INVESTED IN PEOPLE

PURAVANKARA PROJECTS LIMITED
ANNUAL REPORT 2013-14

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This document contains statements about expected future events and financial and operating results of Puravankara Projects Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Puravankara Projects Limited Annual Report 2013-14.

Contents

INVESTED
IN PEOPLE

At Puravankara, we have consistently extended beyond the transaction.

We have trusted. We have empowered. We have inspired. We have delegated. We have trained. We have synergised. We have evolved. We have pioneered. We have encouraged. We have motivated.

We have progressed. We have developed.

We have invested.

PURAVANKARA PROJECTS LIMITED HAS TRANSFORMED ITSELF INTO ONE OF THE MOST EXCITING REAL ESTATE PLAYERS IN INDIA.

At Puravankara, ‘Invested in People’ means two things.

One, believing that every member of the Puravankara stakeholder family – customers, employees, vendors, shareholders, regulatory agencies and the community - is critical to its success.

Two, believing that when you empower people with the conviction that Puravankara is ‘their company’, amazing things can happen.

At Puravankara this is the result of having invested in people.

Most real estate companies market one brand; we market two – Puravankara and Provident.

Most real estate companies address only one customer type; we market properties that address the luxury premium and affordable segments.

Most real estate companies price and then market to customers; we get customers to price and buy our properties.

Most real estate companies select to remain local or regional; we are emerging as national.

Most real estate companies invest in conventional technologies; we invested in the cutting-edge MIVAN and pre-cast technologies to shrink costs and delivery tenures.

Most real estate companies market properties in a generic, conventional way; we selected to market themed properties that enhanced the lifestyle experience.

THE CAUSE

3.96 mn sq. ft of property sales, 2012-13	**3.58** mn sq. ft of property sales, 2013-14	**3,043** Apartments sold in 2012-13	**2,731** Apartments sold in 2013-14
3,822 ₹ per sq. ft – Realisations (average) in 2012-13	**4,451** ₹ per sq. ft – Realisations (average) in 2013-14	**–** % of sales through book building, 2012-13	**28.5** % of sales through book building, 2013-14
14.90 Average weighted cost of debt (%), 2012-13	**13.39** Average weighted cost of debt (%), 2013-14	**1,553** Net debt (₹ cr) outstanding, 2012-13	**1,521** Net debt (₹ cr) outstanding, 2013-14

THE EFFECT

1,248
₹ cr – Revenue in 2012-13

1,313
₹ cr – Revenue in 2013-14

353
₹ cr – Operating profit in 2012-13

240
₹ cr – Operating profit in 2013-14

28
Percent – Operating profit margin in 2012-13

18
Percent – Operating profit margin in 2013-14

2.08
Interest cover, 2012-13

1.74
Interest cover, 2013-14

251
₹ cr – Cash profit in 2012-13

168
₹ cr – Cash profit in 2013-14

243
₹ cr – Net profit in 2012-13

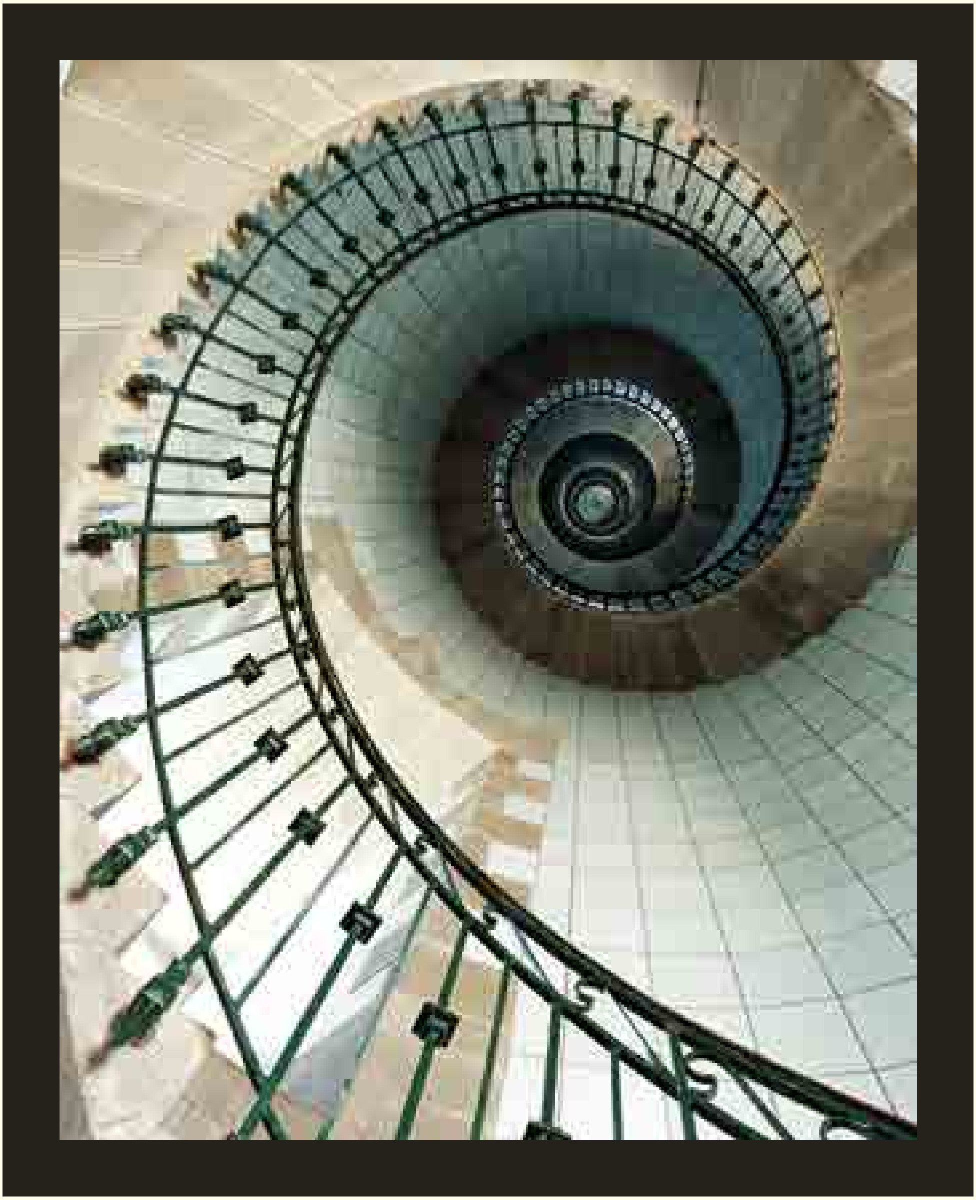
160
₹ cr – Net profit in 2013-14

12.96
Percent – ROCE in 2012-13

10.02
Percent – ROCE in 2013-14

12.82
Percent – RONW in 2012-13

7.36
Percent – RONW in 2013-14



The vision must be followed by the venture. It is not enough to stare up the steps - we must step up the stairs

- *Vance Havner*

Ravi Puravankara

If there is one reason why Puravankara has evolved consistently across the last four decades to emerge as one of India's fastest growing real estate development companies, it is because we have invested in our core values with passion to the point that they have become a part of our culture. And this culture is putting 'People at the heart of everything we do', be it customers, employees, community, government, shareholders or business partners.

The difference comes down to people

While appraising the performance of real estate development companies, it would be simplistic to believe that success is derived from the ability to mobilise financial resources, buy land parcels, appoint dependable contractors and market apartments.

At Puravankara Projects, we feel that success is derived from the ability to lead, motivate, inspire, delegate and empower; at a more fundamental level, success is derived from the ability to learn, care and deliver.

A differentiated approach

At Puravankara, we recognised that the most effective counter to a competitive environment would be to work in a different way from most.

At Puravankara, what excites me is how we transformed a legacy way of doing business in a staid industry into a passion-driven approach on how we can make a difference every day at work.

The bottomline is that this 'difference' would not just translate into doing different things, but more importantly, doing things differently. At Puravankara what excites me is how we transformed a legacy way of doing business in a staid industry into a passion-driven approach on how we can make a difference everyday at work.

At Puravankara, my optimism is derived from our core belief, which promises that we will continue to find newer ways of doing business so that by investing in people we enrich all our stakeholders - customers, employees and shareholders - in a sustainable way.

Performance review, 2013-14

At no time in our recent past was the effectiveness of this long-term approach more visible than during the year under review.

The economy was in a state of slowdown, consumer sentiment was affected, cost structures rose and apartment inventory increased. In turn, this affected the liquidity and profitability of most real estate companies.

Despite this challenging environment, Puravankara invested in the following initiatives to counter the sectoral slowdown and lay the foundation for sustainable growth:

We invested in qualified professionals from institutes like NICMAR and the IIMs, strengthening our systems and processes while shrinking our learning curve

We embraced cutting-edge pre-cast technologies to accelerate construction, shrinking project tenures

We achieved just the right quantity of launch sales to realise timely project financial closure

Our innovative book building method, with transparent price discovery mechanism, helped reinforce cash flows and market expansion

Taking the Company ahead

At Puravankara, I am pleased to state that our investment in people is transitioning our vision towards the differentiated and the progressive.

The replacement of the conventional focus on realisations maximisation to holistic profitability

Our core values - Learn, Care and Deliver

Learn

- Respect, listen, help and appreciate
- Show passion for business and customers
- Seek and consider new ideas and best practices
- Anticipate and embrace change
- Adapt rapidly
- Think and act beyond one's own work-group

Care

- Keep commitments
- Actions must be consistent with words
- Direct and truthful
- Behave in an honest, ethical and straightforward manner
- Punctual and transparent
- Take decisions from the customer's point-of-view
- Be empathetic
- Take pride in the Company and the product

(price and velocity) is expected to restructure the Company's financial model. Going ahead, the Company expects to moderate debt even as it grows the quantum of built-up area, creating the basis for a more valuable real estate development company.

The Company expects to increase the outlay of cash-sufficient projects, ensuring that a dominant proportion of projects are completely financed by customer advances and no debt. In our view, this approach will make it possible for the Company to concurrently grow its business and (return on equity) while shrinking the outflow of interest and the size of its Balance Sheet.

Outlook

At Puravankara, we would like to see the year under review as a watershed in our existence, even though this may not be immediately visible in our numbers.

Going ahead, we would like to think that as the external environment became increasingly challenging, we looked within to strengthen our fundamentals and competitive advantage, the benefits of which shall progressively accrue.

The reinvented Puravankara is more confident than ever of building on this foundation to make growth from this point appreciable, profitable and sustainable, strengthening value in the hands of all its stakeholders.

Differentiation delivers.

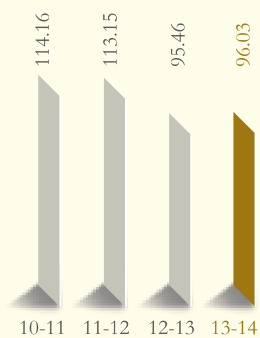
Deliver

- Hold self responsible for achieving results
- Overcome obstacles to meet goals
- Set high expectations and inspire others
- Have a keen sense of profitability
- Make faster objective decisions
- Make oneself accountable for delivering results across the Company and customer
- Aim for flawless delivery

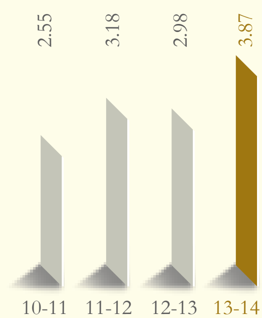
FINANCIAL TRANSFORMATION

At Puravankara, we are focused on increasing shareholder value

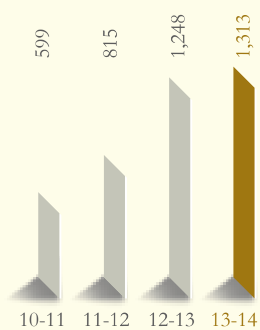
Land bank
(mn sq. ft)



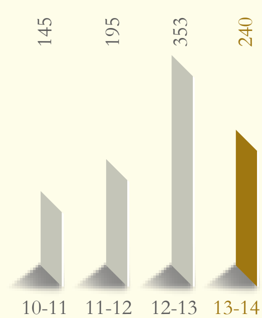
Delivery rate
(mn sq. ft)



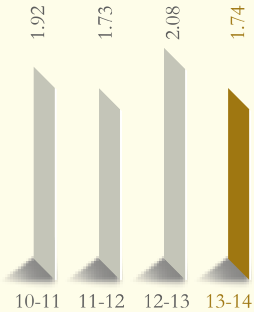
Turnover (gross)
(₹ cr)



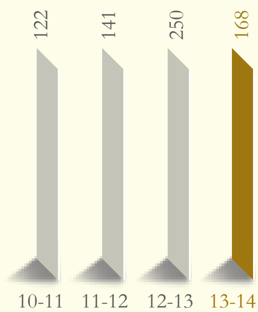
Operating profit
(₹ cr)



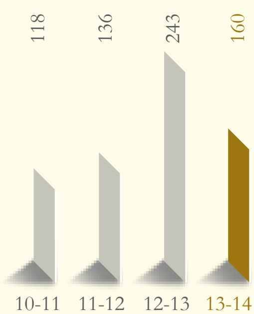
Interest cover
(times)



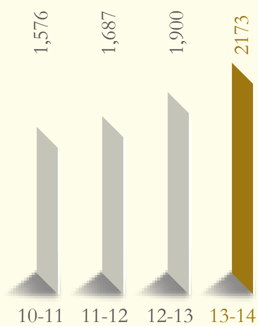
Cash profit
(₹ cr)



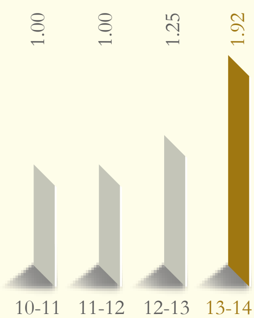
Post-tax profit
(₹ cr)



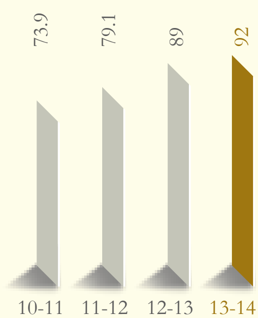
Net worth
(₹ cr)



Dividend per share
(₹)



Book value per share
(₹)



PURAVANKARA. *DIFFERENT*. NOT FOR THE SAKE OF BEING SO, BUT BECAUSE IT STRENGTHENS OUR BUSINESS MODEL.

