's share of loss of ₹315,691 for the year ended on that date included in these consolidated financial statements. These financial statements have not been audited by other auditors.

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

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

   (a) the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2011;

   (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

Bengaluru
13 May 2011

Consolidated Balance Sheet

(₹)

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

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

This is the Consolidated Balance Sheet referred to in our report of even date.

For Walker, Chandiok & Co
Chartered Accountants

For and on behalf of the Board of Directors

per **Aashish Arjun Singh**
Partner

Ravi Puravankara
Chairman and Managing Director

Nani R. Choksey
Deputy Managing Director

Ashish Puravankara
Joint Managing Director

Kiran Chappar
Company Secretary

Bengaluru
13 May 2011

Bengaluru
13 May 2011

Consolidated Profit and Loss Account

(₹)

	Note	Year ended 31 March 2011	Year ended 31 March 2010
Revenues	**17**	**5,992,089,285**	**4,783,619,708**
Cost of Revenues	**18**	4,028,022,109	2,748,125,813
Gross Profit		**1,964,067,176**	**2,035,493,895**
Selling expenses	**19**	260,146,880	170,512,310
General and administrative expenses	**20**	288,021,166	282,449,110
Operating Profit		**1,415,899,130**	**1,582,532,475**
Net finance income/(charges)	**21**	54,442,186	15,904,736
Profit before tax and share of profit in associates, net		1,470,341,316	1,598,437,211
Share of profit in associates, net		(11,605,559)	152,827,150
Profit before tax		**1,458,735,757**	**1,751,264,361**
Provision for tax	**22**	279,675,029	298,079,275
Profit after tax		**1,179,060,728**	**1,453,185,086**
Earnings per share: Basic and diluted	**23**	5.52	6.81
Significant accounting policies	**1**		

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

This is the Consolidated Profit and Loss Account referred to in our report of even date.

For Walker, Chandiok & Co
Chartered Accountants

per **Aashish Arjun Singh**
Partner

Bengaluru
13 May 2011

For and on behalf of the Board of Directors

Ravi Puravankara
Chairman and Managing Director

Nani R. Choksey
Deputy Managing Director

Ashish Puravankara
Joint Managing Director

Kiran Chappar
Company Secretary

Bengaluru
13 May 2011

Notes to the Consolidated Financial Statements

1. Significant Accounting Policies

a. Basis of preparation

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

b. Use of estimates

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

c. Basis of consolidation

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

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

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

d. Revenue recognition

Revenues from projects

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

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

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

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

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

Rental income

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

Interior Income

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

e. Properties held for sale

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

f. Properties held for development

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

g. Fixed assets

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

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

h. Depreciation

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

i. Borrowing Costs

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

j. Advertisement and Promotional expenses

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

k. Impairment of Assets

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

l. Cash and cash equivalents

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

m. Inventory

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

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

n. Foreign currency transactions

(a) Initial Recognition

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

(b) Conversion

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

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

o. Leases

Finance Leases

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

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

Operating leases

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

p. Employee benefits

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

Provident fund

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

Gratuity

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

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

Vacation pay

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

Other short-term benefits

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

q. Stock based compensation

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

r. Taxes on income

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

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

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

s. Earnings per share

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

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

t. Provisions and contingent liabilities

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

2. Group Structure

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

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

b) Information in aggregate for each subsidiary including subsidiary of subsidiaries is listed below. Annual accounts and related information of the subsidiaries will be available for inspection at the Registered Office of the company.

Information of the subsidiaries for the year ended 31 March 2011

(₹)

No.	Name	Issued, Paid-up Capital	Reserves	Total Assets	Total Liabilities	Investment (Excluding investment in subisidiaries	Turnvvoer	Profit/ (loss) before Taxation	Provision for Taxation	Profit/ (loss) after Taxation	Propose Dividend
1	Prudential Housing and Infrastructure Development Limited	500,000	(12,009,900)	190,896,109	202,906,009	Nil	-	(333,248)	-	(333,248)	Nil
2	Centurions Housing and Constructions Pvt. Ltd	100,000	(1,020,634)	126,093,410	127,114,044	Nil	-	(30,843)	-	(30,843)	Nil
3	Melmont Construction Pvt. Ltd.	100,000	(37,471,788)	1,233,731,055	1,271,202,843	Nil	219,858	(14,484,631)	-	(14,484,631)	Nil
4	Purva Marine Properties Pvt. Ltd.	150,000	(134,601)	78,596	213,197	Nil	-	(16,811)	-	(16,811)	Nil
5	Purva Realities Pvt. Ltd.	100,000	(69,474)	359,680,466	359,749,940	Nil	-	(13,620)	-	(13,620)	Nil
6	Purva Opel Properties Pvt. Ltd.	100,000	(68,617)	31,383	100,000	Nil	-	(8,160)	-	(8,160)	Nil
7	Purva Ruby Properties Pvt. Ltd.	100,000	(68,645)	31,355	100,000	Nil	-	(8,188)	-	(8,188)	Nil
8	Purva Good Earth Properties Pvt. Ltd.	100,000	(68,595)	31,405	100,000	Nil	-	(8,104)	-	(8,104)	Nil
9	Purva Sapphire Land Pvt. Ltd.	100,000	(68,615)	31,385	100,000	Nil	-	(8,130)	-	(8,130)	Nil
10	Purva Star Properties Pvt. Ltd.	100,000	(68,646)	31,354	100,000	Nil	-	(8,187)	-	(8,187)	Nil
11	Nile Developers Pvt. Ltd.	1,000,000	71,227,923	197,915,352	126,687,429	Nil	-	589,347	-	589,347	Nil
12	Vaigai Developers Pvt. Ltd.	1,000,000	50,730,910	155,247,539	104,516,629	Nil	-	(7,057)	-	(7,057)	Nil
13	Puravankara Hotels Limited	500,000	(58,917)	441,083	500,000	Nil	-	(11,197)	-	(11,197)	Nil
14	Purva Land Limited	500,000	(85,444)	414,556	500,000	Nil	-	(11,499)	-	(11,499)	Nil
15	Starworth Infrastructure & Construction Limited	500,000	(14,797,223)	(10,517,264)	4,279,959	Nil	57,462,091	(6,253,632)	-	(6,253,632)	Nil
16	Provident Housing Limited	500,000	329,757,116	1,032,033,776	702,276,660	Nil	1,835,053,001	549,296,677	168,852,006	380,444,671	Nil
17	Purva Corporation *	450,000	(397,294)	52,706	450,000	Nil	-	(45,099)	-	(45,099)	Nil
18	Purva Lanka Holding Pvt. Ltd. **	54,1666,667	(629,078)	52,670,922	53,300,000	Nil	-	(55,262)	-	(55,262)	Nil
19	Puravankara Projects Lanka Pvt. Ltd. **	54,166,667	(14,367,807)	38,932,193	53,300,000	Nil	-	(3,375,785)	-	(3,375,785)	Nil

Puravankara Projects Lanka Pvt. Ltd. is the subsidiary of subsidiary Purva Lanka Holding Pvt. Ltd.

* Amount in rupees equivalent to US Dollar converted @ INR 45.28

** Amount in rupees equivalent to Srilankan Rupees converted @ INR 0.41

Notes to the Consolidated Financial Statements (contd.)

(₹)

		Year ended 31 March 2011	Year ended 31 March 2010
3 Share Capital			
Authorised			
320,000,000 Equity shares of ₹5 each (31 Mar 2010- 320,000,000 equity shares of ₹5 each)		1,600,000,000	1,600,000,000
Issued, subscribed and paid up			
213,424,335 (31 Mar 2010- 213,424,335) equity shares of ₹5 each fully paid-up		1,067,121,675	1,067,121,675
		1,067,121,675	**1,067,121,675**
4 Reserves and Surplus			
Share Premium		**7,988,811,915**	**7,988,811,915**
General Reserve		**463,400,000**	**400,500,000**
Debenture Redemption Reserve		**12,945,915**	**96,300,863**
Profit and Loss Account			
Balance at the beginning of the year		5,299,595,067	4,260,489,259
Add: Net profit for the year		1,179,060,728	1,453,185,086
Less: Transfer to Debenture Redemption Reserve		77,600,863	-
Less: Proposed Dividend		12,945,915	61,883,477
Less: Tax on distribution of dividend		213,424,335	213,424,335
Less: Transfer to General Reserve		35,447,114	36,271,466
Balance at the end of the year		62,900,000	102,500,000
		6,231,539,294	**5,299,595,067**
		14,696,697,124	**13,785,207,845**
5 Loans			
Secured Loans		11,208,624,539	8,725,655,156
Unsecured Loans - overdraft from bank		369,500,671	-
Unsecured Loans - short term loan from associate		9,000,000	-
Unsecured Loans - short term loan from bank		-	85,000,000
		11,587,125,210	**8,810,655,156**
Secured Loans			
Term loans	(a)	7,428,264,276	5,122,967,850
Debentures	(b)	1,500,000,000	550,000,000
Cash Credit & Other loans	(c)	2,280,360,263	3,052,687,306
		11,208,624,539	**8,725,655,156**

(a) Term Loans

i. On 30 May 2008 the Company entered into a term loan agreement with ICICI Home Finance Company Limited for a term loan of ₹1,250 million. Out of the sanctioned limit, the Company had drawn ₹1,130 million as on 31 March 2009 and the balance of ₹120 million in April 2009. This facility is secured by mortgage of the properties together with all buildings and structures thereon, both present and future and scheduled receivables of Purva Venezia and Purva Highlands and is also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director, Mr. Nani R Choksey, Deputy Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company, repayable in 16 monthly instalments commencing 15 June 2009. However, this loan was restructured in July 2009 such that it is repayable in 16 monthly instalments commencing 15 October 2010 including ₹78.1 million due on 15 June 2009. The outstanding as on 31 March 2011 was ₹781.25 million.

ii. On 3 June 2008, the Company entered into an agreement with ICICI Bank for a term loan facility up to a maximum of ₹1,250 million. This facility is secured by mortgage of the properties together with all buildings and structures thereon, both present and future, scheduled receivables of

Purva Venezia and Purva Highlands, lands at Uganavadi village and Kaikondanahalli village and is also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director, Mr.Nani R Choksey, Deputy Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company. The loan is repayable in 12 monthly instalments starting from 15 March 2011. The outstanding as on 31 March 2011 was ₹1,145.83 million. Another term loan of ₹750 million was sanctioned by ICICI Bank Limited on 04 March 2011 considering the same security. Company has entered into a facility agreement on 05 March 2011 with ICICI Bank Limited and drawn a sum of ₹400 million out of it. This loan is repayable in 16 monthly instalments starting from March 2012. Outstanding balance of this additional term loan from ICICI Bank Limited was ₹400 Million.

iii. On 4 December 2008, the Company entered into an agreement with Life Insurance Corporation of India for a loan of ₹2,000 million. This facility is secured by mortgage of land at Marine Drive, Kochi, the receivables and is also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company. The loan is repayable in 14 equal quarterly instalments commencing from January 2010. The outstanding as on 31 March 2011 was ₹1,285.71 million.

iv. On 6 October 2009, Provident Housing Limited entered into an agreement with LIC Housing Finance Limited for a term loan of ₹1,150 million. This facility is secured by mortgage of property at Pudupakkam Chennai, negative lien of unsold flats being constructed thereon, hypothecation of receivables of Cosmocity project, corporate guarantee of Puravankara Projects Limited and personal guarantees of Mr. Ravi Puravankara, Mr.Nani R Choksey and Mr. Ashish Puravankara, Directors of the Company. The tenor of the loan is 30 months with moratorium period of 15 months for repayment. The outstanding as on 31 March 2011 was ₹480 million.