Ashish Puravankara, *Joint Managing Director*

When it comes to a business that is as enduring as real estate development, the big question is whether there is any role for differentiation at all. At Puravankara, we went counter to the prevailing mindset.

Overview

After all, home building is possibly man's oldest profession; the intellectual capital required to build homes has been in existence for centuries; the general perception is that all improvements that were required to be made have been absorbed and replicated.

Not surprisingly, improvements in real estate have largely centered around the 'what' of the business, reflected in product configuration and design. The industry has largely focused on newness in design, space, theme and landscaping as the biggest changes that can be brought about in customer offerings.

The Puravankara differentiator

Puravankara took a contrarian perspective.

The Company was convinced that the biggest room for improvement within the country's real estate industry lay in the 'how' – the processes that could be strengthened to enhance organisational efficiency.

This headroom for improvement became increasingly relevant. Over the last few years, as competition intensified on the one hand and markets became increasingly sluggish on the other, real estate players were compelled to counter cost increases – not through the conventional route of passing the increases completely to customers but by reducing costs from within. This need to neutralise cost pressures required something more than just a moderate commitment to process improvement; it required an all-encompassing approach – investment in people - that was comprehensively differentiated.

At Puravankara, this differentiation was not justified by a need to be different, period. It was justified by the impact that it generated: enhanced transparency, sensitive understanding of realities, better responsiveness, informed decision-making, lateral approach, superior customer proposition, customer stickiness, strengthening brand and investing in people.

As a result, the Puravankara differentiator of investing in people is not a fleeting intellectual flash; over the years, the differentiation has emerged as an institutionalised response, translating into a superior stakeholder experience and an enduring recall that if it is Puravankara, then 'it must be different.'

Making differentiation our DNA

At Puravankara, the need to be different is not localised, it is extensive; it is not cosmetic, it runs deep.

Over the years, the Puravankara differentiators have covered the following features of the Company's working:

Raw material: Conventionally within India's real estate industry, success has been derived from the ability to invest in the right land parcel at the right price, wait for appreciation and then develop upon it. As a result, realty development has generally reconciled a speculative play on land on the one hand with core property development on the other. As an extension of the former reality, developers have often selected to buy land parcels that are cheap and with questionable ownership, preferring to invest time, effort and knowledge in establishing their rightful ownership. At Puravankara, we have taken a differentiated view on this opportunistic approach; we have selected to buy land parcels with clean ownership, convinced that a relatively 'high' price would translate into quicker development; we have selected to buy land with the objective of immediate development as opposed to the conventional approach of building one's proprietary book; we have positioned ourselves as a company that derives its profits from relatively low-geared property development as opposed to capital-intensive land-banking.

Execution excellence: Conventionally, within India's real estate industry property developers were compensated for construction delays by rising realisations resulting in a relatively low incentive for timely project completion. At Puravankara, we recognised that given our exclusive focus on core construction, we could maximise value only through the concurrent development of a large number of properties; the faster we completed these properties and handed them to buyers, the larger would be

Total developed space thus far (mn sq. ft)

20.39

FY14

Developed space in Bengaluru since inception up to March 31 (mn sq. ft)

16.24

FY14

our cash flows for onward reinvestment into more properties. As a result, our focus is not conventional leisureliness; it is clinical project management that makes it possible to complete deliveries on schedule at one level and build an obsession to shrink industry delivery schedules on the other. In turn, this focus on execution excellence has translated into a growing investment in cutting-edge technologies, quicker completion, better quality, moderated pricing and delighted customers.

Transparency: The real estate sector is different from others. Its incomes are often lumpy and influenced by launch schedules and sales inflows. As an extension of this reality, the growth in quarterly earnings is often erratic, marked by sharp revenue increases followed by steep declines. Over the years, Puravankara recognised that investors and analysts found this erratic profit trends opaque and confusing. To reinforce its positioning as a transparent organisation, the Company embarked on deliberate initiatives. One, it selected to audit its quarterly results, possibly the first instance among real estate companies in India and among a handful of such instances across India's listed companies. Two, the Company engaged with analysts to explain its retrospective revenues and profits with indications on what kind of revenues the Company was likely to report, helping prepare stakeholders on what they could expect. Three, these observations were shared on the Company's website, making it possible for shareholders to download the information. Four, the Company selected to conduct most projects on single Balance Sheet as opposed to multiple subsidiary companies, resulting in reporting simplicity and comprehension.

Lifestyle: Conventionally, builders handed over 'shells' in the form of homes to owners. At Puravankara, we took on a differentiated view of our core offering. We were increasingly convinced that the definition of a home extended beyond four walls to what was offered on the outside plus a lifestyle; the definition of a home extended beyond the functional to the recreational; people bought into homes not only on the basis of whether they were comfortable for their core requirements but how productively they could extend a sense of leisure. And from this differentiated perspective

Developed space in Chennai since inception up to March 31 (mn sq. ft)

2.27

FY14

Developed space in Kochi since inception up to March 31 (mn sq. ft)

1.74

FY14

emerged Puravankara's 'lifestyle-plus' concept as early as in 1993 when it became the first builder in Bengaluru to offer a squash court as a part of its residential property or when it offered an arts room, pottery room, acoustically-equipped jamming room in its later properties, the first such instances of their being offered in Bengaluru.

Theme: Conventionally, builders built apartment complexes that were at best given distinctive names for enhanced recall. However, when it came to actual differentiation, the complexes and the lifestyles offered represented only a marginal variation from any other. At Puravankara, we selected to be completely different in various ways: we themed our offerings, we carried the thematic representation faithfully into project differentiation, we positioned these thematic differentiators in our promotions; the theme-centric promotion eventually became the brand of these projects; the aggregation of our various project brands eventually became our principal corporate recall - if it is Puravanakara, 'then it must be something excitingly different.'

Pricing: Conventionally, builders priced in two

Number of projects launched/completed

68

FY14

Key takeaways

- Puravankara builds on clean properties
- We reconcile superior apartment quality with lower handover time
- We provide audited numbers every quarter
- We offer customers more than a house - a lifestyle
- We don't push our product, we create a consumer pull instead

ways – by guesstimating what the market would be able to bear supported by collateral that made this pricing appear realistic or by adding a certain profit proportion in excess of cost. At Puravankara, we made a decisive break from tradition by reversing the pricing process. The Company selected to no longer dictate the price the customer would have to bear; the customer would select the most affordable price from within a price band, the first time ever time such a daring experiment was attempted within India's real estate industry.

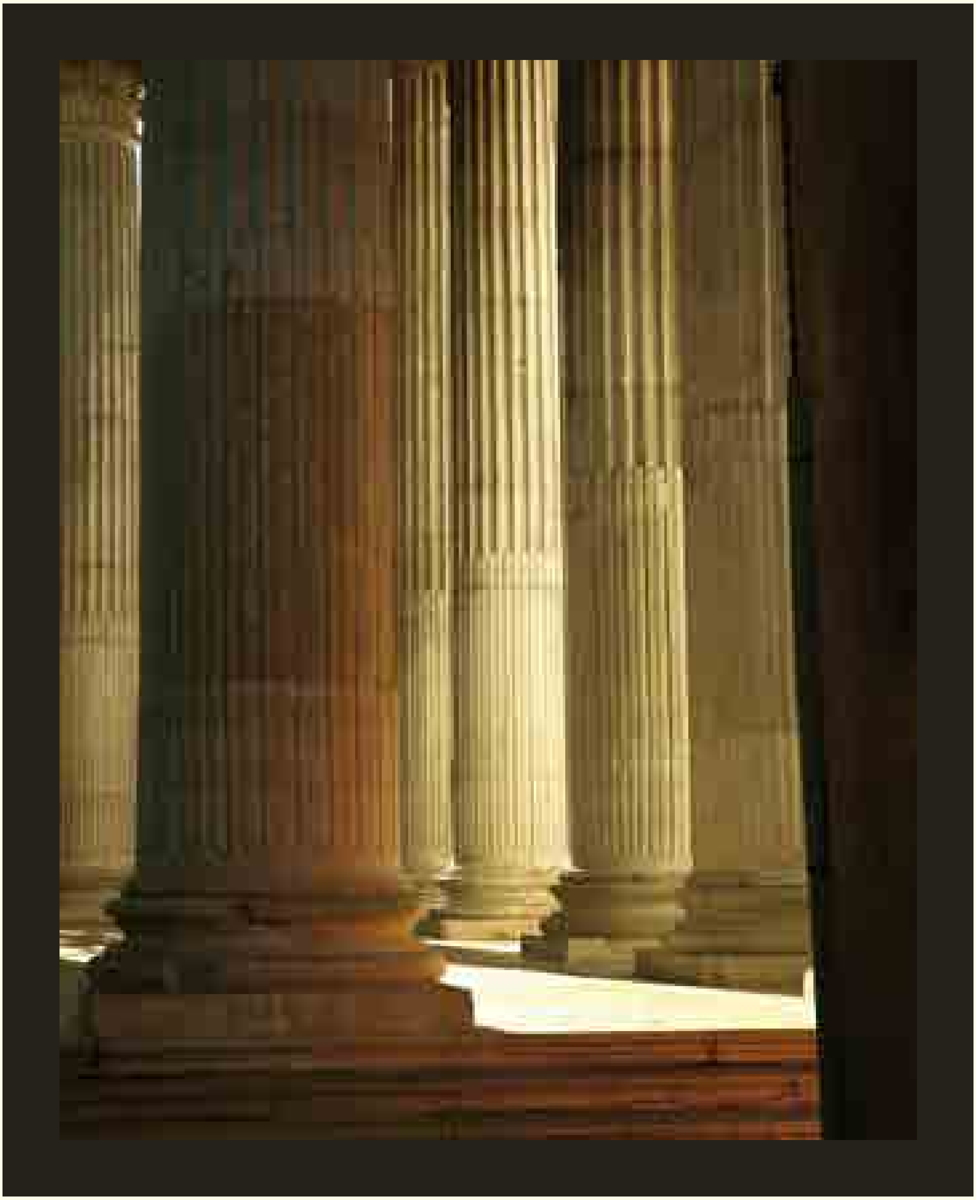
Outlook

At Puravankara, this 'differentiation' has translated into tangible value. The Company was valued at ₹2,631 cr in market capitalisation as on 30 June 2014.

Differentiation enriches.

Our geographical break-up of projects under construction as on 31 March, 2014

Location	Number of projects	Development space (mn sq. ft)
Bengaluru	14	16.67
Chennai	4	5.79
Coimbatore	2	2.43
Kochi	1	0.39
Mangalore	1	0.42
Kolkata	1	2.23
Hyderabad	1	0.50
Total	24	28.43



Strength does not come from physical capacity. It comes from an indomitable will - *Mahatma Gandhi*

PURAVANKARA. *DIFFERENT.* FROM INVESTING IN MATERIALS TO INVESTING IN PEOPLE.

Post by Nani Choksey, ***Deputy Managing Director***

It is because of this 'If it is Puravankara, then it must be different' expectation that we can confidently state that we will recruit better, train more intensely, inspire actively and deliver more effectively.

Our timely investments in people generated the following impact: reduced debt costs and quicker project execution (3.87 mn sq. ft delivered in FY 14). The fact that these improvements transpired even as the economy showed no sign of revival and interest rates remained high is a credit to the company's ability to think laterally out of challenging circumstances.

Much of the turnaround was derived from innovative strategies:

The quasi-book building response was a manifestation of the company's ability to understand problems deeply and be able to think through relevant solutions; the strategy was also a sign of the company's ability to be decisively gutsy; the response was also an instance of how the company could extend a concept towards an immediately tangible upside.

We reviewed more aggressively - projects, launches and processes – as a result of which we could find timely and collaborative solutions to site challenges that inevitably translated into an energised organisation.