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

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

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

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

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

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

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

(b) *Debentures*

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

(c) *Cash Credit & Other Loans*

i. On 19 August 2004, the Company entered into an agreement with Andhra Bank for a cash credit facility of ` 150 million which was further enhanced to ₹200 million in the month of October 2008 and ₹500 million in the month of March 2010. This facility is secured against the properties of the Company. The outstanding as on 31 March 2011 was ₹500.70 million.

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

iii. On 20 November 2008, the Company has availed a Secured Overdraft facility from Andhra Bank for ₹800 million which is secured against the land together with the buildings and structure thereon at Geddalahalli, Bengaluru and is also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director, Mr. Nani R Choksey, Deputy Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company. The outstanding as on 31 March 2011 was ₹801.19 million.

iv. On 8 January 2008, the Company entered into a term loan agreement with HSBC for ₹1,350 million which was originally payable in quarterly instalments from October 2008 till October 2009 and ₹350 million was payable in quarterly instalments, from January 2009 till October 2009. However, this loan was restructured in June 2009 such that the instalments due as of 29 June 2009 and also remaining amounts were migrated into overdraft on the due dates of the instalments as per the earlier repayment schedule.The resultant overdraft is repayable in 13 monthly instalments after a moratorium of 14 months. From June 2009 to December 2009 an amount of ₹832.5 million has been migrated from term loan to overdraft which is secured by mortgage of the land and building of Purva Swanlake project and receivables of Purva Swanlake and Purva Moneto. The outstanding as on 31 March 2011 on this overdraft account was ₹15.12 million.

v. Other loans represent loans taken for purchase of vehicles. These loans are secured by a charge against respective vehicles. The outstanding as on 31 March 2011 was ₹19.33 million.

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

(₹)

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

Unsecured Loans

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

6 Deferred Tax Liability (Net)

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

7. Fixed Assets

(₹)

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

(₹)

	31 March 2011	31 March 2010
8 Investments		
Investment in Associates:		
(Unquoted and fully paid up, including share of profit / loss)		
Keppel Puravankara Development Private Limited		
4,410,000 Equity Shares (31 Mar 2010- 4,410,000) of ₹10 each at par	779,461,429	790,751,296
17,640,000 13.25% cumulative, redeemable, convertible Preference Shares (31 Mar 2010- 17,640,000) of ₹10 each at par	176,400,000	176,400,000
Keppel Magus Development Private Limited 362,600 Equity shares (31 Mar 2010- 362,600) of ₹610 each	223,600,281	223,915,972
Sobha Puravankara Aviation Private Limited 995,000 Equity shares (31 Mar 2010- NIL) of ₹10 each	9,950,000	-
	1,189,411,710	**1,191,067,268**
9 Properties Held for Development		
At the beginning of the year	13,527,720,074	13,924,347,522
Add : Additions during the year	906,594,342	314,810,839
Less: Deletions during the year	104,105,194	691,669,822
Less: Transferred to Properties Under Development	2,725,389,129	19,768,465
	11,604,820,093	**13,527,720,074**
10 Cash and Bank Balances		
Cash in hand	3,940,673	4,750,579
Balances with Banks:		
In current accounts	591,709,382	620,972,631
In deposit accounts	403,344,033	156,428,212
	998,994,088	**782,151,422**
11 Trade Debtors		
(Unsecured and considered good)		
Debts outstanding over six months	606,777,519	587,143,423
Debts outstanding less than six months	536,741,352	524,861,234
	1,143,518,871	**1,112,004,657**

(₹)

	31 March 2011	31 March 2010
12 Properties Under Development		
Land cost	5,594,675,004	3,030,098,510
Material and construction cost	13,608,691,362	8,337,645,457
Profit recognized to-date	4,840,397,192	3,057,886,297
Less: Progress payments received and receivable	12,420,638,109	7,614,122,314
	11,623,125,449	**6,811,507,950**
13 Properties Held for Sale		
At the beginning of the year	852,453,104	973,503,851
Add : Additions during the year	52,576,762	157,213,723
Less: Sales during the year	194,522,062	268,901,343
Less: Write downs during the year	4,262,094	31,997,712
Add: Write backs during the year	-	22,634,585
	706,245,710	**852,453,104**
14 Loans and Advances		
(Unsecured and considered good)		
Advances to suppliers *	657,180,650	444,327,391
Advances for land contracts *	1,086,464,485	1,151,732,819
Deposits	736,142,848	521,324,651
Loans to associates *	241,232,927	174,067,759
Advance tax (net of provision)	57,143,113	62,435,660
Taxes and duties recoverable	356,248,298	385,417,621
Prepaid expenses *	24,975,647	1,416,721
Other advances *	127,782,543	142,321,899
	3,287,170,511	**2,883,044,521**

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

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

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

Notes to the Consolidated Financial Statements (contd.)

	Year ended 31 March 2011 (₹)	Year ended 31 March 2010 (₹)
21 Finance Income/(Charges)		
Interest expenses on loans and cash credits	(1,406,273,147)	(1,156,451,395)
Loan and other processing charges	(158,280,790)	(66,648,144)
Discount on issue of debentures	(1,458,333)	-
Less:		
Expended as part of Cost of Revenue	428,403,322	247,745,358
Capitalized and included in Properties Under Development	942,033,582	815,519,027
Capitalized and included in Properties Held for Development and Advances for land contracts	154,636,496	131,215,520
Less: Finance Income:		
Bank deposits	25,010,446	13,043,518
Loan to associates	9,350,168	10,927,569
Others	40,800,001	-
Interest received from customers	20,220,441	20,553,283
	54,442,186	**15,904,736**
22 Provision for Tax		
Current tax	267,411,528	312,187,036
Tax of earlier years	17,699,078	-
Deferred tax charge/(credit)	(5,435,577)	(14,107,761)
	279,675,029	**298,079,275**

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

23 Earnings Per Share

	Year ended 31 March 2011	Year ended 31 March 2010
Weighted average number of shares outstanding during the period	213,424,335	213,424,335
Add: Dilutive effect of stock options	193,200	483,000
Weighted average number of shares used to compute diluted EPS	**213,617,535**	**213,907,335**
Net profit after tax attributable to equity shareholders	1,179,060,728	1,453,185,086
Earnings per share:		
Basic	5.52	6.81
Diluted	5.52	6.79
Nominal value per equity share	5.00	5.00

24 Stock-based compensation

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

The disclosures for the year ended 31 March 2011 have been provided below:

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

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

The weighted average exercise price of the options outstanding at 31 March 2011was ₹465.86 and they had weighted average remaining contractual life of 9 months.

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

(₹)

	Year ended 31 Mar 2011	Year ended 31 Mar 2010
Net profit, as reported	1,179,060,728	1,453,185,086
Add: Stock-based employee compensation expense included in the Profit and Loss Account	-	-
Less: Stock based employee compensation expense determined under the fair value method	5,727,592	15,387,419
Proforma net income	**1,173,333,136**	**1,437,797,667**
Earnings per share - Basic		
As reported	5.52	6.79
Proforma	5.49	6.72
Earnings per share - Diluted		
As reported	5.52	6.79
Proforma	5.49	6.72

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

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

Notes to the Consolidated Financial Statements (contd.)

25 Leases

Properties taken on operating lease

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

(₹)

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

Sublease

The Company has sub let one of the properties under a non cancellable operating lease agreement. Lease income was ₹10,723,623 for the year ended 31 March 2011 (2010 - ₹25,178,057). Minimum amount of future lease rental receivable under the non-cancellable operating lease agreement is:-

(₹)

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

26 Other commitments and contingencies

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

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

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

27 Related party transactions

(i) Parties where control exists

Key Management Personnel:

Mr. Ravi Puravankara

(ii) Relatives of Key Management Personnel:

Ms.Geeta S Vhatkar

Ms.Aarti Panjabi

Mr. Ashish Puravankara

Mr.Suresh Puravankara

Ms.Amanda Puravankara

Ms.Tanya Puravankara

Ms.Vishalakshi Puravankara

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

Purva Developments

Uniquepark Constructions Private Limited

Unique Constructions

Welworth

Puravankara Investments

Handiman Services Limited

Dealwel - Proprietorship

Dealwel Finance Corporation

Tanya Trust

Amanda Trust

Purva Properties and Resorts Private Limited

Dealwel Estates Private Limited

(₹)

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

Nature of Transaction	Associates		Key Management Personnel		Relatives of Key Management Personnel		Other Related Parties	
	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10
Transactions during the year:								
Interest on loans								
Keppel Puravankara Development Private Limited	2,270,940	2,167,384	-	-	-	-	-	-
Keppel Magus Development Private Limited	7,079,228	8,760,185	-	-	-	-	-	-
Loans given to								
Propmart Technologies Limited	159,445,800	22,450,000	-	-	-	-	-	-
Dealwel Estates Private Limited	-	-	-	-	-	-	23,318	-
Loans taken from								
Ravi Puravankara	-	-	192,039,280	96,406,614	-	-	-	-
Puravankara Investments	-	-	-	-	-	-	-	480,000
Sobha Puravankara Aviation Private Limited	9,000,000	-	-	-	-	-	-	-
Loans repaid to								
Ravi Puravankara	-	-	389,269,280	85,406,614	-	-	-	-
Loans repaid by								
Keppel Magus Development Private Limited	-	1,000,000	-	-	-	-	-	-
Propmart Technologies Limited	101,630,800	350,000	-	-	-	-	-	-
Security and maintenance expenses								
Handiman Services Limited	-	-	-	-	-	-	62,333,632	74,563,618
Rental expenses								
Dealwel	-	-	-	-	-	-	173,644	2,034,114
Brokerage expenses								
Propmart Technologies Limited	728,322	635,251	-	-	-	-	-	-
Remuneration								
Ravi Puravankara	-	-	17,952,000	17,952,000	-	-	-	-
Ashish Puravankara	-	-	-	-	10,034,391	8,884,356	-	-
Balances at the year end:								
Loans given to								
Propmart Technologies Limited	126,100,000	68,285,000	-	-	-	-	-	-
Keppel Puravankara Development Private Limited	29,511,677	27,240,736	-	-	-	-	-	-
Keppel Magus Development Private Limited	85,621,251	78,542,023	-	-	-	-	-	-
Dealwel Estates Private Limited	-	-	-	-	-	-	23,318	-
Loans taken from								
Sobha Puravankara Aviation Private Limited	9,000,000	-	-	-	-	-	-	-
Advances for land contracts paid to								
Geeta S Vhatkar	-	-	-	-	142,300,016	142,300,016	-	-
Security Deposits paid to								
Dealwel	-	-	-	-	-	-	1,500,000	1,500,000
Puravankara Investments	-	-	-	-	-	-	4,500,000	4,500,000
Dues from								
Aarti Panjabi	-	-	-	-	-	28,660,750	-	-
Dues to								
Handiman Services Limited	-	-	-	-	-	-	1,616,116	5,171,061
Puravankara Investments	-	-	-	-	-	-	19,778,540	19,778,540
Purva Development	-	-	-	-	-	-	1,776,276	1,776,276
Purva Properties and Resorts Private Limited	-	-	-	-	-	-	15,000	15,000
Ravi Puravankara	-	-	233,720,000	430,950,000	-	-	-	-

Notes to the Consolidated Financial Statements (contd.)

28 Employee benefits

A. Defined benefit plan

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

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

(₹)

		For the Year ended 31 Mar 2011		For the Year ended 31 Mar 2010	
		Gratuity	Vacation Pay	Gratuity	Vacation Pay
1	The amounts recognized in the Balance Sheet are as follows:				
	Present value of the obligation as at the end of the year	52,456,657	23,880,853	44,801,683	15,948,308
	Fair value of plan assets as at the end of the year	(30,049,507)	-	(29,092,680)	-
	Net liability/(asset) recognized in the Balance Sheet	**22,407,150**	**23,880,853**	**15,709,003**	**15,948,308**
2	The amounts recognized in the Profit and Loss Account are as follows:				
	Service cost	7,363,146	9,330,306	10,076,475	5,708,482
	Interest cost	3,394,159	1,106,453	846,111	936,802
	Expected return on plan assets	(4,388,687)	-	(1,816,057)	-
	Past service cost	-	-	23,745,068	-
	Net actuarial (gain)/loss recognized in the year	329,529	(184,626)	197,342	(37,132)
	Expense recognized in the Profit and Loss Account of the year	**6,698,147**	**10,252,133**	**33,048,939**	**6,608,152**
3	Changes in the present value of defined benefit obligation				
	Defined benefit obligation as at beginning of the year	44,801,683	15,948,308	10,891,235	14,079,902
	Service cost	7,363,146	9,330,306	10,076,475	5,708,482
	Interest cost	3,394,159	1,106,453	846,111	936,802
	Past Service cost	-	-	23,745,068	-
	Actuarial losses/(gains)	(2,045,409)	(184,626)	(127,521)	(37,132)
	Benefits paid	(1,056,922)	(2,319,588)	(629,685)	(4,739,746)
	Defined benefit obligation as at the end of the year	**52,456,657**	**23,880,853**	**44,801,683**	**15,948,308**
4	Changes in the fair value of plan assets				
	Fair value as at the beginning of the year	29,092,680	-	17,799,945	-
	Expected return on plan assets	4,388,687	-	1,816,057	-
	Actuarial (loss)/ gains	(2,374,938)	-	(324,863)	-
	Contributions	-	2,319,588	10,431,226	4,739,746
	Benefits paid	(1,056,922)	(2,319,588)	(629,685)	(4,739,746)
	Fair value as at the end of the year	**30,049,507**	**-**	**29,092,680**	**-**
	Assumptions used in the above valuations are as under:				
	Interest rate	8%	8%	8%	8%
	Discount rate	8%	8%	8%	8%
	Expected return on plan assets	8%	-	8%	-
	Future salary increase	6%	6%	6%	6%
	Attrition rate	2%	2%	2%	2%
	Retirement age	60 years	60 years	60 years	60 years

B. Defined contribution plan

The Company makes contribution of statutory provident fund as per Employees Provident Funds and Miscellaneous Provisions Act, 1952. This is a defined contribution plan as per AS 15. Contribution made was ₹7,912,449 for the year ended 31 March 2011 (2010 - ₹7,593,755).

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

31 Prior period comparatives

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

For and on behalf of the Board of Directors

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

Bengaluru
13 May 2011

Consolidated Cash Flow Statement

(₹)

		Year ended 31 March 2011	Year ended 31 March 2010
A.	**Cash flows from operating activities**		
	Profit before tax	1,458,735,757	1,751,264,361
	Adjustments for:		
	Depreciation and amortization	37,589,756	110,940,154
	(Profit) / loss on sale of fixed assets	(8,770)	(136,219)
	Finance Income/ (Charges), net	(54,442,186)	(15,904,738)
	Share of (profit)/loss in associates	11,605,559	(152,827,150)
	Operating profit before working capital changes	**1,453,480,116**	**1,693,336,408**
	Movements in working capital :		
	(Increase) / Decrease in trade debtors	(31,514,214)	33,967,851
	(Increase) / Decrease in inventories	(57,031,525)	(29,466,535)
	(Increase) / Decrease in loans and advances	(337,643,766)	(116,961,300)
	(Increase) / Decrease in properties under development	(3,441,180,595)	(19,033,232)
	(Increase) / Decrease in properties held for sale	146,207,394	121,050,747
	Increase / (Decrease) in current liabilities and provisions	115,390,360	(854,413,492)
	Cash (used in) / received from operations	**(2,152,292,230)**	**828,480,447**
	Direct taxes paid	(279,818,059)	(273,147,321)
	Net cash from / (used in) operating activities	**(2,432,110,289)**	**555,333,126**
B.	**Cash flows from investing activities**		
	Purchase of fixed assets and capital work in progress	(137,151,674)	(10,485,826)
	Loans to associates	(159,445,800)	(22,450,000)
	Proceeds from sale of fixed assets	553,000	252,000
	Loans repaid by associates	101,630,800	1,350,000
	Investment in Associates	(9,950,000)	-
	Properties held for development	2,077,536,477	508,074,503
	Net investment in bank deposits and margin monies	(246,915,821)	(21,986,373)
	Interest received	81,421,284	26,507,277
	Net cash from /(used in) investing activities	**1,707,678,266**	**481,261,581**

	Year ended 31 March 2011 (₹)	Year ended 31 March 2010 (₹)
C. Cash flows from financing activities		
Proceeds from term loans	4,483,829,671	1,540,000,000
Repayment of term loans	(1,880,703,020)	(1,124,567,075)
Proceeds from debentures	1,500,000,000	-
Repayment of debentures	(550,000,000)	-
Premium on redemption of debentures	(18,700,000)	-
Proceeds from /(repayments of) short-term borrowings	(776,656,597)	249,571,001
Loans from related parties	188,484,335	96,886,614
Loans repaid to related parties	(389,269,280)	(85,406,614)
Dividends paid including taxes	(249,543,854)	(130)
Interest paid	(1,613,082,387)	(1,220,853,293)
Net cash generated from / (used in) financing activities	**694,358,868**	**(544,369,497)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**(30,073,155)**	**492,225,210**
Cash and cash equivalents at the beginning of the year	**625,723,210**	**133,498,000**
Cash and cash equivalents at the end of the year	**595,650,055**	**625,723,210**
Components of cash and cash equivalents		
Cash and bank balances (as per Note 10 to the financial statements)	998,994,088	782,151,422
Less: Bank deposits and margin monies considered separately	403,344,033	156,428,212
	595,650,055	**625,723,210**

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

For Walker, Chandiok & Co
Chartered Accountants

per **Aashish Arjun Singh**
Partner

Bengaluru
13 May 2011

For and on behalf of the Board of Directors

Ravi Puravankara
Chairman and Managing Director

Nani R. Choksey
Deputy Managing Director

Ashish Puravankara
Joint Managing Director

Kiran Chappar
Company Secretary

Bengaluru
13 May 2011

DIRECTORS' REPORT

Your Directors are pleased to present their report for the financial year ended 31 March 2011.

Financial Performance

For the year ended 31 March 2011 Puravankara Projects Limited recorded a net profit of ₹838,641,997 as compared to the previous year's net profit of ₹1,365,579,980. A sum of ₹12,945,915 is proposed to be appropriated towards the Debenture Redemption Reserve and ₹62,900,000 towards the General Reserve. Further, an amount of ₹591,525,496 is proposed to be retained in the Profit and Loss Account.

Dividend

The Board of Directors has recommended the final dividend of ₹ 1/- per equity share on 213,424,335 Equity shares of ₹ 5/- each for the financial year ended 31 March 2011, which if approved at the forthcoming Annual General Meeting, will be paid to (i) all those equity shareholders whose names appear in the register of members as on 16 September 2011 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 Depositories, viz. the National Securities Depositories Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as on 16 September 2011.

Debentures

During the year your Company issued and allotted 150 Non-convertible Debentures of ₹10,000,000 each aggregating ₹1,500,000,000. The said debentures have been listed on the Wholesale Debt Market of Bombay Stock Exchange Limited (BSE).

Fixed Deposits

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

Directors

Mr. Anup S Shah 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. Mr. Ravi Puravankara has been re-appointed as the Managing Director of the Company for a period of 5 years with effect from 1 April 2011. Mr. Ashish Puravankara has been re-appointed as Whole-time Director and designated as the Joint Managing Director of the Company for a period of 5 years with effect from 1 April 2011. Mr. Nani R. Choksey has been re-appointed as Whole-time Director and designated as the Deputy Managing Director of the Company for a period of 5 years with effect from 1 April 2011. The said re-appointments are subject to the approval of members of the Company in the ensuing Annual General Meeting.

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 2011 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 the 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

The Board of Directors in its meeting held on 13 May 2011, in compliance with Circular No. 2 of 2011 dated 8 February 2011 issued by the Ministry of Corporate Affairs (MCA), approved the presentation of audited consolidated financial statements of Puravankara Projects Limited (the "Company") with its subsidiaries, and further, consented not to attach the Balance Sheet of the subsidiaries in the Annual Report 2010-11 of the Company. Your Company has annexed to this report (Page No.39) the information regarding each subsidiary pertaining to capital, reserves, total assets, total liabilities, details of investment, turnover, profit before taxation, provision for taxation, profit after taxation / loss and proposed dividend.

Your Directors hereby inform you that the audited annual accounts and related information of the subsidiaries will be available for inspection 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. However, having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the aforementioned information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such information may write to the Company Secretary at the Registered Office of the Company.

Energy, Technology Absorption and Foreign Exchange

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

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 was equivalent to ₹ 7,165,582 and the expenditure was equivalent to ₹16,673,539.

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 forms 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.

Corporate Social Responsibility

A seperate section on Corporate Social Responsibility forms a part of this Annual Report.

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

Bengaluru **Ravi Puravankara**
13 May 2011 **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 6 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	Joint Managing Director	Son of Ravi Puravankara	15	1	-
Nani R. Choksey	Deputy Managing Director	-	13	1	-
RVS Rao	Independent Director	-	4	4	2
Anup S Shah	Independent Director	-	2	2	1
Pradeep Guha	Independent Director	-	5	2	-
Ravi Ramu*	Non-excutive Director	-	1	-	-

*Mr. Ravi Ramu ceased to be a member of the Board of Directors of the Company with effect from 29 October 2010.

Directorships covered under Section 278 of the Companies Act, 1956, and the memberships of Audit Committee and Shareholders / Investors 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 29 April 2010, 29 July 2010, 29 October 2010, 17 January 2011 and 28 January 2011. 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	3	Not Present
Ashish Puravankara	5	5	Yes
Nani R. Choksey	5	5	Yes
Anup S Shah	5	5	Not Present
RVS Rao	5	3	Yes
Pradeep Guha	5	2	Not Present
Ravi Ramu	3	3	Yes

* AGM: Annual General Meeting

Directors' Remuneration

Remuneration paid to the Board of Directors for the financial year 2010-11 is provided herein below:

(₹)

Name	Salary, Allowances & Perquisites	Contribution to Provident Fund	Total
Ravi Puravankara	16,800,000	1,152,000	17,952,000
Ashish Puravankara	10,064,631	9,360	10,073,991
Nani R. Choksey	9,581,130	300,000	9,881,130

The Board of Directors in its meeting held on 13 May 2011 approved the payment of ₹10,00,000 (Rupees Ten Lakhs only) as commission for each of the Independent Directors of the Company for the financial year ended 31 March 2011 for spending their valuable time on advising the Company. Further, each of the Independent Directors were paid ₹15,000 for attending each meeting of the Board of Directors and the Audit Committee for the financial year 2010-11. The Board of Directors approved the payment of ₹466,666 as commission to

Mr. Ravi Ramu during his tenure as Non-executive Director from 1 April 2010 to 29 October 2010. Further, Mr. Ravi Ramu was paid sitting fee of ₹15,000 for attending each meeting of the Board of Directors from 1 April 2010 to 29 October 2010. The Company paid a sum of ₹12,500 during the year for various professional services rendered by Anup S Shah Law Firm of which Mr. Anup Shah is the proprietor. Further, Mr. Anup S Shah was a partner of AZB & Partners till 31 December 2010. The Company paid a sum of ₹63,28,562 from 1 April 2010 to 31 December 2010 for various professional services rendered by AZB & Partners. The Managing Director, Joint Managing Director and Deputy Managing Director do not receive sitting fee and commission.