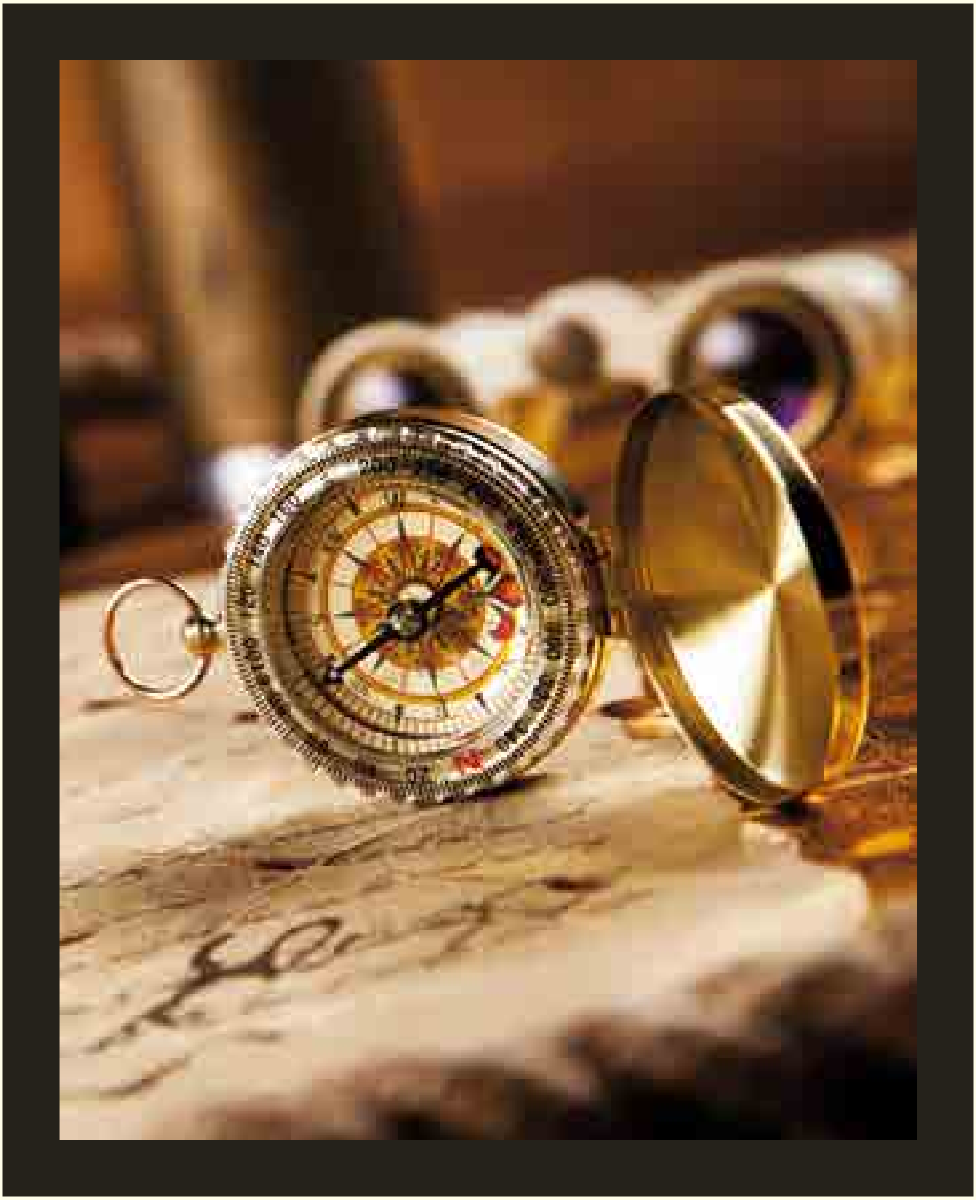
What provides me with optimism that this trend will sustain is that the Puravankara of today is a reinvented organisation; this reinvention has not been based on a fleeting opportunity or a response to temporary realities. This reinvention is the result of what the company has always believed and practiced – that an investment in people generates the highest returns - except that this conviction has progressively increased to the point that it has started to generate visible tangible results.

What pleases me is that the investment in people has been as extensive as it has been intensive. Over the years, we have trained our people, we have delegated aggressively, we have made them think like entrepreneurs, we have not penalised for mistakes and we have encouraged people to explore better ways of doing things.

When we bring ideas to the table they have to be way-out; when we propose business growth, then it is considered below dignity to merely peg for an outperformance of the GDP growth rate or the sectoral average; when we launch projects we know we would fail if our peers didn't ask for our brochures to examine what we are offering; when we explain our business model to analysts we do so with a passion.

The story at Puravankara has only just begun.

Differentation assures.



Never set limits, go after your dreams,
don’t be afraid to push the boundaries
- *Paula Radcliffe*

PURAVANKARA. *DIFFERENT*. GRADUATING TECHNOLOGY FROM A SUPPORT ENABLER INTO AN ORGANIZATION TRANSFORMER.

Post by Jackbastian K. Nazareth, *Group Chief Executive Officer*

In a business that is as timeless as real estate, the easiest trap is to think that the business is conventional, warranting the use of unchanging practices. At Puravankara we work the road less travelled.

Overview

There is an even bigger trap that awaits those who grow their business and can be termed as reasonably successful – that their method is really the one that has worked, does work and will work into the future.

At Puravankara, we have no qualms in stating that we ran our business largely this way for a number of years. We land-banked, we built, we sold, we re-deployed.

The Puravankara differentiator

At Puravankara, we invested in our people to think differently and recognised early enough that the legacy would yield to the contemporary; what worked in the past would become largely irrelevant.

This insight was inspired by what we increasingly saw around us. Projects were increasingly delayed due to labour paucity. Projects were under-delivering due to construction inexperience. Rising capital cost necessitated that projects be delivered quicker. Rising material inflation was threatening apartment affordability.

At Puravankara, we could have convinced ourselves that if these were affecting the broad real estate sector, then there wouldn't be a relative impact difference when they cascaded to us. We didn't.

At Puravankara, we recognised that the way we worked would need to be starkly different from how we had in the past. And this 'difference' would not just need to be incremental in a limited way; it would need to be radical. This 'difference' would not just need to be divisional; it would need to be organisational. This 'difference' would not just need to be intermittent; it would need to be sustainable. This difference would not just be about hiring more people, it would be about investing in them instead.

The bottomline then was that this 'difference' would translate into doing different things, but more importantly, doing things differently as well.

How we took this differentiation ahead

At Puravankara, we recognised that it would have been futile to advocate organisational differentiation without the corresponding empowerment to make it a reality. One of the most effective differentiation empowerment tools that we put into place was technology.

In the real estate sector, where most interventions were manual, the role of technology was largely limited to an elementary form that safeguarded all information. At Puravankara, we took an altered perspective; we widened our technology understanding from the back-end to the front-end; from the peripheral to the core; from a support to an enabler. The result was that we analysed our organisation bottom-up; each function was examined through the prism of whether it could be done better; each paradigm was reversed to infuse a refreshed rethinking.

And what we broadly came away with was that we would progressively recode our DNA if we could leverage cutting-edge technologies - to build faster, sell quicker and grow better.

Build faster

At Puravankara, we recognised that the only way we could enhance stakeholder value was through a progressive increase in our concurrent site presence (intra-city and inter-city) as well as increasing the speed with which we rolled properties out.

Over the years, we prudently segregated our brands; while Puravankara would address the high-end luxurious apartments, the Provident brand would address the volume-driven affordable segment. Each of these segments warranted different technologies; the latter for instance, could accommodate a combination of the MIVAN and pre-cast technologies. Pre-cast technologies for instance, would make it possible to complete a number of apartment components off-site in a quasi-dedicated factory environment that would shrink on-site project commissioning time by half. This would help turn projects around faster, make it possible to reduce pricing, enhance affordability and widen the market to include an entirely new customer community who would otherwise have never ventured to buy such homes. In doing so, the

Revenue CAGR (percent)

29

FY10-FY14

cutting-edge technology was not delivering a narrow corporate benefit; it was widening the market, enhancing residential inclusiveness and making a national contribution.

I am pleased to state that during 2013-14, we successfully showcased a combination of these technologies across various projects for the first time, saving significant construction time.

Sell faster

At Puravankara, we believed that selling faster was the result of an intellectual technology that had been successfully attempted in another sector and now only needed to be retrofitted into the real estate space. The quasi-bookbuilding route (explained comprehensively in a later part in this annual report) was actively debated when it was first proposed. The principal reservations were that given a price band, the prospective buyer would always want to buy at the lowest price whereas the Company would always seek to price at the highest.

The quasi-bookbuilding route by itself was not the innovation; the innovation was that the Company invited prospective home seekers to engage in an active price discovery process. I am pleased – no, proud – to state that this pioneering initiative within the country's real estate sector surpassed even our reasonable optimism. The quasi-bookbuilding route was seen as a transparent an customer-friendly approach; it generated significant traction from actual buyers (as opposed to investors), helped us shrink the tenure of first phase booking, accelerated revenue inflow, made it possible for us to raise as much upfront as we needed to sustain project construction right up to completion.

Cost lower

At Puravankara, we were convinced that growth in scale or construction speed or accelerated offtake would go so far and no further; what we needed was a model that would enable us to grow our business on the one hand and shrink our Balance Sheet on the other, the ultimate indication that we were enhancing intrinsic organisational value.

Operating profit
CAGR (percent)

8

FY10-FY14

The quasi-bookbuilding route proved to be a game-changer in an interesting way. Not only did this unusual approach bring revenues in faster, but also adequately for the Company to complete projects completely without needing to raise a rupee of debt. As a result, the quasi-bookbuilding route helped create self-sustained financing model that we hope will help the Company progressively de-leverage and emerge stronger.

The essential driver

It would be usual to assume that all these lateral approaches to reinventing the corporation were being driven by the senior management in the board room of our Company.

The Puravankara of today is being transformed by the passion of its members. In a site-driven business, we recognise that some of the best ideas are generated close to the grassroots. As a result, the magic for any opportunity-seeking management lies in being able to tap into the wealth of ideas that their people possess and in turn, devising the various interfacing opportunities that make it possible for them to articulate how the company can perform better.

The result is that a chance remark by an on-site engineer kickstarted an entire programme to train engineers for specific skills and then empower them with other aspects of working (design for instance) so that they would be able to identify untapped improvement opportunities.

The more we invested in technology and training, the more we recognised that it was possible to generate 12 hours of conventional working in two-thirds of the time.

The more we leveraged technology, the more scientific was our understanding of the proportion of print-digital marketing that would maximise sales, making it possible for us to moderate our spending.

Realisations CAGR (percent)

17

FY 10- FY14

The more we mined consumer call-in data, we recognised the precise reasons why people buy apartments.

The more we delegated to our MBA graduates to find more effective ways to enhance our out-of-home publicity, the more we were able to enhance spending effectiveness that made it possible to reduce our outlay by 80 percent.

The more we celebrated the achievements of our top performers in a public event, the greater was the aspiration of others to perform better.

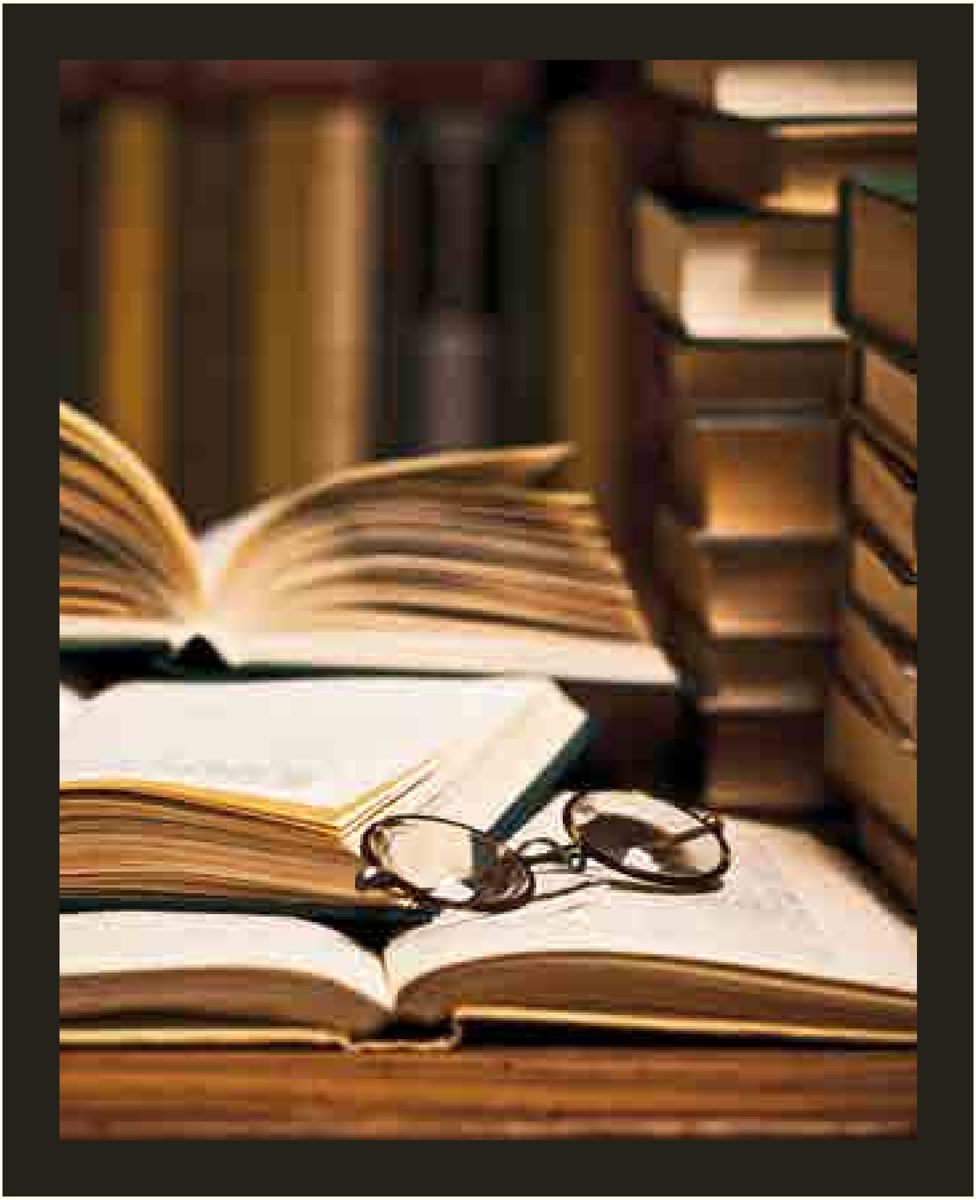
The more we replayed the call transcripts of our customer relationship executives to indicate improvement areas, the more they showed a desire to enhance their effectiveness.

Outlook

At Puravankara, what excites me is how we transformed a legacy way of doing business in a staid industry into a passion-driven approach, resulting in making a difference every single day.

At Puravankara, my optimism is derived from this DNA, which promises that we will continue to find radical ways of transforming our business by investing in people, enriching our customers, employees and shareholders in a sustainable way.

Differentiation reinforces



Change is the essence of life; by willing to surrender who you are for that you could become - *Reinhold Niebuhr*

PURAVANKARA. *DIFFERENT.* OUR INNOVATIVE QUASI-BOOKBUILDING PROCESS KICK-STARTED A POSITIVE CASH FLOW CYCLE.

Post by A. Anil Kumar, *Chief Financial Officer*

When it comes to a business as stable as real estate construction, there are really only two ways that most financial controllers feel they can run the business: sell first-build later or build first-sell later. At Puravankara, we selected something that had not been attempted earlier.

Overview

For decades, by convincing themselves that these were really the only alternatives available, most real estate builders refused to explore beyond. Puravankara differed; the Company introduced a hybrid model.