The Managing Director, Joint Managing Director and Deputy Managing Director have been re-appointed for a period of 5 years with effect from 1 April 2011 and the said re-appointments are subject to the approval of members in the ensuing Annual General Meeting of the Company. Further, either the Board of Directors on behalf of the Company or the said Managing Director, Joint Managing Director and Deputy Managing Director may terminate their respective appointment by serving 3 (three) months' prior written notice to the other party, or such other terms including notice period as may be mutually agreed by the Board and the said Directors.

Shares / Options held by the Directors

Details of the Directors' shareholding as on 31 March 2011 are provided herein below:

Name	Equity Shares	Percentage of Shareholding	Stock Option+
Ravi Puravankara	191,988,480	89.956%	N.A.
Ashish Puravankara	3,600	-	N.A.
Nani R. Choksey	1,920	-	*386,400
RVS Rao #	2,000	-	N.A.
Anup S Shah	Nil	N.A.	N.A.
Pradeep Guha	Nil	N.A.	N.A.

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

* 50% lapsed on 31 December 2009. The balance 50% vested on 31 December 2010 and the exercise period is 12 months from the date of vesting

Jointly with Mrs. Lakshmi R. Rao

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. Accordingly, the Board of Directors has constituted 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. RVS Rao, Mr. Anup S Shah, Mr. Ravi Puravankara and Mr. Pradeep Guha as the members. Mr. Anup S Shah acts as the Chairman of the Committee and 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 29 April 2010, 29 July 2010, 29 October 2010 and 28 January 2011. Mr. RVS Rao represented the Audit Committee as its Chairman to answer the shareholders' queries in the Annual General Meeting of the Company held on 29 June 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	4
RVS Rao	4	3
Pradeep Guha	4	2
Ravi Puravankara	4	2

Investors Grievance Committee

Clause 49 of the Listing Agreement entered into with stock exchanges makes it mandatory to constitute an investors grievance committee. Accordingly, the Board of Directors has constituted Investors Grievance Committee. The basic function of the Committee is to address shareholders' complaints / grievances pertaining to:

i. transfer of shares;

ii. dividends;

iii. dematerialization 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 did not meet. During the year the

Company received 10 complaints from the shareholders and the same were resolved immediately.

Compensation Committee

The Board has constituted a compensation committee comprising of Mr. Ravi Puravankara, Mr. RVS Rao, Mr. Pradeep Guha and Anup S Shah as the members. Mr. Ravi Puravankara acts as the Chairman and Mr. Kiran Chappar, Company Secretary, acts as the Secretary of the Committee. During the year, Mr. Anup S Shah has been appointed as a member of the Committee. Further, the constitution of the Committee was amended in the meeting of the Board of Directors held on 28 January 2011 to fulfill the requirements of Schedule XIII readwith other applicable provisions, if any, of the Companies Act, 1956, and the Listing Agreements entered into with the Stock Exchanges. The Compensation Committee sets out the role, composition, authority, responsibilities and operations of the Committee. The Committee assists the Board in establishing remuneration policies and practices which:

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

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

Further, the 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 Projects 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 SEBI Guidelines.

The Committee met on 28 January 2011 to recommend to the Board of Directors the re-appointments of Mr. Ravi Puravankara as the Managing Director, and Mr. Ashish Puravankara and Mr. Nani R. Choksey as the Whole-time Directors for a period of 5 years with effect from 1 April 2011 and their remuneration thereto. Mr. Pradeep Guha and Mr. Anup S Shah were present in the meeting.

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 comprises of Mr. Ravi Puravankara, Mr. Ashish Puravankara and Mr. Nani R. Choksey as the members.

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 1 April 2010 to 29 October 2010. However, with effect from 29 October 2010 the composition of the Board has been in accordance with Clause 49(IA) of the said Agreement by having 3 Whole-time Directors and 3 Independent Directors. The Stock Exchanges, SEBI or any other statutory authority have not imposed any penalties or strictures relating to capital market transaction since listing of the equity shares. 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 posted on the website of the Company. All the Board members and the senior management have affirmed their compliance with the said Code.

Declaration of Compliance with the Code of Conduct

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

Bengaluru — **Ravi Puravankara**
13 May 2011 — **Chairman and Managing Director**

Details of the last 3 Annual General Meetings

Nature of Meeting	Date & Time	Venue	Special Resolution
Twenty Fourth Annual General Meeting	29 June 2010 at 10.30 a.m.	The Gateway Hotel Residency Road Bengaluru – 560 025	None
Twenty Third Annual General Meeting	24 December 2009 at 11.00 a.m.	The Gateway Hotel Residency Road Bengaluru – 560 025	None
Twenty Second Annual General Meeting	16 September 2008 at 2.30 p.m.	ITC Hotel Maratha Mumbai, Sahar Mumbai – 400 099	Approved the payments of commission to the Non-executive Directors under Section 309 of the Companies Act, 1956

Extraordinary General Meeting

During the year under review the Company did not convene and hold any extraordinary general meeting of the members.

Passing of Resolutions by Postal Ballot

During the year under review the Company did not pass any resolution through postal ballot.

Means of Communication

The quarterly results of the Company are normally published in Business Line, Financial Express, Samyukta Karnataka 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.

Dematerialization 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 dematerialized form.

Share Transfer System

11,572 Equity shares representing 0.01% of the Issued and Paid-up capital of the Company are held in the physical form. The share transfer requests 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.

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. Currently, we have on going projects spread across Bengaluru, Chennai, Kochi, Kolkata and Coimbatore. We have our branch offices at Bengaluru, Chennai, Mumbai, Kochi and Dubai in the UAE.

Market Price Data and Performance

Month	Bombay Stock Exchange Limited (BSE) (₹ per share)		National Stock Exchange Limited (NSE) (₹ per share)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April 2010	119.90	102.20	119.50	103.00
May 2010	112.00	85.60	112.70	85.50
June 2010	111.00	76.40	110.85	93.20
July 2010	117.70	103.95	132.00	104.25
August 2010	126.45	106.25	126.50	106.40
September 2010	145.25	110.00	145.80	110.20
October 2010	136.90	123.85	136.90	124.10
November 2010	125.00	91.05	126.10	92.30
December 2010	122.00	100.00	122.00	100.50
January 2011	117.65	102.05	117.40	103.05
February 2011	113.05	103.00	113.50	102.50
March 2011	118.80	100.00	118.90	96.95

Distribution of Shareholding as at 31 March 2011

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	0.006
Institutions			
Foreign Institutional Investors	8	14,676,014	6.876
Insurance Companies	2	1,881,275	0.881
Mutual Funds	3	1,822,609	0.854
Financial Institiutions/ Banks	1	5,000	0.002
Non-institutions			
Individual Shareholders	25,289	2,584,093	1.211
Bodies Corporate	321	394,592	0.185
Clearing Members	131	60,752	0.029
Total	**25,763**	**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.

Address for Correspondence

Registered Office
Puravankara Projects Limited
No. 130/1, Ulsoor Road
Bengaluru - 560 042
Tel: +91-80- 2559 9000
Fax: +91-80-2559 9350
Email: investors@puravankara.com
Website: www.puravankara.com

Registrar and Transfer Agent
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup (West)
Mumbai 400 078
Tel: +91-22- 2596 3838
Fax: +91-22- 2594 6969

Debenture Trustees
IL&FS Trust Company Limited
The IL&FS Financial Centre
Plot No C-22, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai-400 051, India
Tel: +91-22-2659 3082
Fax: +91-22-2653 3297

General Shareholder Information

i.	Annual General Meeting Date, time and venue	Saturday, 24 September 2011 at 12:00 p.m. at The Taj West End Hotel No. 25, Race Course Road Bengaluru - 560 001, India
ii.	Date of Book Closure	17 to 24, September 2011 (both days inclusive)
iii.	Dividend Payment Date	On or after 24 September 2011
iv.	Financial Calendar (tentative) Results for quarter ending:	
	i. June 2011	a. Last week of July 2011
	ii. September 2011	b. Last week of October 2011
	iii. December 2011	c. Last week of January 2012
	iv. March 2012	d. Last week of April 2012
	Annual General Meeting	July 2012
v.	Listing on Stock Exchanges	a. Bombay Stock Exchange Limited (BSE) Floor No. 25, PJ 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 Non-convertible Debentures: Series I : INE323I07034 Series II : INE323I07042
viii.	Secured, Non-convertible Redeemable Debentures (NCDs)	i. The Company had issued 55 Secured Non Convertible Redeemable Debentures (NCDs) of ₹10,000,000 each on private placement to ICICI Prudential Mutual Fund on 10 September 2008 and the same were redeemed on 19 July 2010. ii. Further, the Company has issued on private placement to Kotak Mahindra Prime Limited on 31 January 2011 75 NCDs (Series I) of ₹10,000,000 each, and on 31 March 2011 issued another 75 NCDs (Series II) of ₹10,000,000 each on private placement basis to another 39 investors.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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 2011, 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 has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, and the representation made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement, except the composition of the Board of Directors as regards independent directors not in accordance with the requirements of Clause 49 for the period from 1 April 2010 to 29 October 2010 representing the period beyond that permitted by Clause 49 for the replacement of resigning independent directors.

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

For Walker, Chandiok & Co
Chartered Accountants

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

Bengaluru
13 May 2011

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 2011, 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 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2011 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 2011;

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

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

Bengaluru
13 May 2011

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 2011.

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 one 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 ₹2,396,616,448 and the year-end balance was ₹2,013,868,975.

(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 ₹669,934,795 and the year-end balance was ₹324,765,078.

(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 specialized nature of the items involved and in the absence of any comparable prices, we are unable to comment as to whether the transactions made in pursuance of such contracts or arrangements have been made at 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.

(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 (₹)	Period to which the amount relates	Forum where dispute is pending
Karnataka Value Added Tax Act,	Value Added Tax (including interest & penalty on an approximate basis)	22,322,464 (₹11,162,122 is paid under protest)	2005 to 2006	Joint Commissioner (Appeals)
The Kerala Value Added Tax Act, 2003	Value Added Tax (including interest)	619,292	2005-2006	Joint Commissioner (Appeals)
Chapter V of the Finance Act, 1994	Service Tax payable (including interest & penalty)	46,430,204	2002 to 2008	Customs, Excise & Service Tax Appellate Tribunal

(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 banks or debenture holders during the year.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, 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

Bengaluru
13 May 2011

Balance Sheet Parent Company

(₹)

	Note	31 March 2011	31 March 2010
Sources of Funds			
Shareholders' Funds			
Share capital	**2**	1,067,121,675	1,067,121,675
Reserves and surplus	**3**	13,737,781,943	13,166,711,395
		14,804,903,618	**14,233,833,070**
Loan Funds			
Secured loans	**4**	10,728,564,359	7,669,229,241
Unsecured loans	**5**	378,500,671	85,000,000
		11,107,065,030	**7,754,229,241**
Deferred Tax Liability	**6**	**4,462,265**	**8,649,584**
		25,916,430,913	**21,996,711,895**
Application of Funds			
Fixed Assets	**7**		
Cost		666,198,486	635,583,117
Less: Accumulated depreciation/amortization		315,272,164	279,046,696
Net book value		**350,926,322**	**356,536,421**
Capital work-in-progress including capital advances		**34,121,976**	
Investments	**8**	**537,395,867**	**527,445,867**
Properties Held for Development	**9**	**9,612,581,413**	**11,536,776,079**
Current Assets, Loans and Advances			
Cash and bank balances	**10**	566,631,720	468,233,802
Inventories		261,421,462	226,811,381
Trade debtors	**11**	738,943,433	994,077,233
Properties under development	**12**	10,843,083,851	6,079,797,483
Properties held for sale	**13**	706,245,710	852,453,104
Loans and advances	**14**	4,825,998,342	4,333,966,773
		17,942,324,518	**12,955,339,776**
Less: Current Liabilities and Provisions			
Current liabilities	**15**	2,269,736,036	3,100,837,216
Provisions	**16**	291,183,147	278,549,032
		2,560,919,183	**3,379,386,248**
Net Current Assets		**15,381,405,335**	**9,575,953,528**
		25,916,430,913	**21,996,711,895**
Significant accounting policies	**1**		

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

For Walker, Chandiok & Co
Chartered Accountants

For and on behalf of the Board of Directors

per **Aashish Arjun Singh**
Partner

Ravi Puravankara
Chairman and Managing Director

Nani R. Choksey
Deputy Managing Director

Ashish Puravankara
Joint Managing Director

Kiran Chappar
Company Secretary

Bengaluru
13 May 2011

Bengaluru
13 May 2011

Profit and Loss Account Parent Company

(₹)

	Note	Year ended 31 March 2011	Year ended 31 March 2010
Revenues	**17**	**4,141,357,931**	**5,038,177,351**
Cost of revenues	**18**	2,827,237,049	3,071,546,179
Gross Profit		**1,314,120,882**	**1,966,631,172**
Selling expenses	**19**	163,599,505	73,224,056
General and administrative expenses	**20**	254,817,094	245,936,273
Operating Profit		**895,704,283**	**1,647,470,843**
Net finance income/(charges)	**21**	53,603,969	16,188,412
Profit before tax		**949,308,252**	**1,663,659,255**
Provision for tax	**22**	110,666,255	298,079,275
Profit after tax		**838,641,997**	**1,365,579,980**
Earnings per share : Basic and diluted	**23**	**3.93**	**6.40**
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, Chandiok & Co
Chartered Accountants

per **Aashish Arjun Singh**
Partner

Bengaluru
13 May 2011

For and on behalf of the Board of Directors

Ravi Puravankara
Chairman and Managing Director

Nani R. Choksey
Deputy Managing Director

Ashish Puravankara
Joint Managing Director

Kiran Chappar
Company Secretary

Bengaluru
13 May 2011

1. Significant Accounting Policies

a. Basis of preparation

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

b. Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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 recognized when the significant risks and rewards of ownership have been transferred to the customer, which coincides with the entering into a legally binding agreement. Revenues from such contracts are recognized under the percentage of completion method. Contract revenues represent the aggregate amounts of sale price for agreements entered into and are accrued based on the percentage that the actual construction costs incurred until the reporting date bears to the total estimated construction costs to completion. Land costs are not included for the purposes of computing the percentage of completion.

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

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

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

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

Rental income

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

Interior Income

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

d. 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 net costs incurred during the period of development.

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. Fixed assets purchased in foreign currency are recorded at the actual rupee cost incurred.

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

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 ₹5,000 are fully depreciated in the year of purchase.

h. Borrowing Costs

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

i. Advertisement and Promotional expenses

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

j. Impairment of Assets

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

k. Cash and cash equivalents

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

l. Inventory

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

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

m. Foreign currency transactions

(a) Initial Recognition

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

(b) Conversion

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

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

n. Leases

Finance Leases

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

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

Operating leases

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

o. Employee benefits

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

Provident fund

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

Gratuity

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

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

Vacation pay

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

Other short-term benefits

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

p. Stock based compensation

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

q. Taxes on income

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

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

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

r. Earnings per share

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

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

s. Provisions and contingent liabilities

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

t. Investments

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

(₹)

	31 March 2011	31 March 2010
2 Share Capital		
Authorized		
320,000,000 Equity shares of ₹5 each (31 Mar 2010- 320,000,000 equity shares of ₹5 each)	1,600,000,000	1,600,000,000
Issued, subscribed and paid up		
213,424,335 (31 Mar 2010- 213,424,335) equity shares of ₹5 each fully paid-up	1,067,121,675	1,067,121,675
	1,067,121,675	**1,067,121,675**
3 Reserves and Surplus		
Share Premium	**7,988,811,915**	**7,988,811,915**
General Reserve		
Balance at the beginning of the year	400,500,000	298,000,000
Add: Transfer from Profit and Loss Account	62,900,000	102,500,000
Balance at the end of the year	**463,400,000**	**400,500,000**
Debenture Redemption Reserve		
Balance at the beginning of the year	96,300,863	34,417,386
Less: Premium paid on redemption of debentures	18,700,000	-
Less: Written back to Profit and Loss Account during the year	77,600,863	-
Add: Transfer from Profit and Loss Account	12,945,915	61,883,477
Balance at the end of the year	**12,945,915**	**96,300,863**
Profit and Loss Account		
Balance at the beginning of the year	4,681,098,617	3,729,597,915
Add: Net profit for the year	838,641,997	1,365,579,980
Add: Debenture Redemption Reserve written back	77,600,863	-
Less: Transfer to Debenture Redemption Reserve	12,945,915	61,883,477
Less: Proposed Dividend	213,424,335	213,424,335
Less: Tax on distribution of dividend	35,447,114	36,271,466
Less: Transfer to General Reserve	62,900,000	102,500,000
Balance at the end of the year	**5,272,624,113**	**4,681,098,617**
	13,737,781,943	**13,166,711,395**

		31 March 2011	31 March 2010
4 Secured Loans			(₹)
Term loans from banks	(a)	2,745,833,335	960,000,000
Term loan from financial institution	(b)	1,285,714,250	1,857,142,850
Term loan from others	(c)	2,916,716,691	1,250,000,000
Debentures	(d)	1,500,000,000	550,000,000
Cash credit & other loans from banks	(e)	2,280,300,083	3,052,086,391
		10,728,564,359	**7,669,229,241**

(a) Term loans from banks

i. On 3 June 2008, the Company entered into an agreement with ICICI Bank for a term loan facility up to a maximum of ₹1,250 million. This facility is secured by mortgage of the properties together with all buildings and structures thereon, both present and future, scheduled receivables of Purva Venezia and Purva Highlands, lands at Uganavadi village and Kaikondanahalli village and is also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director, Mr.Nani R Choksey, Deputy Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company. The loan is repayable in 12 monthly instalments starting from 15 March 2011. The outstanding as on 31 March 2011 was ₹1,145.83 million. Another term loan of ₹750 million was sanctioned by ICICI Bank Limited on 04 March 2011 considering the same security. Company has entered into a facility agreement on 05 March 2011 with ICICI Bank Limited and drawn a sum of ₹400 million out of it. This loan is repayable in 16 monthly instalments starting from March 2012. Outstanding balance of this additional term loan from ICICI Bank Limited as on 31 March 2011 was ₹400 million.

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

(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 ₹2,000 million. This facility is secured by mortgage of land at Marine Drive, Kochi, the receivables and is also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company. The loan is repayable in 14 equal quarterly instalments commencing from January 2010. The outstanding as on 31 March 2011 was ₹1,285.71 million.

(c) Term loans from others

i. On 30 May 2008 the Company entered into a term loan agreement with ICICI Home Finance Company Limited for a term loan of ₹1,250 million. Out of the sanctioned limit, the Company had drawn ₹1,130 million as on 31 March 2009 and the balance of ₹120 million in April 2009. This facility is secured by mortgage of the properties together with all buildings and structures thereon, both present and future and scheduled receivables of Purva Venezia and Purva Highlands and is also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director, Mr.Nani R Choksey, Deputy Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company, repayable in 16 monthly instalments commencing 15 June 2009. However, this loan was restructured in July 2009 such that it is repayable in 16 monthly instalments commencing 15 October 2010 including ₹78.1 million due on 15 June 2009. The outstanding as on 31 March 2011 was ₹781.25 million.

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

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

iv. On 10 August 2010, Puravankara Projects Ltd and Centurions Housing and Constructions Private Limited entered into an agreement with Reliance Consumer Finance Private Limited for a term loan of ₹300 million. This facility is secured by mortgage of the property together with all buildings and structures thereon, both present and future at Marine Drive, Kochi, present and future scheduled receivables of the project and the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the

Company. The loan is repayable in 21 equated monthly instalments commencing from November 2010. The outstanding as on 31 March 2011 was ₹228.57 million.

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

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

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

(d) Debentures

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

(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 ₹150 million which was furtherenhanced to ₹200 million in the month of October 2008 and ₹500 million in the month of March 2010. This facility is secured against the properties of the Company. The outstanding as on 31 March 2011 was ₹500.70 million.

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

iii. On 20 November 2008, the Company has availed a Secured Overdraft facility from Andhra Bank for ₹800 million which is secured against the land together with the buildings and structure thereon at Geddalahalli, Bengaluru and is also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director, Mr. Nani R Choksey, Deputy Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company. The outstanding as on 31 March 2011 was ₹801.19 million.

iv. On 8 January 2008, the Company entered into a term loan agreement with HSBC for ₹1,350 million which was originally payable in quarterly instalments from October 2008 till October 2009 and ₹350 million was payable in quarterly instalments, from January 2009 till October 2009. However, this loan was restructured in June 2009 such that the instalments due as of 29 June 2009 and also remaining amounts were migrated into overdraft on the due dates of the instalments as per the earlier repayment schedule.The resultant overdraft is repayable in 13 monthly instalments after a moratorium of 14 months. From June 2009 to December 2009 an amount of ₹832.5 million has been migrated from term loan to overdraft which is secured by mortgage of the land and building of Purva Swanlake project and receivables of Purva Swanlake and Purva Moneto. The outstanding as on 31 March 2011 on this overdraft account was ₹15.12 million.

v. Other loans represent loans taken for purchase of vehicles. These loans are secured by a charge against respective vehicles. The outstanding as on 31 March 2011 was ₹19.27 million.

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

(₹)

	31 March 2011	31 March 2010
Term loans	3,227,052,274	1,225,051,301
Debentures	-	550,000,000
Overdrafts and other loans	83,280,936	754,646,695
	3,310,333,210	**2,529,697,996**

(₹)

	31 March 2011	31 March 2010
5 Unsecured Loans		
Overdraft from bank	369,500,671	-
Short term loan from associate	9,000,000	-
Short term loan from bank	-	85,000,000
	378,500,671	**85,000,000**

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

6 Deferred Tax Liability

Deferred tax liability arising on account of depreciation	4,462,265	8,649,584
	4,462,265	**8,649,584**

7. Fixed Assets

(₹)

Category of assets	Cost				Accumulated Depreciation/Amortization				Net Book Value	
	As at 1 Apr 2010	Additions during the period	Deletions during the period	As at 31 Mar 2011	As at 1 Apr 2010	Charge for the period	Deletions during the period	As at 31 Mar 2011	As at 31 Mar 2011	As at 31 Mar 2010
Tangible Assets										
Buildings	37,074,680	-	-	37,074,680	2,226,867	574,101	-	2,800,968	34,273,712	34,847,813
Plant & Machinery	267,135,400	59,428	-	267,194,828	72,032,876	10,815,857	-	82,848,733	184,346,095	195,102,524
Office Equipment	13,041,133	911,389	-	13,952,522	3,362,598	698,290	-	4,060,888	9,891,634	9,678,535
Computers	22,862,992	7,061,471	-	29,924,463	13,039,119	3,272,864	-	16,311,983	13,612,480	9,823,873
Furniture & Fixtures	10,061,913	899,379	-	10,961,292	4,853,883	869,827	-	5,723,710	5,237,582	5,208,030
Vehicles	67,113,172	21,056,521	1,274,855	86,894,838	27,614,436	6,821,728	730,625	33,705,539	53,189,299	39,498,736
Shuttering Material	198,115,907	-	-	198,115,907	146,004,113	11,001,423	-	157,005,536	41,110,371	52,111,794
Intangible Assets										
Computer Software	20,177,920	1,902,036	-	22,079,956	9,912,804	2,902,003	-	12,814,807	9,265,149	10,265,116
Total	**635,583,117**	**31,890,224**	**1,274,855**	**666,198,486**	**279,046,696**	**36,956,093**	**730,625**	**315,272,164**	**350,926,322**	**356,536,421**
Last year	**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**	