The basis of Puravankara's differentiation was in its fundamental understanding of what drove success in this competitive business in the first place. Most builders were convinced that realisations alone made the big difference in success. The result was that in line with this business approach, they preferred to wait until they generated their desired weighted average realisation. On most occasions, the wait translated into months until all the necessary apartments had been liquidated for the project to be announced as 'closed'.

At Puravankara, we saw the anomaly of this strategy. We could perceive that such companies would have procured debt to fund the initial phase of the project; the longer the delay in being able to liquidate the necessary apartments, the higher the interest burden and project cost. In the Company's opinion, the sweet spot lay in being able to arrive at a pricing point that would make it possible to accelerate sales and generate the necessary cash flow in the shortest time to be able to fund the first phase of the project without having to seek a rupee's debt. This would be followed by adequate patience in liquidating the rest of the apartment inventory following project completion when the Company would be able to generate considerably higher realisations without compromising the brand or margins. Puravankara's unique combination – initial quick sale coupled with patient apartment liquidation – was possibly unprecedented within the country's realty sector when launched in 2013.

However there was one downside when it came to getting to this desired 'sweet spot', it was feared that the inevitable dilemma would manifest: the financial controllers would push for a price too high for the market to bear; the marketing team would push for a price too low for optimal returns. As a result, what could have been a fascinating pricing experiment would inevitably have to be abandoned in favour of the conventional 'cost-plus' or 'slow sale' approach.

The Puravankara differentiator

Puravankara selected to take a differentiated standpoint.

The Company contended that it was absolutely true that realisation alone was not the critical success driver; it was the combination of the largest quantum of sales at the highest possible realisation that the market could bear in the shortest possible time that would define success. And to achieve precisely this balance, Puravankara set out to reverse a longstanding paradigm. For decades, companies had priced; the market was required to bear. In the lateral Puravankara model, the market would price; the market would bear. Result: birth of the absolutely unusual quasi-bookbuilding route in India's real estate industry.

Puravankara's pioneering quasi-bookbuilding route works similar to the concept prevalent in India's primary capital market. The Company announces a price band; it invites a number of probable home buyers to an event; the audience is presented with the project nitty-gritty (location, amenities, supports, features, among others) and then asked to select the price at which they would be most inclined to buy. The aggregate average price generally preferred by most intending buyers (not the company!) effectively becomes the official price at which the company offers the apartments.

Revenue (₹ cr)	Revenue growth over 2012-13 (percent)	EBIDTA margin (percent)
1,313	5	37
FY14	FY14	FY14

This structured empowerment of prospective customers in directly pricing the apartments they intended to buy represents the most tangible contribution by Puravankara to the cause of transparency in India's real estate industry.

Taking the differentiator ahead

But more than enhancing the cause of sectoral transparency, the quasi-bookbuilding process has generated financial benefits for the Company.

In the real estate sector, promoters generally played an extended waiting game before they could announce a project as 'financially closed'. At Puravankara, the quasi-bookbuilding initiative has made it possible to accelerate the pace of offtake to significantly faster than the industry average – the Company achieved financial closure of its 735-apartment Purva West End and its 1,323-apartment Purva Palm Beach in only 90 days (among other such instances), which were well quicker than the retrospective sectoral average.

In the real estate sector, it would be reasonable to expect that debt costs would remain high for a real estate business in a high cost economy. Thanks to the cash flows kick-started by the reverse auction process in 2013, Puravankara moderated weighted average debt cost by 151 bps to 13.39 percent.

In the real estate sector passing through challenging times, it would have been normal for large funds to wait for the economy to revive. Encouraged by Puravankara's innovative business model, the term sheet-to-funding tenure, which would normally have taken about six months, was concluded in each case in well under three months.

In the real estate sector passing through a crisis of consumer confidence, it would have been natural for the Company to increase marketing and promotion costs to 'push' apartments. A post-bookbuilding Puravankara however reduced its erstwhile promotional spending.

Net profit (₹ cr)

160

FY14

Net profit margin (percent)

12

FY14

Net outstanding debt (₹ cr)

1,521

FY14

Enduring value

At Puravankara, the excitement is not about what the quasi-bookbuilding process has achieved; it is what this new mindset can deliver. By investing in people and replacing the conventional realisation maximisation focus to holistic profitability (price and velocity), the Company has embarked on restructuring its financial model with the objective to emerge as one of the most valuable real estate companies in India.

The Company expects to moderate net external debt from ₹ 1,296 cr as on 31 March 2014 to ₹1,000 cr as on 31 March 2015 while growing the quantum of built up area. The result is that the Company's gearing is expected to reduce substantially from its 31 March 2014 level.

The Company intends to bring a larger number of functions under its ERP coverage, making it possible for each function to 'speak' with each other. This has helped replace the time spent

Fall in debt over 2012-13 (percent)

2

FY14

Average weighted cost of debt (percent)

13.39

FY14

Fall in average cost of debt over 2012-13 (basis points)

151

FY14

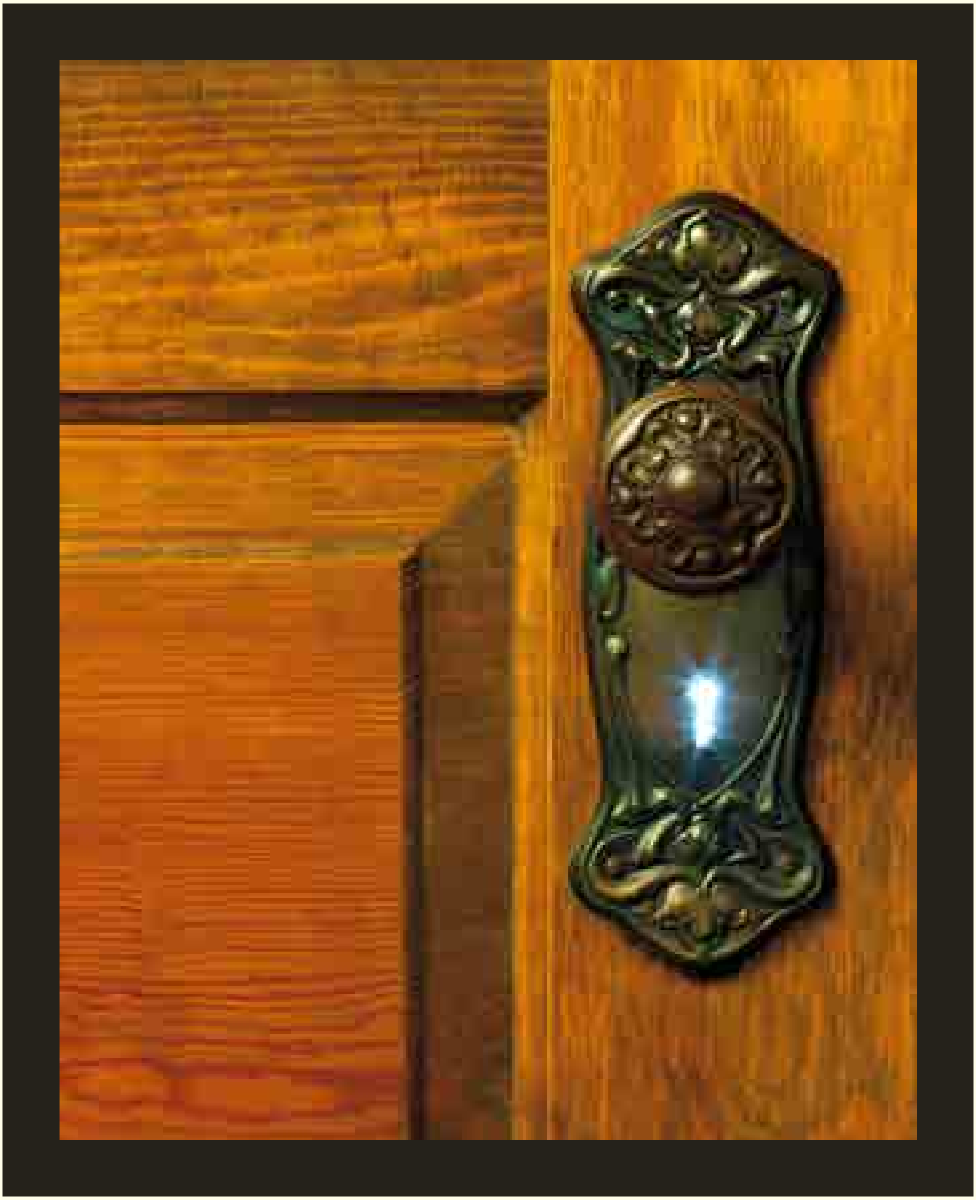
in data collection with data mining leading to informed decision-making, providing the organisation with a basis for growth without a corresponding increase in head count.

By moderating the quantum of debt-driven projects, the Company will soon arrive at a point when a dominant proportion of its projects will be financed by customer advances, obviating the need to mobilise any debt at all. This scalable approach will make it possible for the Company to concurrently grow its business and ROE while shrinking the outflow of interest in quantum terms and the size of its Balance Sheet, thereby enhancing organisational value.

Differentiation inspires re-rating.

This is what we achieved in 2013-14

- Introduced a pioneering marketing (quasi book building) model
- One of the highest EBIDTA margins in India's real estate sector
- Weighted average cost of debt reduced by 151 bps to 13.39%
- Sale value of ₹1,594 cr as on 31 March 2014
- Average realizations increased from ₹3,822 per sq. ft to ₹4,451 per sq. ft
- Successfully raised ₹308 cr to comply with the SEBI regulations of reducing the promoter's holding to 75%.



Success is where preparation
and opportunity meet
– Bobby Unser

PURAVANKARA. *DIFFERENT.* WHERE WE MEASURE OUR OPERATIONAL EFFECTIVENESS BY HOW MUCH MORE WE SPEND EACH MONTH.

Post by Vijay Pandey, *President*, Planning and Processes

In the business of real estate construction, which addresses diverse nitty-gritty issues, it is often possible to miss the big picture. At Puravankara, we are driven by the clarity of strategic direction.

Overview

The challenge is to estimate precisely what proportion of the project has been completed in volume terms across what period of time and what physical volume of the project is yet to be completed across what time period with the objective to arrive at optimal resource estimation.

In a business where material costs and labour account for 49 percent of revenues on the one hand and ₹3,868 cr of capital is employed to generate ₹1,313 cr in revenues on the other, the role of precise estimation cannot be exaggerated. There is a premium on resource efficiency; this complexity is compounded when one is managing concurrent projects across locations and cities. Varying stages of completion across projects raises the first big challenge: what materials would be required at the different sites at what project junctures. As an extension, there is a need to estimate what quantum of funds would be required to sustain progress across each site.

At the end of the day, what is required is a process discipline that makes it possible to forecast what activity would be in progress on which day at which site, making it possible to proactively prepare with corresponding resources leading to timely and budgeted project conclusion.

The Puravankara differentiator

The conventional approach within the real estate sector was to invest in experience, outline progress based on a thumb rule and aggregate these observations into a centralised point manned by professionals with relevant experience.

At Puravankara, we could see the pitfalls of such an arrangement. One, there were evident mismatches between resource appetite and availability, which staggered project progress. Two, each site competed for centralized funds to be able to deliver on schedule. Three, site progress was a largely qualitative expression that inevitably resulted in a difference between on-ground realities and perception. Four, the qualitative understanding of on-ground realities was usually subject to the interpretation of the supervisor. Five, there would usually be a time-lag in the communication of requirements from sites to the central point, affecting project progress.

Over time, Puravankara came to the conclusion that project tenures could be shrunk only if the science behind multi-site management could be more structured, disciplined and institutionalised.

Puravankara responded with three distinctive initiatives in this direction - review of projects, review of launches and review of processes.

The first reviewed multi-site working, the second reviewed the discipline of getting concepts into projects and the third reviewed all the processes with the objective to seek a better way of doing things.

At Puravankara, the result was the creation of a 'burn rate' metric, which was as simple as it was effective in its estimation of project completion pace. This 'burn rate' was described as the process-driven financial spending per month per project site – the greater the number, the quicker the project speed.

During the year under review, Puravankara achieved a monthly 'burn rate' that was 50% higher than in the previous year, indicating a corresponding acceleration in per site progress and validating all our initiatives towards timely project delivery.

Taking the differentiator ahead

Project Review by Management (PRM): In a Company with more than 24 projects under concurrent development across 28.43 mn sq. ft,

No. of projects reviewed under

PRM

28

FY14

No. of projects reviewed under

PPRM

27

FY14

there was always a premium on the availability of accurate information. At Puravankara, we recognised that timely, accurate and centralised information availability could lead to informed decision-making. In view of this, we selected to convene a centralised monthly project review attended by the Managing Director, Group CEO, CFO and heads of departments with the singular objective to reduce organisational bureaucracy, resolve pending issues and accelerate projects completion.

The effectiveness of this meeting was enhanced through the following initiatives:

The enunciation of the earn value-based assessment metric, which translated physical project progress into a financial number, making it possible to track project completion across tenures and engage in responsible forecasting.

The meeting continues to be attended by cross-functional heads, making it possible for effective across-the-table decision making.

Transparent reporting, resulting in access to enhanced information in compressed time frames.

The result of these initiatives (launched in 2012) is that the cycle time of decision-making has been slashed to a fraction of conventional tenures; legacy projects like Venezia and Eternity were completed in 2013-14 through efficient resource allocation, liberating the Company's bandwidth to embark on new projects.

Pre-project Review Management (PPRM): In a business where a significant part of the project capital is paid upfront to the land seller, any delay in project implementation can affect viability. At Puravankara, we recognised that a competent address of pre-project challenges (legal clearances, architect selection, designs, marketing, construction and finance) represented one of the biggest determinants of a project's success.

At Puravankara, we addressed this challenge through various initiatives:

Legacy projects completed

(percent)

14

FY14

The Company instituted pre-project meetings as an institutionalised response as opposed to emergency fire-fighting.

The Company instituted the earn value-based assessment metric to forecast the number of days leading to project launch.

The Company announced its project zero date immediately in line with land acquisition, kick-starting the process towards timely launch.