(₹)

	31 March 2011	31 March 2010
8 Investments		
Investment in Subisidiaries:		
(Long term, trade, unquoted and fully paid up)		
Prudential Housing and Infrastructure Development Limited 50,000 Equity Shares (31 Mar 2010- 50,000) of ₹10 each	**500,000**	**500,000**
Centurions Housing and Constructions Private Limited 10,000 Equity Shares (31 Mar 2010- 10,000) of ₹10 each	**25,000**	**25,000**
Melmont Construction Private Limited 10,000 Equity Shares (31 Mar 2010- 10,000) of ₹10 each	**100,000**	**100,000**
Purva Corporation 10,000 Equity Shares (31 Mar 2010- 10,000) of USD 1 each	**450,000**	**450,000**
Purva Marine Properties Private Limited 15,000 Equity Shares (31 Mar 2010- 15,000) of ₹10 each	**150,000**	**150,000**

(₹)

	31 March 2011	31 March 2010
Purva Realities Private Limited 10,000 Equity Shares (31 Mar 2010- 10,000) of ₹10 each	100,000	100,000
Puravankara Lanka Holding Private Limited 12,999,999 Equity Shares (31 Mar 2010-12,999,999) of LKR 10 each	54,166,667	54,166,667
Nile Developers Private Limited 100,000 Equity Shares (31 Mar 2010-100,000) of ₹10 each	3,424,000	3,424,000
Vaigai Developers Private Limited 100,000 Equity Shares (31 Mar 2010-100,000) of ₹10 each	994,200	994,200
Purva Good Earth Properties Private Limited 10,000 Equity Shares (31 Mar 2010- 10,000) of ₹10 each	100,000	100,000
Purva Star Properties Private Limited 10,000 Equity Shares (31 Mar 2010- 10,000) of ₹10 each	100,000	100,000
Purva Sapphire Land Private Limited 10,000 Equity Shares (31 Mar 2010- 10,000) of ₹10 each	100,000	100,000
Purva Ruby Properties Private Limited 10,000 Equity Shares (31 Mar 2010- 10,000) of ₹10 each	100,000	100,000
Purva Opel Properties Private Limited 10,000 Equity Shares (31 Mar 2010- 10,000) of ₹10 each	100,000	100,000
Puravankara Hotels Limited 50,000 Equity Shares (31 Mar 2010- 50,000) of ₹10 each	500,000	500,000
Starworth Infrastructure & Construction Limited 50,000 Equity Shares (31 Mar 2010- 50,000) of ₹10 each	500,000	500,000
Provident Housing Limited 50,000 Equity Shares (31 Mar 2010- 50,000) of ₹10 each	500,000	500,000
Purva Land Limited 50,000 Equity Shares (31 Mar 2010- 50,000) of ₹10 each	500,000	500,000
Investment in Associates:		
(Long term, trade, unquoted and fully paid up)		
Propmart Technologies Limited 2,335,000 Equity Shares (31 Mar 2010- 2,335,000) of ₹10 each	23,350,000	23,350,000
Keppel Puravankara Development Private Ltd - Equity Shares 4,410,000 Equity Shares (31 Mar 2010- 4,410,000) of ₹10 each at par	44,100,000	44,100,000
Keppel Puravankara Development Private Ltd - Preference Shares 17,640,000 13.25% cumulative, redeemable, convertible Preference Shares (31 Mar 2010- 17,640,000) of ₹10 each at par	176,400,000	176,400,000
Keppel Magus Development Private Limited 362,600 Equity shares (31 Mar 2010- 362,600) of ₹610 each	221,186,000	221,186,000
Sobha Puravankara Aviation Private Limited 995,000 Equity shares (31 Mar 2010- NIL) of ₹10 each	9,950,000	-
	537,395,867	**527,445,867**

9 Properties Held for Development

At the beginning of the year	11,536,776,079	12,058,336,201
Add : Additions during the year	881,447,609	170,109,700
Less: Deletions during the year	104,105,194	691,669,822
Less: Transferred to Properties Under Development	2,701,537,081	-
	9,612,581,413	**11,536,776,079**

(₹)

	31 March 2011	31 March 2010
10 Cash and Bank Balances		
Cash in hand	3,276,567	3,545,876
Balance with scheduled banks:		
In current accounts	412,717,031	304,510,211
In deposit accounts	150,138,800	156,278,212
Balance with non-scheduled bank:		
In current account: HSBC, Dubai	467,942	428,973
(Maximum amount outstanding during the year ₹1,436,825 (31 Mar 2010 ₹1,245,365))		
In current account: Hatton National Bank PLC, Sri Lanka	31,380	3,470,530
(Maximum amount outstanding during the year ₹3,690,566 (31 Mar 2010 ₹6,120,788))		
	566,631,720	**468,233,802**
11 Trade Debtors		
(Unsecured and considered good)		
Debts outstanding over six months	551,070,961	582,760,428
Debts outstanding less than six months	187,872,472	411,316,805
	738,943,433	**994,077,233**
12 Properties Under Development		
Land cost	5,037,824,075	2,473,247,581
Material and construction cost	12,065,847,191	8,031,224,104
Profit recognized to-date	4,131,271,555	2,991,819,913
Less: Progress payments received and receivable	10,391,858,970	7,416,494,115
	10,843,083,851	**6,079,797,483**
13 Properties Held for Sale		
At the beginning of the year	852,453,104	973,503,851
Add : Additions during the year	52,576,762	157,213,723
Less: Sales during the year	194,522,062	268,901,343
Less: Write downs during the year	4,262,094	31,997,712
Add: Write backs during the year	-	22,634,585
	706,245,710	**852,453,104**

(₹)

	31 March 2011	31 March 2010
14 Loans and Advances		
(Unsecured and considered good)		
Advances to suppliers *	367,464,319	169,541,222
Advances for land contracts *	810,159,765	902,600,027
Deposits	624,130,078	514,339,334
Loans to associates *	115,132,927	174,067,759
Loans to subsidiaries *	2,340,836,014	1,976,327,231
Advance tax (net of provision)	45,010,437	55,249,493
Taxes and duties recoverable	350,854,273	385,349,850
Prepaid expenses *	24,966,667	1,407,741
Other advances *	147,443,862	155,084,116
	4,825,998,342	**4,333,966,773**

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

	31 March 2011	31 March 2010
15 Current Liabilities		
Trade creditors		
- Total outstanding dues to micro enterprises and small enterprises*	407,504	4,041,927
- Total outstanding dues to creditors other than micro enterprises and small enterprises	682,128,649	508,231,144
Advances received from customers	1,107,048,938	1,938,715,394
Duties and taxes payable	19,725,562	3,832,602
Security deposits	20,182,233	30,796,146
Dues to related parties	338,951,010	457,690,877
Other liabilities	101,046,849	157,435,782
Unpaid dividend	245,291	93,344
	2,269,736,036	**3,100,837,216**

* Refer Note 33

	31 March 2011	31 March 2010
16 Provisions		
Provision for gratuity	20,417,908	13,862,773
Provision for vacation pay	21,893,790	14,990,458
Proposed dividend	213,424,335	213,424,335
Tax on proposed dividend	35,447,114	36,271,466
	291,183,147	**278,549,032**

	Year ended 31 March 2011	Year ended 31 March 2010
		(₹)
17 Revenues		
Revenue from projects*	4,116,486,478	4,983,125,226
Rental income	11,274,123	25,729,413
Income from interiors and others	13,597,330	29,322,712
	4,141,357,931	**5,038,177,351**

* Revenue from projects includes ₹181,350,350 (31 March 2010 - ₹1,632,153,150) being the consideration for sale of land.

18 Cost of Revenues		
Construction cost		
Material and contract costs	1,660,537,116	974,363,931
Electricity, fuel and water	9,777,023	11,300,754
Salaries, wages and bonus	153,069,882	132,692,883
Contribution to provident fund	3,766,104	3,832,084
Staff welfare	2,146,552	942,744
Insurance	2,075,635	1,972,224
Depreciation	23,282,715	98,009,575
Other direct costs	550,677,953	422,084,577
	2,405,332,980	1,645,198,772
Land cost	421,904,069	1,426,347,407
	2,827,237,049	**3,071,546,179**
19 Selling Expenses		
Salaries, wages and bonus	35,251,709	30,157,211
Contribution to provident fund	821,439	718,008
Staff welfare	496,192	223,622
Advertising and sales promotion	98,622,988	25,113,072
Sales incentives and commission	6,557,533	3,875,511
Brokerage and referral charges	13,753,404	6,368,681
Travel and conveyance	4,480,204	3,439,622
Communication	1,745,518	1,912,473
Depreciation	1,870,518	1,415,856
	163,599,505	**73,224,056**
20 General and Administrative Expenses		
Salaries, wages and bonus	121,030,298	111,418,448
Contribution to provident fund	2,568,979	2,736,264
Staff welfare	1,529,466	1,010,238
Depreciation	11,802,860	11,139,175
Rates and taxes	19,519,643	30,081,929
Repairs and maintenance	20,800,998	15,754,990
Legal and professional charges	21,781,538	24,574,477
Audit fees	2,625,000	2,400,000
Communication costs	6,982,072	7,649,893
Printing and stationery	3,813,114	2,948,381
Electricity, fuel and water	3,721,551	4,070,397
Insurance	788,889	974,999
Travelling and conveyance	17,920,817	13,758,488
Security charges	14,116,263	12,401,288
Foreign exchange loss/(gain)	392,500	317,239
Miscellaneous expenses	5,423,106	4,700,067
	254,817,094	**245,936,273**

(₹)

	Year ended 31 March 2011	Year ended 31 March 2010
21 Finance Income/(Charges)		
Interest on term loans	(830,087,819)	(649,496,967)
Interest on cash credits	(381,596,198)	(276,237,971)
Interest on debentures	(89,213,014)	(86,625,000)
Discount on issue of debentures	(1,458,333)	-
Bank charges	(5,491,643)	(4,140,644)
Loan and other processing charges	(126,733,636)	(52,093,175)
Less:		
Expended as part of Cost of Revenue	416,282,982	247,052,096
Capitalized and included in Properties Under Development	870,646,013	784,520,140
Capitalized and included in Properties Held for Development	121,304,709	8,685,563
Less: Finance Income:		
Bank deposits (Tax deducted at source ₹974,142 (31 Mar 2010 ₹86,770))	10,419,608	13,043,518
Loan to associates (Tax deducted at source ₹1,017,052 (31 Mar 2010 ₹335,029))	9,350,168	10,927,569
Others	39,960,691	-
Interest received from customers	20,220,441	20,553,283
	53,603,969	**16,188,412**

22 Provision for Tax

Current tax	97,154,496	290,387,036
Tax of earlier years	17,699,078	21,800,000
Deferred tax charge/(credit)	(4,187,319)	(14,107,761)
	110,666,255	**298,079,275**

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

23 Earnings Per Share (EPS)

Weighted average number of shares outstanding during the quarter	213,424,335	213,424,335
Add: Dilutive effect of stock options	193,200	483,000
Weighted average number of shares used to compute diluted EPS	**213,617,535**	**213,907,335**
Net profit after tax attributable to equity shareholders	838,641,997	1,365,579,980
Earnings per share:		
Basic	**3.93**	**6.40**
Diluted	**3.93**	**6.38**
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.

The disclosures for the year ended 31 March 2011 have been provided below:

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

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

The weighted average exercise price of the options outstanding at 31 March 2011was ₹465.86 and they had weighted average remaining contractual life of 9 months.