The effectiveness of this discipline is reflected in the numbers: the conventional project launch tenure was shrunk from an estimated 18 months to three months even as the number of concurrent projects increased from 11, two years ago to 24 in 2013-14.

Review of operational processes

In a business exposed to diverse variables, a mobile goalpost is a continuous reality. Similarly, the cost of market leadership is continuous vigilance.

At Puravankara, we strengthened our systems and processes through the following initiatives:

Trained employees in quality management system in line with ISO 9001:2008 standards

Addressed operational priorities (stronger process control, enhanced responsiveness, quicker implementation, lower errors /rework and completion predictability)

Facilitated informed decision-making through data mining (focusing on overheads per sq. ft)

Rationalised material procurement tenure, resolution of contractual issues and the process

Puravankara published a book, 'Puravankara Standards'.

- The book effectively captures all prevailing construction templates related to finishes, sizes and standards
- Over time, this book has helped templatise a number of construction approaches, effectively eliminating deviation from pre-defined standards
- The book has been loaded on the Company's intranet for easy reference

time related to project cost budgeting, escalation and estimation

Implemented Primavera, which made it possible to locate all projects on a single server, effectively dashboarding all live information

Enduring value

The interplay of these initiatives, along with investments made in our human resources, helped save an aggregate 300 bps in costs as a proportion of revenues on the one hand and enabled the completion of a number of projects well below their respective budgets.

Outlook

Going ahead, Puravankara intends to implement a methodology covering profitability forecasting and extend ISO 9001:2008 certifications for Starworth and Provident.

Differentiation insures.

Key summary

- Focused on review of projects, launches and processes
- PRM and PPRM covered 28 and 27 projects, respectively, in FY14
- Project execution pace increased by roughly 50%
- 'Burn rate' increased by 50%
- Centralised information accelerated decision-making

The ultimate measure of a man is not where he stands in moments of comfort and convenience, but where he stands at times of challenge and controversy - *Martin Luther King Jr*

PURAVANKARA. *DIFFERENT.* AT A TIME OF RUNAWAY MATERIAL INFLATION, WE ACHIEVED A 3% SAVING IN PROCUREMENT COSTS.

Post by Srikanth Srinivasan, *President*, Procurement Director

In the business of real estate development, if there is one thing that can upset the well-laid plans of men and managements, it is the process of material procurement. At Puravankara, we have bought a science to this core function.

Overview

Raw materials and contract costs account for 48.91 percent of the total expenditure in real estate construction; total expenditure is generally estimated at 60 percent of revenues; any change in resource costs could have a direct pass-through effect, affecting margins. The business comprises no less than around 8,000 material items, warranting painstaking price-tracking to be able to procure the right quantity at the right price at the right time. A number of these inputs are volatile, making it virtually impossible to budget for them in a business where the end product is often sold well in advance while the inputs have to be expended across the construction life cycle.

Add to this related challenges such as quality mismatch between orders and delivery, inventory shrinkage due to multi-site pilferage, technology changes that make certain products obsolete, maintaining adequate working capital to sustain purchases (and hence project flow), government action that could affect material access (river sand mining) – and one gets an idea of the sheer complexity of what might otherwise appear to be a relatively simple function.

The Puravankara differentiator

At Puravankara, we bought a science to this resource management.

Primarily, Puravankara centralised its procurement function for all cities and locations. The consolidation made the Company one of the largest in terms of procurement within South India's real estate industry leading to procurement economies.

Puravankara leveraged its brand to attract credible vendors.

Puravankara classified raw materials across A, B and C categories to generate a customised response. For instance, A category products accounted for less than 20% of the purchased volume nevertheless 80% of the total costs, warranting an ongoing price-tracking, negotiation and new vendor enlistment with the objective to get the optimal combination of quality, cost and delivery timeliness. This was reflected in the Company's purchases of steel and cement, which cumulatively accounted for a third of the Company's total procurement outlay. The Company widened the number of vendors from four to ten, made inter-state purchases wherever necessary to capitalise on attractive arbitrage opportunities or made selectively pre-emptive purchases in anticipation of upward price revisions. For the C category, covering products marked by relatively low price fluctuations, the Company entered into agreements with extended price validity, accelerating the procurement process.

Puravankara selected to buy directly from the manufacturing premises of its suppliers (as opposed to their godowns) against relevant documentation, translating into savings in excess of ₹5 per bag against a monthly procurement appetite of 70,000 bags.

Puravankara selected to make advances to vendors in exchange for sizable discounts. Besides, the Company reinforced its reputation as a responsible paymaster with a fixed payout cycle for most products, making it possible to attract credible vendors leading to a robust supply chain.

Puravankara made product sourcing modifications with the objective to rationalise costs without quality compromises; for instance, the Company switched from the erratic and expensive sourcing of river sand to manufactured sand, which is environmentally more responsible, sustainable and economical.

Puravankara emerged as one of the first real estate builders in South India to embark on the online reverse auction process in October 2013

Total raw material and contract cost (₹ cr)

642

FY14

Raw material cost as a percentage of turnover (percent)

48.91

FY14

with the objective to accelerate procurement, enhance transparency and moderate costs. The Company used this route to procure a standardised product like copper wire. The exercise generated savings of 5 percent, encouraging the Company to widen the procurement mix to more products.

Puravankara widened the number of products covered by a price and quality validity extending across a-year-and-a-half, stablising procurement pricing. Puravankara paved the way forward by investing in people.

Puravankara strengthened its procurement team with the recruitment of engineers and professionals possessing an insight into product features, pricing, substitution and negotiation.

Puravankara procured material with the end application in mind; the use of a differentiated grade of cement for non-critical applications helped moderate costs; besides, vendors ventured to customise product quality in line with specific requirements.

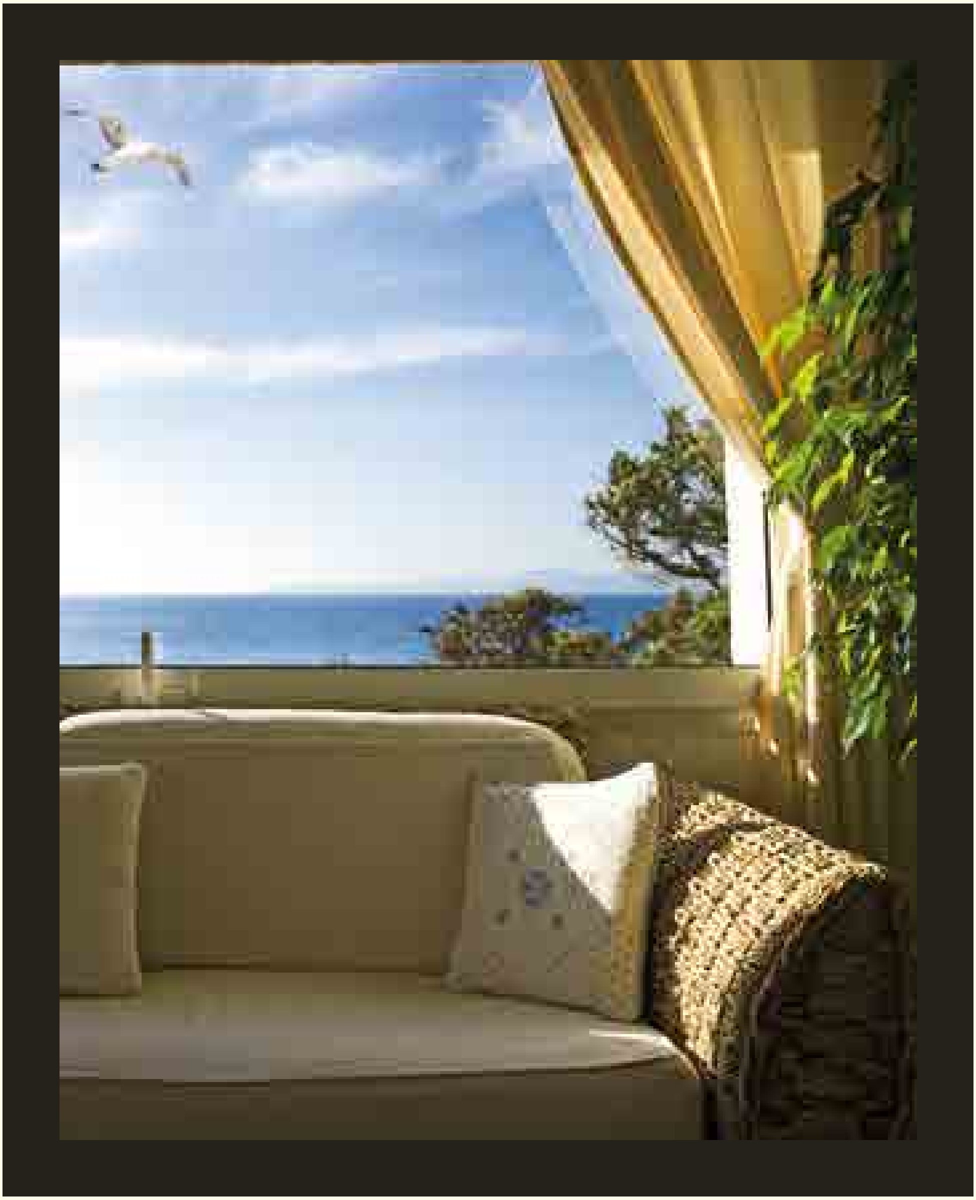
Taking the differentiator ahead

Even as 2013-14 proved unusually challenging, marked by volatile fuel price movements, raw material inflation and interruption in the long standing supply of critical inputs like river sand, the Company increased the timeliness of material delivery to its various project sites from an erstwhile 75 percent to 90 percent, thereby sustaining projects progress. The result was that during a challenging 2013-14, the Company reported savings of around 3 percent compared with erstwhile price lists and moderated raw material costs compared to the previous year.

Outlook

Going forward, Puravankara intends to outsource specific activities to optimise costs; for instance, the steel-cutting and bending will be outsourced to an external vendor, saving onsite space and time.

Differentiation supplements



Vision without action is merely a dream. Action without vision just passes the time. Vision with action can change the world – *Joel A. Barker*

PURAVANKARA. *DIFFERENT*. TRANSFORMED PRODUCT PUSH TO CONSUMER PULL THROUGH QUASI-BOOK BUILDING.

Post by Anand Narayan, *President*, Sales and Marketing

In the business of real estate development, one of the most critical factors distinguishing successful companies from the average is successful marketing. At Puravankara, we have selected to market with a difference, resulting in superior impact.

Overview

Marketing differentiates for an important reason. The business is not only capital-intensive in nature; it is long-cycle as well. This means that adequate funds need to be committed upfront to launch the project whether sales proceeds are at all generated or not. It is marketing – and successful marketing alone - that helps create a market appetite that inspires prospective home seekers to buy into apartments even while the concept is only a blueprint.

This proactive marketing is responsible for kickstarting a virtuous cycle of revenue mobilisation, timely construction and punctual apartment handover.

It is here that successful marketing makes the difference; the Company invested in people and processes for the long haul.

The Puravankara differentiator

At Puravankara, we selected to be different in our marketing approach.

Conventionally, real estate marketing revolved around the maximised sale of as many apartments at launch, followed by ongoing sale as and when customers expressed an interest. This ensured that property developers enjoyed an adequate access to funds to sustain construction across the lifecycle of the project. When marketed well, the projects were sustained around a negative working capital cycle; when sales turned sluggish, the difference between construction cost and sales proceeds would inevitably need to be funded with expensive working capital.

At Puravankara, the challenge that we faced was what most realtors face: the need to prepone revenues to the largest extent possible with the objective to comfortably cover costs across the construction life cycle and deliver apartments on schedule. However, the Company recognised the latent danger of doing the job so well that one faced the prospect of marketing all the to-be-built apartments. The danger lay in the cost of inputs generally beyond the

Company's direct control; if construction costs rose while realisations remained frozen (because apartments had been sold), the protected margins related to the project would progressively turn sub-optimal.

The Puravankara management perceived something else; as a project progressed, its intrinsic value appreciated to the point when home seekers would be willing to pay an attractively higher price for the apartments – over what the neighbourhood properties were otherwise priced at and over what the apartments had been priced at when the project was launched.

At Puravankara, we selected to differentiate our marketing approach. The management resolved to market only as many apartments as would be necessary to raise proceeds to sustain project construction without the need to depend on external debt. Once adequate proceeds had been realised, the Company would reduce the pace of sales to achieve higher price realisations through the project life cycle. This dual approach – initial sale coupled with gradual liquidation – made it hypothetically possible for the Company to kickstart construction, insulate the Company from completion risks and capitalise on enhanced realisations translating into higher returns.

Except that while this concept sounded impeccable on paper, there was a catch to it. In the initial marketing push, it was practically impossible to liquidate the required number of apartments by the date that the Company desired, resulting in a sales stagger and delayed proceeds inflow. This stagger, in turn, made it imperative for the Company to borrow working capital at expensive cost, eating into margins. To compound this, the multiplicity of project sites increased financing complexity, creating a perception that the business was financially-stressed.

At Puravankara, we recognised an anomaly through our long standing experience - that in terrains (especially South India) where the buyers were largely user-oriented, the business was price-sensitive. A residential project offered at a couple of hundred rupees higher than the prevailing average would report weak offtake; a project priced attractively would enjoy a disproportionately higher offtake. As a result, success was more likely to be determined by pricing correctly in a specific pin code, translating into quicker offtake, proceeds and project completion.

Except that the subject of 'right pricing' was easier enunciated than achieved for some good reasons. One, the concept of pricing was

Space sold
(mn sq. ft)

2.52

FY14

Growth in space
sold over 2012-13
(percent)

21

FY14

usually inside-out as perceived by the real estate promoter without stepping into the shoes of the consumer. Two, the pricing often needed to be customised to the nature of the city pocket rather than base it on an average price prevailing elsewhere. Three, if no organised builder had ventured to build a property in that pocket then a price discovery process was warranted, requiring the Company to speak to at least a few thousand prospective home seekers.

In 2013-14, Puravankara arrived at a solution that reconciled its needs with those of prospective home seekers through a pioneering proposition. The Company reversed the paradigm; while the conventional approach was to price properties and expect consumers to pay, in this case the Company delegated the price discovery process to consumers themselves. The result was a reverse auction manifested in a quasi-bookbuilding process, attempted for the first ever time within India's real estate industry.

The quasi-bookbuilding route engaged the active engagement of the Company and consumer; the Company would identify a broad price band; the intending home seekers would select to identify the right 'buyable' price within this band. This feedback, aggregated across a few thousand intending home seekers, would lead to the discovery of a price that would result in the largest number of immediate buyers, translating into stagger-less proceeds and raising adequate resources to take the project to its quickest completion. Best of all, this financial ring-fencing of the project would finally make the Company's business model scalable without compromising Balance Sheet integrity. Henceforth, through this quasi-bookbuilding route, each project would be funded by one-time project sales without needing recourse to corporate debt. The empowering of our customers and investing in our people proved to be the gamechangers.

The Company's experiment with this radical quasi-bookbuilding alternative proved successful during a challenging 2013-14. Even as most builders complained of slower sales, Puravankara reported quicker offtake:

Purva Westend project marketed 75 percent of apartments and received 595 cheques as expression of interest within a month ; the price discovery process generated average revenues of ₹5,250 per sq. ft as against a prevailing local average of ₹4,800 per sq. ft; the quasi-bookbuilding process generated sales of ₹189 cr.

Purva Palm Beach project marketed 70 percent of apartments and received 400 cheques as

Average realisations
(₹ per sq. ft)

4,871

FY14

Average growth in realisations over 2012-13 (percent)

7

FY14

expression of interest within a month; the price discovery process generated average revenues of ₹5,242 a sq. ft as against a prevailing local average of ₹4,500 per sq. ft; the quasi-bookbuilding process generated sales of ₹287 cr

The result is that the Company generated a throughput of 708 apartments and ₹537 cr through this innovative route in 2013-14; sales throughput increased from 3.36 apartments a day in 2012-13 to 4.60 apartments a day during the year under review; average realisation increased from ₹4,551 per sq. ft to ₹4,871 per sq. ft across the period, validating the strategic win-win proposition.

Even as the quasi-bookbuilding process appears to be a marketing function, its impact has been extensive. At one level, the increased use of this innovative marketing mechanism has helped the Company resolve a longstanding challenge – the means to right-size its Balance Sheet even while growing the number of projects, the aggregate built-up area and revenue quantum. At the other level, the ability to ring-fence construction progress has enhanced the Company's ability to hold on to finished inventory long enough to derive the right realisations and in doing so protecting the long-term health of its brand. But most importantly, the quasi-bookbuilding route has enhanced the customer's confidence in the system and reinforced the Puravankara brand for fairness and transactional transparency.

Taking the differentiator ahead

Puravankara reinforced its marketing function through various initiatives during 2013-14.

One, the Company widened touch points across the real estate broking channel (retail brokers, mid-sized brokers, international property consultants and wealth management executives), strengthening their share in the Company's apartment offtake substantially as compared to the previous year.

Two, the Company evolved the role of brokers from 'marketing' projects to navigating these prospective buyers to interface points where we leveraged years of customer engagement insight to market professionally and effectively.

Three, the Company commissioned sales offices in New Delhi, Mumbai and Hyderabad, enhancing their role in the Company's revenues during the year under review.

Four, the Company enhanced its investments in digital marketing over print media advertising; whereas the latter generated 25% of all

Projects completed during the year (mn sq. ft)

3.87

FY14

Growth in total sales force employeed (%)

12

FY14

enquiries, the digital medium generated 75 percent; whereas traditional media accounted for 70 percent of costs, the contemporary media accounted for 30 percent; whereas the traditional media accounted for 45 percent of sales, digital media accounted for 50 percent - a superior return on spending. Meanwhile, the Company's website generated a footfall of 79,18,179 during the year under review, the highest across any real estate Company in India (estimated by Alexa).

Five, the Company strengthened its recruitment process, emerging as one of the largest IIM graduate recruiters in India's real estate industry. The Company increased its IIM recruitment from three graduates to 25 during the year under review to manage projects related to business intelligence, strategy, serviced apartments and student accommodation apartments.

Six, the projects were increasingly positioned around the enjoyability quotient manifested in anchor experiential features. For instance, Purva West End was positioned around the performing arts and culture showcased in its open-air movie theatre (country's largest); Purva Palm Beach recreated a lagoon in its central area comprising a wave pool with the option of snorkeling and beach volleyball; Sound of Water was inspired by a rain forest, coupled with Bengaluru's largest man-made waterfall and a meandering stream that would enhance the therapeutic sound of moving water. In doing so, Puravankara added more life to life.

Outlook

Going ahead, the Company's marketing function is engaged in taking various initiatives ahead: liquidate its apartment inventory (as on 30 June 2014), launch projects, focus on marketing diverse assets (commercial, retail, serviced apartments and student accommodation apartments), generate quality enquiries coupled with lower turnaround times (within minutes!), widen the marketing footprint overseas with the objective to report at least 18 percent of revenues from outside the city where the project is being offered and enhance the role of the quasi-bookbuilding strategy.

Differentiation elevates

Strength of international sales force

28

FY14

Key summary

- Built a stronger broker channel
- Pioneered the quasi-bookbuilding route
- Increased the proportion of multi-city sales
- Strengthened sales from digital marketing
- Strengthened the recruitment of MBAs and IIM graduates
- Increased the rollout of themed properties

Ideas can be life-changing. Sometimes all you need to open the door is just one more good idea - *Jim Rohn*

PROVIDENT. *DIFFERENT.* EXTENDING UPMARKET AMENITIES TO A MID-MARKET SEGMENT.

Post by Debananda Pati, *Senior Vice-President*, Provident Housing Limited, 100 percent subsidiary of Puravankara Projects Limited

In the business of real estate development, value is usually created through a conventional model where what is made is priced as high as possible. The objective is to generate as high a return on time as possible through the accelerated development of moderately-priced apartments. At Provident, we took a contrary view instead.

Overview

Puravankara, followed the former approach until the close of 2008. Thereafter, the Company selected to broadbase its approach through the creation of moderately priced apartments for a different customer audience.

Most companies would have selected to run these distinct business lines in the usual manner – using the same resources and marketing under the same brand. At our company, we made a difference, convinced as we were that even as the two businesses appeared identical, they were largely different; they addressed different market sizes and different customer segments and hence required different pricing sensitivities and corresponding positioning.

The normal response to this reality would have been to atmost create a different team with outlined business targets. At Puravankara, we extended beyond this conventional approach; we recognised that the vastness of the opportunity warranted the creation of a complete subsidiary (wholly-owned) that would operate virtually like an independent organisation reporting periodically to the parent's Board of Directors, work within identified budgets (as opposed to drawing freely from the corporate resource pool), recruit independently based on growing needs and position offerings distinctively from the parent's product brand.

The basis of this differentiated approach was a visible irony in India's real estate sector. On the one hand, the country passed through an unprecedented increase in prosperity over the last decade-and-a-half; on the other, the benefits of this prosperity did not translate into a substantial improvement in the residential standard of the country's core middle-class. As general prosperity increased, much of the organised real estate sector's attention was directed at serving the needs of the top-end customer spectrum; the benefit of organised branded realty development barely touched its growing middle-class.

The Company responded to this evident opportunity for various reasons: not only was such a space vast enough to keep the Company engaged for years, it would also help insulate against cyclical sectoral declines; not only would it address a growing need for homes at the basic level, it would extend luxuries otherwise associated with high-priced homes to the middle-class possibly for the first time in the country.

Differentiator

At the Company, we recognised that a simplistic response to this business opportunity would not suffice; the business needed to be addressed in a completely different way for the difference to translate into superior customer value.

The Company resolved that its principal differentiator would be speed - in construction, project turnaround, sales and cash inflows. If the Company could shrink the conventional home-building tenure, then it could kickstart a virtuous cycle that attracted customers faster and generate higher revenue. To shrink project completion, the Company examined every process and questioned every convention; it concluded that the one change that could generate into the largest hydraulic impact would be the process through which apartments were constructed.

Conventionally, apartments were constructed through a sequential approach, with more of an investment in people than processes. The challenge in this approach lay in aggregating adequate people resources at site to be able to sustain project progress to timely completion. This is where precisely the problem lay: with trained labour availability declining, most

Space sold under Provident (mn sq. ft)

1.05

FY14

Average realisations (₹ per sq. ft)

3,448

FY14

Average growth in realisations over 2012-13 (percent)

16

FY14

Delivered area (mn sq. ft)

1.09

FY14

projects were increasingly delayed well beyond stipulated completion schedules, affecting brand, revenues and financial returns. In the Company's opinion, if just this challenge could be competently addressed, the result would be the start of a profitable virtuous cycle.

Over the last two years, a timely embrace of cutting-edge pre-cast technology – used completely in Provident Sunworth - helped the Company transfer a large part of the construction offsite, pre-finish much of the work in controlled factory-like environment resulting in much of the on-site engagement then being limited to assembly as opposed to time-consuming construction.

Strengths

The strengths of the Provident brand comprise the following:

The segregation of the Company's business across Provident (affordable) and Puravankara (luxury) has enhanced a non-compete and mutually exclusive focus on each

The economics of the affordable model have been validated around a 25 percent margin, representing a comfortable buffer against cost increases.

The business has made a prudent embrace of cutting-edge technologies customised around mass apartment rollout

The business has created a dedicated vendor system, making it possible to accelerate apartment rollout

The business has extended to a multi-city, multi-location and multi-scale presence

The growing scale of the Company's presence (10.05 mn sq. ft of projects in progress) has accelerated deal flow related to land parcels

The business is managed by only 228 employees, possibly the leanest across any real estate development brand in the country

Even though Provident has been in existence for only six years compared with Puravankara, which has been in existence for 39 years, the

Year-on-year revenues as a proportion of the Company's turnover: 26% in FY 2014 and 33% in FY 2013

Provident PAT as a proportion of group PAT: 39% FY 2014 and 42% FY 2013

Year-on-year launch of Provident projects: FY 2014 - 0.58 mn sq. ft and FY 2013 - 6.42 mn sq. ft

Year-on-year sales of Provident apartments: 1038 in FY 2014, 1784 in FY 2013 and 685 in FY 2012

Year-on-year Provident sales in terms of built-up space: 1.05 mn sq. ft in FY 2014, 1.84 mn sq. ft in FY 2013 and 0.68 mn sq. ft in FY 2012

Year-on-year average Provident apartments realisations in per sq. ft: ₹3,448 in FY 2014, ₹2,981 in FY 2013, ₹2,679 in FY 2012 former has already generated twice the number of customers than latter.

Performance, 2013-14

Generated ₹340 cr in revenues compared with ₹409 crore in 2012-13

Generated EBIDTA margin of 36 percent resulting in an EBIDTA of ₹123 cr

Strengthened average realisations 16 percent from ₹2,981 per sq. ft in 2012-13 to ₹3,448 per sq. ft

Launched Phase I of Provident Sunworth (1.4 mn sq. ft) in Bengaluru in January 2013, which is expected to be completed in 30 months with a complete use pre-cast technology as against a conventional 48 months. Phase II with 1.3 Mn sq. ft launched in quarter ended March 2014 is expected to be completed within a record time of 24 months from the date of its launch.

Launched Provident Green Park in Coimbatore in August 2013, the first instance of the business entering a Tier 2 location

Demonstrated a growing competence in the management of pre-cast technology; while the first phase (1.4 mn sq. ft) could take an estimated 30 months fore completion, an equivalent second phase could take less time

Showcased product superiority; delivered a homogenous wall with higher wall density using the same concrete material leading to more

The Provident value proposition

- A typical 1,100 sq. ft 3-BHK apartment optimises space; user-friendly apartment configuration has helped convert empty passage corners into usable space
- Large township projects amortize fixed utility costs over a larger land parcel
- Aesthetic cost-effective project and apartment design marked by the virtual elimination of 'dead' spaces
- Well-designed façade and elevation
- Usage of cost-effective yet aesthetic building materials

uniform heat dissipation, higher air-conditioned efficiency and better sound resistance

Increasing brand presence in Gulf countries, generating 18 percent of revenues from this region - and growing