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

(₹)

	Year ended 31 Mar 2011	Year ended 31 Mar 2010
Net profit, as reported	838,641,997	1,365,579,980
Add: Stock-based employee compensation expense included in the Profit and loss account	-	-
Less: Stock based employee compensation expense determined under the fair value method	5,727,592	15,387,419
Proforma net income	**832,914,405**	**1,350,192,561**
Earnings per share - Basic		
As reported	3.93	6.40
Pro forma	3.90	6.33
Earnings per share - Diluted		
As reported	3.93	6.40
Pro forma	3.90	6.33

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 lease

The lease expense for cancellable and non-cancellable operating leases was ₹29,789,208 for the year ended 31 March 2011 (31 March 2010 - ₹34,393,264). Lease commitments under the non-cancellable operating leases as at the Balance Sheet date were as follows:-

(₹)

Particulars	31 Mar 2011	31 Mar 2010
a) Within one year	1,925,603	1,215,505
b) Within one to five years	1,208,419	2,402,786
Total	**3,134,022**	**3,618,291**

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 ₹11,274,123 for the year ended 31 March 2011 (31 Mar 2010 - ₹25,729,413). Minimum amount of future lease rental receivable under the non-cancellable operating lease agreements are:-

(₹)

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

26 Other commitments and contingencies

a) Demand from Service Tax Department	46,430,204	17,100,000
b) Demand from Commercial Tax Department	22,322,464	-
c) Deduction under section 80 IB of the Income tax act, 1961	132,167,877	-
d) Guarantees given by the Company on behalf of subsidiaries	480,000,000	1,055,825,000

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

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

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

Dealwel Estates Private Limited

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

Nature of Transaction	Subisidiaries		Associates		Key Management Personnel		Relatives of Key Management Personnel		Other Related Parties	
	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10
Transactions during the year:										
Interest on loans										
Keppel Puravankara Development Private Limited	-	-	2,270,940	2,167,384	-	-	-	-	-	-
Keppel Magus Development Private Limited	-	-	7,079,228	8,760,185	-	-	-	-	-	-
Loans given to										
Propmart Technologies Limited	-	-	33,345,800	22,450,000	-	-	-	-	-	-
Purva Realities Private Limited	20,257	2,040	-	-	-	-	-	-	-	-
Purva Marine Properties Private Limited	61,157	-	-	-	-	-	-	-	-	-
Melmont Construction Private Limited	494,770,357	652,757,600	-	-	-	-	-	-	-	-
Centurions Housing and Constructions Private Limited	83,422,126	29,970	-	-	-	-	-	-	-	-
Prudential Housing and Infrastructure Development Limited	29,130,921	679,049	-	-	-	-	-	-	-	-
Purva Good Earth Properties Private Limited	8,048	-	-	-	-	-	-	-	-	-
Purva Opel Properties Private Limited	8,048	-	-	-	-	-	-	-	-	-
Purva Sapphire Land Private Limited	8,018	-	-	-	-	-	-	-	-	-
Purva Star Properties Private Limited	8,048	-	-	-	-	-	-	-	-	-
Purva Ruby Properties Private Limited	8,048	-	-	-	-	-	-	-	-	-
Purva Land Limited	11,387	21,350	-	-	-	-	-	-	-	-
Nile Developers Private Limited	87,057	7,118	-	-	-	-	-	-	-	-
Vaigai Developers Private Limited	14,057	7,118	-	-	-	-	-	-	-	-
Puravankara Hotels Limited	11,057	1,350	-	-	-	-	-	-	-	-
Starworth Infrastructure & Construction Limited	36,679,738	7,036,444	-	-	-	-	-	-	-	-
Provident Housing Limited	353,763,994	276,943,965	-	-	-	-	-	-	-	-
Dealwel Estates Private Limited	-	-	-	-	-	-	-	-	23,318	-
Loans repaid to										
Ravi Puravankara	-	-	-	-	389,269,280	85,406,614	-	-	-	-
Starworth Infrastructure & Construction Limited	122,415,961	-	-	-	-	-	-	-	-	-
Loans taken from										
Ravi Puravankara	-	-	-	-	192,039,280	96,406,614	-	-	-	-
Puravankara Investments	-	-	-	-	-	-	-	-	-	480,000
Sobha Puravankara Aviation Private Limited	-	-	9,000,000	-	-	-	-	-	-	-
Starworth Infrastructure & Construction Limited	204,461,039	-	-	-	-	-	-	-	-	-
Loans repaid by										
Melmont Construction Private Limited	664,628	1,872,268	-	-	-	-	-	-	-	-
Centurions Housing and Constructions Private Limited	2,758	112,334	-	-	-	-	-	-	-	-
Prudential Housing and Infrastructure Development Limited	271,630,000	-	-	-	-	-	-	-	-	-
Nile Developers Private Limited	3,200,000	-	-	-	-	-	-	-	-	-
Purva Marine Properties Private Limited	4,774	-	-	-	-	-	-	-	-	-
Starworth Infrastructure & Construction Limited	43,458,995	280,331	-	-	-	-	-	-	-	-
Provident Housing Limited	313,886,493	152,985,048	-	-	-	-	-	-	-	-
Purva Corporation	676,505	-	-	-	-	-	-	-	-	-
Propmart Technologies Limited	-	-	101,630,800	350,000	-	-	-	-	-	-
Keppel Magus Development Private Limited	-	-	-	1,000,000	-	-	-	-	-	-
Advance for Allotment of Shares										
Puravankara Lanka Holding Private Limited	5,648,747	2,632,748	-	-	-	-	-	-	-	-
Purva Corporation	676,505	-	-	-	-	-	-	-	-	-
Advances for land contracts received from										
Provident Housing Limited	280,000,000	-	-	-	-	-	-	-	-	-
Mobilization advance paid										
Starworth Infrasturcture & Construction Limited	228,940,206	-	-	-	-	-	-	-	-	-
Transfer of land development rights										
Provident Housing Limited	-	454,982,183	-	-	-	-	-	-	-	-
Purchase of material and services										
Starworth Infrasturcture & Construction Limited	36,632,807	-	-	-	-	-	-	-	-	-
Rental income										
Provident Housing Limited	498,000	551,356	-	-	-	-	-	-	-	-
Security and maintenance expenses										
Handiman Services Limited	-	-	-	-	-	-	-	-	60,406,545	72,494,811

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

Nature of Transaction	Subisidiaries		Associates		Key Management Personnel		Relatives of Key Management Personnel		Other Related Parties	
	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10
Rental expenses										
Dealwel	-	-	-	-	-	-	-	-	173,644	2,034,114
Brokerage expenses										
Propmart Technologies Limited	-	-	728,322	635,251	-	-	-	-	-	-
Remuneration										
Ravi Puravankara	-	-	-	-	17,952,000	17,952,000	-	-	-	-
Ashish Puravankara	-	-	-	-	-	-	10,034,391	8,962,956	-	-
Guarantees given (net)										
Provident Housing Limited	-	599,825,000	-	-	-	-	-	-	-	-
Balances at the year end:										
Loans given to										
Propmart Technologies Limited	-	-	-	68,285,000	-	-	-	-	-	-
Keppel Puravankara Development Private Limited	-	-	29,511,677	27,240,736	-	-	-	-	-	-
Keppel Magus Development Private Limited	-	-	85,621,251	78,542,023	-	-	-	-	-	-
Centurions Housing and Constructions Private Limited	127,014,044	43,594,676	-	-	-	-	-	-	-	-
Purva Corporation	-	780,386	-	-	-	-	-	-	-	-
Purva Realities Private Limited	287,723,064	287,702,807	-	-	-	-	-	-	-	-
Melmont Construction Private Limited	1,271,102,843	776,997,114	-	-	-	-	-	-	-	-
Prudential Housing and Infrastructure Development Limited	202,345,429	444,844,508	-	-	-	-	-	-	-	-
Nile Developers Private Limited	125,687,429	128,800,372	-	-	-	-	-	-	-	-
Vaigai Developers Private Limited	103,516,629	103,502,572	-	-	-	-	-	-	-	-
Purva Good Earth Properties Private Limited	52,129	44,081	-	-	-	-	-	-	-	-
Purva Star Properties Private Limited	52,128	44,080	-	-	-	-	-	-	-	-
Purva Sapphire Land Private Limited	52,099	44,081	-	-	-	-	-	-	-	-
Purva Ruby Properties Private Limited	52,129	44,081	-	-	-	-	-	-	-	-
Purva Opel Properties Private Limited	52,129	44,081	-	-	-	-	-	-	-	-
Puravankara Hotels Limited	43,834	32,777	-	-	-	-	-	-	-	-
Starworth Infrastructure & Construction Limited	-	6,779,257	-	-	-	-	-	-	-	-
Provident Housing Limited	223,024,918	183,022,918	-	-	-	-	-	-	-	-
Purva Land Limited	58,787	47,400	-	-	-	-	-	-	-	-
Purva Marine Properties Private Limited	58,423	2,040	-	-	-	-	-	-	-	-
Loans taken from										
Sobha Puravankara Aviation Private Limited	-	-	9,000,000	-	-	-	-	-	-	-
Advance for Allotment of Shares										
Puravankara Lanka Holding Private Limited	20,911,733	15,262,986	-	-	-	-	-	-	-	-
Purva Corporation	676,505	-	-	-	-	-	-	-	-	-
Advances for land contracts paid to										
Geeta S Vhatkar	-	-	-	-	-	-	142,300,016	142,300,016	-	-
Advances for land contracts received from										
Provident Housing Limited	280,000,000	-	-	-	-	-	-	-	-	-
Mobilization advance paid to										
Starworth Infrastructure & Construction Limited	228,940,206	-	-	-	-	-	-	-	-	-
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										
Starworth Infrastructure & Construction Limited	82,045,078	-	-	-	-	-	-	-	-	-
Handiman Services Limited	-	-	-	-	-	-	-	-	1,616,116	5,171,061
Puravankara Investments	-	-	-	-	-	-	-	-	19,778,540	19,778,540
Purva Development	-	-	-	-	-	-	-	-	1,776,276	1,776,276
Purva Properties and Resorts Private Limited	-	-	-	-	-	-	-	-	15,000	15,000
Ravi Puravankara	-	-	-	-	233,720,000	430,950,000	-	-	-	-
Guarantees given										
Melmont Construction Private Limited	-	429,887,187	-	-	-	-	-	-	-	-
Purva Realities Private Limited	-	26,112,813	-	-	-	-	-	-	-	-
Provident Housing Limited	480,000,000	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. As at 31 March 2011 and 31 March 2010 the plan assets were invested in insurer managed funds.