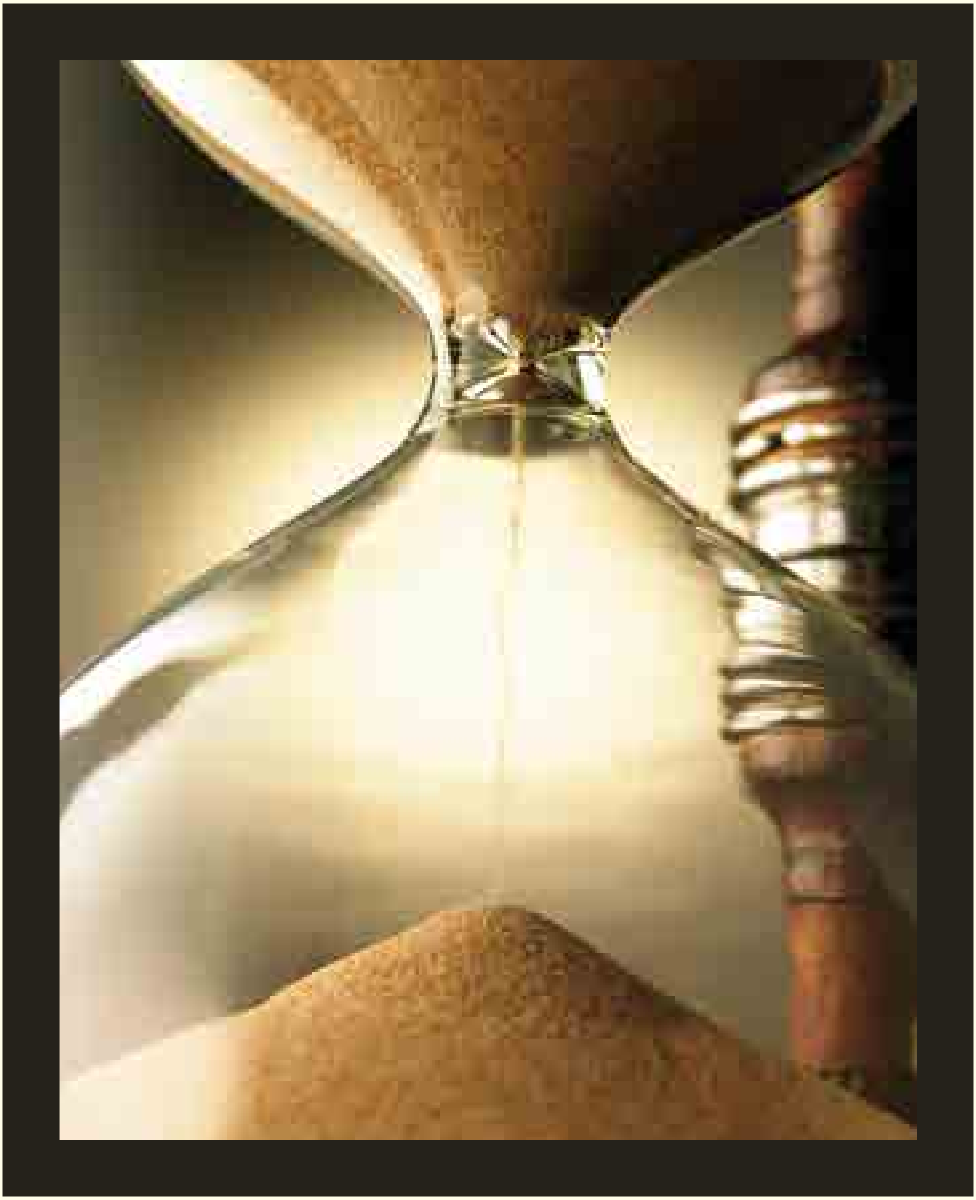
Strengthened the customer care help desk through stronger data logging and analytics leading to superior customer management

Outlook

The Provident team intends to strengthen its future-readiness with the objective to achieve a revenue target of $ one bn by 2022. From 2014-15 onwards, the business expects to substantially increase launches to capture the market. Besides, the business intends to extend its customer feedback survey to across 80 percent of its customer base, strengthen cost management (across design, facility management, marketing, sales and construction process), showcase products to customers through hand-held devices, widen the company's domestic marketing footprint from Bengaluru, Chennai, Mangalore, Hyderabad and Coimbatore to Pune and Gurgaon and explore the possibility of launching residential projects in Bangladesh and Tanzania.

Provident projects at a glance (ongoing)

Project	Location	Status
Provident Skyworth	Mangalore	Under Construction
Provident Sunworth	Bengaluru	Under Construction
Provident Welworth	Bengaluru	Completed
Provident Harmony	Bengaluru	Under Construction
Provident Cosmo City	Chennai	Phase I completed/ Phase II under Construction
Green Park	Coimbatore	Under Construction



The future belongs to those who prepare for it today - *Malcolm X*

STARWORTH. *DIFFERENT.* INCREASED PROJECTS AND REDUCED CONSTRUCTION TIME.

Post by Sasikumar, *Technical Director*, Starworth Infrastructure and Construction Limited, a 100 percent Puravankara subsidiary

The health of a real estate brand is appraised on the basis of timely apartment delivery. At Starworth, we set out to deliver a construction service that would make it possible for customers to deliver their projects on time.

Overview

There is a specific reason for this. When a buyer puts out a large proportion of savings to make possibly the biggest purchase of one's life, the speed with which a company delivers the apartment influences financial efficiency. This speed plays an even bigger role when a buyer is living in a rented apartment, expending a rent at one end and funding the acquisition of an acquired property at the other. The timeliness of handover makes it possible for the buyer to terminate the rented apartment agreement and move into one's owned property, saving on the rent expense. As a result, a delay in handover does more than affect the brand of the property development company; it carves into a buyer's savings.

However, the question of timely delivery is more complex than it appears. Real estate construction is one of the most dynamic businesses in India; the prospect of timely project completion and scheduled apartment handover is principally influenced by the appointment of a responsible construction agency. Besides, even the delivery of a credible construction vendor is marked by hundreds of live variables ranging from labour availability, general elections, resource access, monsoonal impact and transportation smoothness, among others.

In such a scenario, the ability to deliver completed apartments on schedule warranted a multi-capability management of variables and realities. This ability of ours empowers people.

The Puravankara differentiator

The premium in selecting the right vendor was more marked in the case of Puravankara than most other organised realty brands.

The Company's focus on emerging as one of the largest organised realty brands in India warranted collaborative working with a construction partner. Given the diverse locations of the Company's presence – intra-city and inter-city – the Company would have been required to work with different construction partners, enhancing its vulnerability to their respective risks; in the event that the Company selected to work with just one partner, then this would create a different kind of risk whereby any inability of the partner to deliver would affect progress across a number of sites.

In the conventional end of the real estate development industry, a construction vendor would have to be appointed from the outside while the Company focused all its energies on marketing, branding, project design and resource mobilisation. However, Puravankara recognised that given its corporate ambition, this conventional approach would not work. The Company would need a dedicated construction vendor to sustain its corporate ambition.

Rather than engage with multiple vendors possessing diverse operating cultures with varying on-ground effectiveness, Puravankara recognised that it would be prudent to engage in construction itself. The result was that in 2009 , Puravankara created a wholly owned subsidiary with an independent identity to engage in construction, competing for Puravankara's business with other service providers and also competing with them for business in the open market.

In arriving at a balance of captive ownership but independent structure, Puravankara created a competitive market-facing construction division. This division would be independently responsible for the business that it generated without recourse to the parent's Balance Sheet; the division would be treated like any other construction company when it came to competence appraisal and contractual remuneration; in turn, the group vendor would invest in cutting-edge equipment, competencies and modern-day practices aligned with Puravankara's growth appetite.

Order book as on 31 March (₹ cr)

1,000

FY14

Order book from third party projects (₹ cr)

105

FY14

Order book growth vis-à-vis 2012-13 (percent)

125

FY14

There were a number of credible reasons for the creation of an independent operating structure within the group. The construction division would proactively strengthen its business in line with the parent's growth and medium-term business direction; it would exchange 'live' information on project progress that could, in turn, inspire corrective action; it would be responsible for the absorption of sectoral best practices; it would need to continuously enhance customer value, it would need to provide the best overall value-proposition over competitors and it would need to keep enhancing its service benchmark. The result was that a unique balance of financial independence on the one hand and strategic alignment on the other.

The arrangement was win-win: a growing pipeline of Puravankara launches and the promise of available business (as distinct from 'assured') would inspire proactive investment; access to the Puravankara business model in terms of widening geographic footprint would empower the management of Starworth to recruit competencies across cities; access to the Puravankara brand would inspire investment in cutting-edge technologies; any improvement in efficiency would translate into time-cost savings that would eventually strengthen the parent Company's competitiveness; the ability to scale the organisation in line with Puravankara's growing appetite could also position Starworth as a provider of relevant merchant construction services.

The prudence of the strategy was validated in the numbers: Starworth's turnover increased from ₹103 cr in 2012-13 to ₹160 cr in 2013-14; Starworth's order book increased from ₹450 cr at the close of 2012-13 to ₹1000 cr at the close of 2013-14; 125 percent of Starworth's order book as on 31 March 2014 comprised projects awarded by Puravankara (₹811 cr) and Provident (₹84 cr); the subsidiary bagged a ₹78 cr external construction assignment in 2013-14 following competitive bidding, technical analysis and scrutiny, the largest in its existence.

Turnover
(₹ cr)

160

FY14

Turnover growth, (percent)

55

FY14

Towards the close of the financial year under review, the subsidiary was addressing projects across 5.86 mn sq. ft.

Differentiators

Starworth emerged from the shadow of its parent to become a respected service provider possessing the following competencies:

Robust project modelling resulting in enhanced bidding effectiveness

Disciplined property development approach ensuring timely completion

Consistent senior management team across the last decade, helping preserve intellectual capital

Access to trained labour with high retention, a significant advantage in an attrition-driven environment

Investment in safe onsite practices as well as a ₹11 cr equipment bank

Flexibility in sub-contracting non-core project parts, while retaining key project portions (civil, mechanical, electrical and plumbing)

Adequate investment in stores and spares, minimising project downtime

The result was that the Company succeeded in shrinking its project delivery tenures.

Projects in hand	Built-up space (mn sq. ft)
13	5.86
FY14	FY14

Outlook

Starworth intends to grow its turnover to ₹350 cr in 2014-15, widen its operating footprint to New Delhi, Mumbai, Chennai and Hyderabad with recruitments in each location, complete six projects during the course of the current year, and increase its order book from ₹1,000 at year-start to ₹1200 cr at year-end with an operating presence across 7.5 mn sq. ft.

Differentiation enables

Key summary

- Strengthened the order book by 125 percent to ₹1,000 cr (year-end)
- Invested ₹11 cr in cutting-edge equipment
- Received a record order
- Rationalised project delivery tenures

STARWORTH'S **MIVAN** TECHNOLOGY

At Starworth, we invested in the cutting-edge MIVAN Technology with the objective to accelerate projects, delight customers and enhance the Company's brand.

MIVAN technology comprises a revolutionary aluminum formwork construction system for forming cast-in-place reinforced concrete building structures. As a result, all walls, floor slabs, columns, beams, stairs, balconies, door and window openings are cast in place in a single site-based operation. The result is inevitably a building structure that is strong, well-designed, high quality and yet fast, adaptable and cost-effective.

The core element of the MIVAN formwork is the panel, which is an extruded aluminum rail section, welded to an aluminum sheet. This produces a lightweight panel with an excellent stiffness-to-weight ratio, yielding minimal deflection under concrete loading. They can be manufactured in any size and shape to suit the requirements of specific projects (can be customised, made to specifications). Once assembled, they are subjected to a trial erection in order to eliminate any dimensional or on site problems.

Some of the visible advantages of the MIVAN technology are -

Reduced turnaround time by almost half compared to the conventional technique, and helping achieve a slab-to-slab cycle of seven to ten days.

Eliminated labour intensive activities like masonry and rendering.

Reduces the deployment of skilled resources.

Reduction of seepage due to no construction joints and use of free-flow concrete, resulting in negligible maintenance.

PROVIDENT'S **PRE-CAST** TECHNOLOGY

The pre-cast technology represents a joining of pre-cast elements suited for low rise value homes and mass apartments, providing a structural framing of load bearing walls and solid slabs ideally suited for residential apartments.

This technology offers a higher efficiency, near-zero wastage and a massive reduction in skilled resources required for constructing the building shell and core, reducing project costs.

The pre-cast elements walls and slabs can be produced efficiently with controlled parameters in either captive pre-cast plants or can be procured as building materials from established manufacturers. However, manufacturers supplying these pre-cast elements are few, making it imperative to set up captive pre-cast plants.

A typical pre-cast floor (as in Sunworth) consists of eight apartments and 236 elements created by 179 moulds, akin to a Lego set. The metal reinforcements, as well as the structural inserts, plumbing and electrical inserts, are placed within the moulds.

Provident uses a combination of water, sand, gravel and cement, blended with an additional component called Ground Granulated Blast Furnace Slag. GBBS is a cementitious byproduct of the steel industry, the addition of which reduces costs and carbon foot print on the one hand and enhances strength over normal concrete. It is known to extend the lifespan of a building and strengthen over time. For instance, even as the design requirement of Sunworth concrete of M30 is to be achieved in 28 days, Provident is achieving 66-70 MPA (average) of 28 days strength, more than double the requirement.

Provident's concrete achieves 100% optimal strength in 28 days and 66% in the first week, a speed that can affect the reuse of moulds. The Company uses accelerators (admixtures) like Glenium Ace 8761 to accelerate the process, making it possible to achieve 50% optimal strength in concrete on the first day itself, ideal for the removal of concrete from the mould.

Provident possesses the capacity to cast 136 elements per day. The five tower cranes across each of its construction sites can go to a maximum of 50 elements a day, making it possible to erect the structure of an entire floor of eight apartments in one day, an average of 1.5 days per apartment.

LAND ACQUISITION

Enabler 1

In an India where competition for land parcels is increasing among real estate developers, the challenge lies in accessing relatively large land parcels in attractive geographic pockets on the one hand and clear land parcels for onward acquisition without compromising governance standards on the other.

During the year under review, Puravankara launched five projects validating the Company's approach in the area of land acquisition.

The land acquisition is being influenced by parameters like scale, accessibility, contiguous infrastructure (roads and electricity), title cleanliness, ease in being able to get sanctions and overall marketability.

The Company reinforced its legal function, resulting in comprehensive legal search capability, documentation scrutiny, templatised approach to various issues and an engagement with the best legal firms.

LEGAL COMPLIANCE

Enabler 2

In an organised business within a highly unorganised sector, there is an ongoing challenge to remain legally compliant at all times.

During the year under review, the Company's legal function helped remove blockages and smoothen day-to-day working through the following initiatives:

The Company presented a successful defense against a charge by the Metrology Department, stating that the Company was misleading customers by advertising in sq. ft as opposed to the recommended sq m, for which a fine would have to be paid. The Company challenged this notice and applied for an injunction. The High Court issued a stay order and, following a final hearing, granted the Company the right to continue advertising as per the conventional sq. ft template. The order benefited consumers and other real estate companies.

The Company ringfenced its brand through the timely trade-marking of 'Purva' and 'Purvankara', their respective logos and registration of project names.

The Company segregated its land acquisition team from its legal team; thereafter, the legal team was segregated into verticals (documentation, litigation, estate and IT) for enhanced specialization, savings, quality, responsiveness, confidentiality and streamlining. The enhanced in-sourcing helped Puravankara save legal costs, control quality and reduce turnaround time.

A legal process management system was commissioned to track pending cases and registration, empowering legal representatives to enhance process efficiency.

HUMAN RESOURCES

Enabler 3

In a business marked by growing competition and complexity, success is derived from the prudent recruitment of talent.