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

(₹)

		Year ended 31 Mar 2011		Year ended 31 Mar 2010	
		Gratuity	Vacation Pay	Gratuity	Vacation Pay
1	The amounts recognized in the Balance Sheet are as follows:				
	Present value of the obligation as at the end of the year	50,467,415	21,893,790	42,955,453	14,990,458
	Fair value of plan assets as at the end of the year	(30,049,507)	-	(29,092,680)	-
	Net liability/(asset) recognized in the Balance Sheet	**20,417,908**	**21,893,790**	**13,862,773**	**14,990,458**
2	The amounts recognized in the Profit and Loss Account are as follows:				
	Service cost	7,220,134	8,301,093	8,230,245	4,750,632
	Interest cost	3,394,159	1,106,453	846,111	936,802
	Expected return on plan assets	(4,388,687)	-	(1,816,057)	-
	Past service cost	-	-	23,745,068	-
	Net actuarial (gain)/loss recognized in the year	329,529	(184,626)	197,342	(37,132)
	Expense recognized in the Profit and Loss Account of the year	**6,555,135**	**9,222,920**	**31,202,709**	**5,650,302**
3	Changes in the present value of defined benefit obligation				
	Defined benefit obligation as at beginning of the year	42,955,453	14,990,458	10,891,235	14,079,902
	Service cost	7,220,134	8,301,093	8,230,245	4,750,632
	Interest cost	3,394,159	1,106,453	846,111	936,802
	Past Service cost	-	-	23,745,068	-
	Actuarial losses/(gains)	(2,045,409)	(184,626)	(127,521)	(37,132)
	Benefits paid	(1,056,922)	(2,319,588)	(629,685)	(4,739,746)
	Defined benefit obligation as at the end of the year	**50,467,415**	**21,893,790**	**42,955,453**	**14,990,458**
4	Changes in the fair value of plan assets				
	Fair value as at the beginning of the year	29,092,680	-	17,799,945	-
	Expected return on plan assets	4,388,687	-	1,816,057	-
	Actuarial (loss)/ gains	(2,374,938)	-	(324,863)	-
	Contributions	-	2,319,588	10,431,226	4,739,746
	Benefits paid	(1,056,922)	(2,319,588)	(629,685)	(4,739,746)
	Fair value as at the end of the year	**30,049,507**	**-**	**29,092,680**	**-**
	Assumptions used in the above valuations are as under:				
	Interest rate	8%	8%	8%	8%
	Discount rate	8%	8%	8%	8%
	Expected return on plan assets	8%	-	8%	-
	Future salary increase	6%	6%	6%	6%
	Attrition rate	2%	2%	2%	2%
	Retirement age	60 years	60 years	60 years	60 years

B. Defined contribution plan

The Company makes contribution of statutory provident fund as per Employees Provident Funds and Miscellaneous Provisions Act, 1952. This is a defined contribution plan as per AS 15. Contribution made was ₹7,156,521 for the year ended 31 March 2011 (31 Mar 2010 - ₹7,286,356).

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

(₹)

Name of the Entity	Balance of loans given as at		Maximum amount of loan outstanding during the year	
	31 Mar 2011	31 Mar 2010	31 Mar 2011	31 Mar 2010
Prudential Housing and Infrastructure Development Limited *	202,345,429	444,844,508	464,957,516	444,844,508
Centurions Housing and Constructions Private Limited *	127,014,044	43,594,676	129,512,644	43,707,010
Melmont Construction Private Limited *	1,271,102,843	776,997,114	1,271,102,843	776,997,114
Purva Marine Properties Private Limited *	58,423	2,040	63,197	2,040
Purva Realities Private Limited *	287,723,064	287,702,807	287,723,064	287,702,807
Purva Opel Properties Private Limited *	52,129	44,081	52,129	44,081
Purva Ruby Properties Private Limited *	52,129	44,081	52,129	44,081
Purva Good Earth Properties Private Limited *	52,129	44,081	52,129	44,081
Purva Sapphire Land Private Limited *	52,099	44,081	52,099	44,081
Purva Star Properties Private Limited *	52,128	44,080	52,128	44,080
Nile Developers Private Limited *	125,687,429	128,800,372	128,886,929	128,800,372
Vaigai Developers Private Limited *	103,516,629	103,502,572	103,516,629	103,502,572
Puravankara Hotels Limited *	43,834	32,777	43,834	32,777
Purva Land Limited *	58,787	47,400	58,787	47,400
Starworth Infrastructure & Construction Limited *	-	6,779,257	36,497,605	6,779,257
Provident Housing Limited *	223,024,918	183,022,918	305,938,696	183,022,918
Purva Corporation *	-	780,386	780,386	780,386
Keppel Puravankara Development Private Limited #	29,511,677	27,240,737	29,511,677	27,418,161
Propmart Technologies Limited #	-	68,285,000	101,630,800	68,285,000
Keppel Magus Development Private Limited #	85,621,251	78,542,023	85,621,251	78,542,023

* 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

(₹)

	31 Mar 2011	31 Mar 2010
Profit before tax as per Profit and Loss Account	949,308,252	1,663,659,255
Add:		
Managerial remuneration	41,235,621	53,723,805
(Profit)/Loss on sale of fixed assets	(8,770)	(136,219)
Net Profit	**990,535,103**	**1,717,246,841**
Remuneration to Whole Time Directors		
Eligible under Section 309	**99,053,510**	**171,724,684**
Remuneration to Non Whole Time Directors		
Eligible under Section 309	**9,905,351**	**17,172,468**
Managerial Remuneration*		
i. To Whole Time Directors		
Salary and allowances	35,750,061	48,579,475
Contributions to provident fund	1,461,360	1,771,380
Perquisites	709,200	717,950
	37,920,621	**51,068,805**
ii. To Non Whole Time Directors		
Sitting fees	315,000	255,000
Commission	3,000,000	2,400,000
	3,315,000	**2,655,000**

* 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

	31 Mar 2011	31 Mar 2010
i Earnings in foreign currency (on cash basis)		
Revenue from projects	**7,165,582**	**8,867,307**
ii Expenditure in foreign currency		
Salary	9,609,174	4,300,949
Travel	2,413,128	2,256,062
Rent	2,277,765	2,774,617
Others	2,373,472	3,413,427
	16,673,539	**12,745,056**
iii CIF value of imports		
Construction materials	94,373,521	-
c) Payments to auditors (excluding service tax)		
Audit fees	2,550,000	2,400,000
Certification work	44,000	55,000
	2,594,000	**2,455,000**

		31 Mar 2011	31 Mar 2010
d)	**Donation to political parties** **Name of the party**		
i.	Communist Party of India	-	300,000
ii.	Communist Party of India (M)	100,000	207,500
iii.	Bharatiya Janata Party	5,000	15,000
iv.	Kerala Congress (M)	-	3,500
v.	Communist Party Marxist	15,000	-
vi.	Others *	1,125,000	-
		1,245,000	**526,000**

(₹)

* Donation to others include ₹1,000,000 paid to CREDAI, Kochi towards political donation to political parties.

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 Disclosures of dues to micro, small and medium enterprises

Based on the information available with the company, ₹73,715/- is the amount payable to Small and Medium Enterprises at the balance sheet date. These amounts, being retention money, are due only on completion of retention period and are contractually not due as on 31 March 2011 as per the contract with the said parties. Consequently the management feels that the interest liability under MSME Act does not arise and hence no disclosure is required under the said law.

The above information and that in Schedule number 15 has been determined to the extent such parties have been identified on the basis of information provided by the company which has been relied upon by the auditors.

34 Unhedged foreign currency exposure

Balance as on 31 March 2011 in Hatton National Bank, Srilanka amounted to SLR 76,574 (31 March 2010 SLR 8,461,405)

Balance as on 31 March 2011 in HSBC, Dubai amounted to AED 37,958 (31 March 2010 AED 35,019)

Balance as on 31 March 2011 in EEFC account with Andhra Bank Bengaluru amounted to USD 288 (31 March 2010 USD 288)

35 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** Deputy Managing Director	**Ashish Puravankara** Joint Managing Director	**Kiran Chappar** Company Secretary

Bengaluru
13 May 2011

Cash Flow Statement Parent Company

(₹)

		Year ended 31 March 2011	Year ended 31 March 2010
A.	**Cash flows from operating activities**		
	Profit before tax	**949,308,252**	**1,663,659,255**
	Adjustments for:		
	Depreciation and amortization	36,956,093	110,564,606
	(Profit) / loss on sale of fixed assets	(8,770)	(136,219)
	Finance Income/ (Charges), net	(53,603,969)	(16,188,414)
	Operating profit before working capital changes	**932,651,606**	**1,757,899,228**
	Movements in working capital :		
	(Increase) / Decrease in trade debtors	255,133,800	152,070,275
	(Increase) / Decrease in inventories	(34,610,081)	(29,466,535)
	(Increase) / Decrease in loans and advances	(186,458,943)	186,760,283
	(Increase) / Decrease in properties under development	(3,476,357,373)	463,038,319
	(Increase) / Decrease in properties held for sale	146,207,394	121,050,747
	Increase / (Decrease) in current liabilities and provisions	(651,984,675)	(1,414,029,543)
	Cash (used in) / received from operations	**(3,015,418,272)**	**1,237,322,774**
	Direct taxes paid	(104,614,518)	(267,361,260)
	Net cash from / (used in) operating activities	**(3,120,032,790)**	**969,961,514**
B.	**Cash flows from investing activities**		
	Purchase of fixed assets	(66,012,200)	(8,371,953)
	Proceeds from sale of fixed assets	553,000	252,000
	Loans to associates	(33,345,800)	(22,450,000)
	Loans to subsidiaries	(998,012,318)	(937,488,044)
	Loans repaid by subsidiaries	633,524,153	155,271,036
	Loans repaid by associates	101,630,800	1,350,000
	Investment in Associates	(9,950,000)	-
	Advance for allotment of shares to subsidiaries	(5,648,747)	(2,632,748)
	Properties held for development	2,045,499,375	530,245,685
	Net investment in bank deposits and margin monies	6,139,412	(21,836,373)
	Interest received	65,991,137	26,507,277
	Net cash from /(used in) investing activities	**1,740,368,812**	**(279,153,120)**

(₹)

	Year ended 31 March 2011	Year ended 31 March 2010
C. Cash flows from financing activities		
Proceeds from term loans	4,483,829,671	940,000,000
Repayment of term loans	(1,304,277,105)	(630,016,907)
Proceeds from debentures	1,500,000,000	-
Repayment of debentures	(550,000,000)	-
Premium on redemption of debentures	(18,700,000)	-
Proceeds from /(repayments of) short-term borrowings	(776,716,777)	249,571,001
Loans from related parties	192,039,280	96,886,614
Loans repaid to related parties	(392,824,225)	(85,406,614)
Loans from subsidiary	204,461,039	-
Loans repaid to subsidiary	(122,415,961)	-
Dividends paid including taxes	(249,543,854)	(130)
Interest paid	(1,481,650,760)	(1,066,347,511)
Net cash generated from/(used in) financing activities	**1,484,201,308**	**(495,313,547)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**104,537,330**	**195,494,847**
Cash and cash equivalents at the beginning of the period	**311,955,590**	**116,460,743**
Cash and cash equivalents at the end of the period	**416,492,920**	**311,955,590**
Components of cash and cash equivalents		
Cash and bank balances (as per Note 10 to the financial statements)	566,631,720	468,233,802
Less: Bank deposits and margin monies considered separately	150,138,800	156,278,212
	416,492,920	**311,955,590**

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

For Walker, Chandiok & Co
Chartered Accountants

per **Aashish Arjun Singh**
Partner

Bengaluru
13 May 2011

For and on behalf of the Board of Directors

Ravi Puravankara
Chairman and Managing Director

Nani R. Choksey
Deputy Managing Director

Ashish Puravankara
Joint Managing Director

Kiran Chappar
Company Secretary

Bengaluru
13 May 2011

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.	051571	State Code	08
Balance Sheet Date	31 Mar 2011		

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

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

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

Total Liabilities	25,916,431	Total Assets	25,916,431
Sources of Funds			
Paid up capital	1,067,122	Reserves & Surplus (P & L a/c)	13,737,782
Secured Loans	10,728,564	Unsecured Loans	378,501
Deferred Tax Liability	4,462		
Application of Funds			
Net Fixed Assets	385,048	Investments	537,396
Net Current Assets	15,381,406	Preliminary Expenses	Nil
Accumulated Losses	Nil		
Properties held for Development	9,612,581		

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

Turnover	4,141,358	Total Expenditure	3,302,716
Profit /(Loss) after tax	838,642	Earnings per share in ₹	3.93
Dividend Rate (%)	20%		

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

Notes:

Notes:

COMPANY INFORMATION

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Bengaluru -560 042, India
Tel: +91-80-2559 9000
Fax: +91-80-4343 9381
Email: investors@puravankara.com
Website: www.puravankara.com

Company Secretary

Kiran Chappar

Bankers

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

PURAVANKARA

Puravankara Projects Limited

130/1, Ulsoor Road, Bengaluru-560 042, India, Tel: +91 - 80 - 2559 9000

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