During the year under review, the principal challenge lay in getting access to quality engineers who could assume control of functions and projects that could accelerate the Company's growth. The Company responded to the challenge through the following initiatives:

Talent: Puravankara recruited 567 employees during the year under review, resulting in a total head count of 1,135 as on 31 March 2014. The Company strengthened its talent pool through an increased recruitment of trained freshers - from two in 2012-13 to 40 in 2013-14. These recruits from NICMAR addressed the Company's growing needs in planning and project management. Besides, the Company increased the number of IIM graduates from three in 2012-13 to 39 during the year under review for the sales and marketing functions; the number of recruited MBAs increased from 45 to 80.

Training and support: Puravankara introduced a one-day training and orientation programme for all freshers where they were briefed by department heads and senior managers on the Company and sectoral working. A 2,500 sq. ft Learning & Development Center, aptly named, "Puravankara Academy of Excellence", was commissioned to provide a formal and dedicated training environment, one of the first such initiatives undertaken by any real estate company in the country (with provisions to increase this to 4,500 sq. ft.) Puravankara strengthened its Academy of Excellence. 77 training courses were conducted during the year under review, covering 1,271 participants and 9,688 training hours.

Appraisal: Puravankara introduced the Human Resource Management System (HRMS) and an online Attendance Management System. The Company developed a Critical Incident Diary to record instances of note related to employees that could be recalled for subsequent appreciation or correction.

Engagement: Puravankara dedicated an executive to interface with each employee to gauge his or her feeling about the organisation and conduct a climate survey. The findings were presented to the CEO with suggested remedial initiatives. An external consultant was hired to conduct a survey and employee assessment.

Technology: Puravankara embraced technology to improve efficiency and productivity. In order to increase efficiency systems were upgraded online, including HRMS and an attendance management system. In order to boost productivity, a critical incident diary was implemented. When an employee did something noteworthy he/she could update details about this on this platform which would then be accepted or rejected by his/her supervisor. Similarly, the reporting manager or supervisor could update the system regarding the employee's achievements or mistakes. Everything was recorded online to facilitate the annual performance appraisal.

Going ahead, the Company intends to strengthen initiatives covering internship, team building, management development, leadership development, mandatory training and competence management with the objective to emerge as a preferred industry employer.

OUR LEADERSHIP TEAM

Ravi Puravankara

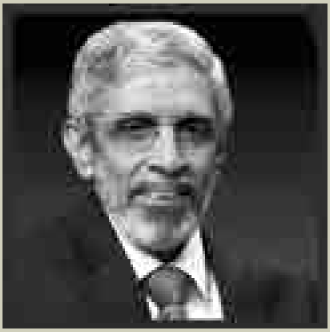
Founder, Chairman and Managing Director

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

Ashish Puravankara

Joint Managing Director

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



Nani R. Choksey

Deputy Managing Director

Nani Choksey has over 39 years of experience in real estate development, construction and finance sectors. He has been with the Puravankara Group since its inception in 1975, is a Founder Director, and has played a pivotal role in the Company's growth.

Jackbastian K. Nazareth

Group Chief Executive Officer

Jackbastian Nazareth is an industry veteran with over 20 years of experience in real estate development, corporate affairs, financial management and civil engineering consultancy. He is instrumental in setting up benchmark practices in customer relationship management and brand building. Jack received his Bachelor's degree in Civil Engineering from Karnataka University and MBA from the Goa Institute of Management.

Anil Kumar A.

Chief Financial Officer, Puravankara Projects Ltd.

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

Anup Shah

Independent Director

Anup Shah received his bachelor's degree in commerce from HR College in Mumbai and bachelor's degree in law from Government Law College, Mumbai. He has over 33 years of experience in the legal field with expertise in commercial and property due diligence, corporate and commercial litigation and property-related matters. He is the renowned columnist of 'Legal Eagle', a weekly feature in *The Times of India,* Bangalore.

R.V.S Rao

Independent Director

R.V.S Rao has over 41 years of experience in the fields of banking and finance. As a USAID consultant, he led the team that reviewed operations and made recommendations for Housing Finance Company, Ghana. He also led the consultancy team which advised the National Development Bank of Sri Lanka on the establishment of its mortgage finance business.

Pradeep Guha

Independent Director

Pradeep Guha received his BA from Mumbai University and management diploma from the Asian Institute of Management, Manila. He has over 38 years of experience in the fields of media, advertising, marketing and branding. He has been associated with the print media for 29 years and was President of *The Times of India* Group and served on its Board of Directors. He is the Vice-President and Area Director of International Advertising Association, Asia Pacific region.

In order to carry a positive action
we must develop here a positive vision
- *Dalai Lama*

DIRECTORS' REPORT

Your Directors are pleased to present their report for the Financial Year Ended **31 March 2014**.

Since this report pertains to Financial Year that commenced prior to 1 April 2014, the contents therein are governed by the relevant provisions/ schedules/rules of the Companies Act, 1956, which is in compliance with general circular No. 08/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs.

Financial Performance

For the financial year ended 31 March 2014, Puravankara Projects Limited recorded Revenues of ₹9,665.39 million as compared to ₹8,178.43 million in the previous fiscal, showing an increase of 18.18%. Profit after tax was ₹1,060.30 million as compared to ₹1,122.81 million for the previous year ended 31 March 2013, a decrease of 5.57%. A sum of ₹161.49 million was appropriated to Debenture Redemption Reserve and ₹106.10 million to the General Reserve.

The Group consolidated revenue stood at ₹13,133.03 million as compared to ₹12,484.80 million in the previous fiscal, showing an increase of 5.19%. Profit after tax stood at ₹1,599.78 million during the Financial Year 2013-14 as compared to ₹2,434.35 million, a decrease of 34.28%.

Dividend

Your Board approved a dividend policy for the Company in its meeting held on 6 August 2013. The said dividend policy indicate that the Company will endeavor to pay 33.33% of the Profit After Tax(PAT) earned by the Company during each Financial Year, having regard to the business exigencies and general economic Outlook for distribution as Dividend to the Shareholders, including Dividend Distribution Tax and / or such other Taxes payable on Dividends Distributed.

In line with the aforesaid dividend policy, the Board had recommended a Final dividend amounting to ₹1.92 per equity share (38.40%) on 237,149,686 equity shares of ₹5/- each, for the financial year ended 31 March 2014.

The Register of Members and Share Transfer Books will remain closed from **16 September 2014 – 22 September 2014** (both days inclusive) for the purpose of payment of the final dividend for the Financial Year ended 31 March 2014. The Annual General Meeting (AGM) is scheduled to be held on **22 September 2014**.

Transfer to Reserves

Since the Board has decided to pay a dividend of ₹1.92 per equity share (38.40%) for the Financial Year ended 31 March 2014 an amount of ₹106.10 (10% of the Standalone net profit for the year) has been transferred to the General Reserves under Companies (Transfer of Profits to Reserves) Rules, 1975.

Debentures

During the year your Company has not issued any additional Debentures.

During the year, 288 Nos. of debentures, altogether having a balance face value of ₹3.40 million each has been redeemed. Your Company has been regularly servicing the interest and principal obligations on the said debentures.

The total debentures outstanding as on the date of this report is Rupees Nil.

Fixed Deposits

During the year your Company did not invite nor accept any fixed deposits from public and as such, there existed no outstanding principal or interest as on the Balance Sheet date.

Directors

Pursuant to the section 149(4) of the Companies Act, 2013, every listed company is required to appoint at least one third of its directors as independent directors. The board already has one half of its directors in the category of independent directors in the terms of the provisions of Clause 49 of the listing agreement. The Board therefore in its meeting, held on 7 August 2014 approved the appointment of the existing 'Independent Directors' under Clause 49, as 'Non-Executive Independent Directors' pursuant to Companies Act, 2013, subject to approval of Shareholders.

As required under the said Act and the rules made thereunder, the same is now put up for approval of the members at the ensuing Annual General Meeting. Necessary details have been annexed to the Notice of the meeting in terms of Section 102(1) of the Companies Act, 2013.

The 'Non-Executive Independent Directors' have submitted the declaration of independence, as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in Section 149(6) of the said Act.

With the proposed appointment of 'Non-Executive Independent Directors', the conditions specified in the Act and the rules made thereunder as also under new Clause 49 of the Listing Agreement stands complied.

The existing Whole-time Directors were appointed earlier as Directors not to Retire by Rotation vide a Resolution passed by the Shareholders at the Annual General Meeting held on 24 September 2011. To ensure compliance to Section 152 of the Companies Act, 2013, the Board of Directors based on the Shareholders Authorisation as aforesaid and with a view to

Comply with the aforesaid provisions, passed a Resolution at its Board Meeting held on 7 August 2014, to make the Whole-time Directors liable to retire by rotation. In line with the Resolution Mr. Ravi Puravankara, Chairman & Managing Director of the Company, is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible for re-appointment offer himself for re-appointment as a director.

Directors' Responsibility Statement

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

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

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the year ended 31 March 2014 and of the profit of the Company for that period;

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

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

Auditors & Auditors' Report

M/S. Walker Chandiok & Co. LLP, *(formerly Walker, Chandiok & Co)*, Chartered Accountants, (LLP Registration No. 001076N/N500013), 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 **M/S. Walker Chandiok & Co. LLP,** a consent letter to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013.

The Consolidated Auditors' Report and the Stand-alone Auditors Reports' to the shareholders for the year ended 31 March 2014, does not contain any qualification and hence do not call for any further comments.

Subsidiaries

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

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

Statement relating to Subsidiaries

The Board of Directors in its meeting held on 16 May, 2014, in compliance with Circular No. 2 of 2011 dated 8 February 2011 issued by the Ministry of Corporate Affairs (MCA), has approved the presentation of audited consolidated financial statements of Puravankara Projects Limited (the 'Company') with its Subsidiaries and further, consented not to attach the balance sheet of the subsidiaries to the Annual Report 2013-2014 of the Company. Your Company has annexed to this report the information regarding each subsidiary pertaining to capital, reserves, total assets, total liabilities details of investment, turnover, profit before taxation, provision for taxation, profit after taxation/loss and proposed dividend.

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

Divestment of Equity Shares in Keppel Magus Development Private Limited, an Associate Company

Your Company had invested ₹221,186,000 during Jun' 2007 in Keppel Magus Development Private Limited, in consideration of being allotted 362,600 shares of ₹610/- each, holding 36.26% stake in the Company, together with (Wisley Pte Ltd. – Part of Keppel Group, holding 37.74%) and (RSJ Developers Private Limited, holding 26.00%).

On 9 May 2014, your Company entered into a Share Purchase Agreement with BMS Reality Pvt. Ltd. to sell its entire holdings together with Wisley Pte. Ltd. and RSJ Developers Private Limited. Further, a Supplementary Share Purchase Agreement was entered on 27 June 2014 so as to complete the sale on 2 July 2014.

The Sale Consideration amounted to ₹322,113,271 and was duly received by your Company on 2 July 2014. On a Historical Cost basis, the Investment has earned a profit of ₹100,927,271. Consequent to the aforesaid sale, Keppel Magus Development Private Limited, ceases to be an Associate Company.

Consolidated Financial Statements

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

Raise of Additional Capital

The Securities Contracts (Regulations) Rules 1957, as amended, as on 4 June 2010 and 9 August 2010 requires that at least 25% of the outstanding Equity shares are held by the public on or before 3 June, 2013 (the Minimum public Shareholding Requirement). Pursuant to the said requirement, SEBI had amended Clause 40A of the listing agreement listing out various options available to any Company for reducing the promoter holding. The Company had engaged with SEBI along with the appointed Book Running Lead Managers to clarify and seek options in addition to those prescribed under Clause 40A. After deliberations, the Company had opted for issuing additional shares not exceeding 23,725,351 equity shares through the Institutional Placement Programme ('IPP') along with an Offer for Sale ('OFS') by the Promoters to bring the promoters shareholding to 75%.

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

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

With the above two transactions, the promoter holding in the Company stands at 75% post issue. The Company has raised total capital ₹1,921.76 million through IPP. The IPP monies received by the Company have been used to repay/prepay existing debt as listed out in the use of proceeds in the Prospectus. The financial effect of these transactions was duly recorded in the quarter ended 30 June 2013.

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

	₹ million
Towards Share Capital	118.63
Towards Share premium	1,803.13
Less: IPP Expenses	(153.96)
Net IPP proceeds	1,768.80

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

Personnel

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

Energy, Technology Absorption and Foreign Exchange

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

Technology Absorption: Your Company firmly believes that adoption and use of technology is a fundamental business requirement for carrying out business effectively and efficiently. While the industry is labor intensive, we believe that mechanisation of development through technological innovations is the way to address the huge demand supply gap in the industry. We are constantly upgrading our technology to reduce costs and achieve economies of scale.

We have also invested in automating our processes to accelerate the decision making process and have commenced implementation of Ramco ERP software during the year for the entire group. We have also commenced work on implementing an entity wide ERP platform during the year. We intend to continue this process of investments in innovative techniques.

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

Foreign Exchange: Foreign exchange earned during the year ended 31 March 2014 is equivalent to ₹13.25 million and the expenditure is equivalent to ₹47.60 million.

Corporate Governance

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

Management Discussion and Analysis

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

Corporate Social Responsibility (CSR)

Puravankara Projects Limited had commitment to invest in social causes even before the same was made mandatory under the Companies Act 2013. Our CSR initiatives have focused on improving civic amenities, promoting interest in arts and sports apart from sponsoring education to the needy. Efforts include the development and maintenance of roads, parks, fire station and a war memorial apart from supporting schools and crèches for the children of unskilled labourers as well as support to old-age homes.

CSR Activities in Financial Year 2013-14

In association with various voluntary organisations, support was provided to a number of children of unskilled labourers at our project sites. At Purva Highland/ High Crest, we ran a school for such children, where basic education was imparted. The children were also provided midday meal and 70 of them attended the school in 2013-14. 12 children were supported through the crèche at Purva Venezia and at Purva Skywood, 25 children were supported during the financial year 2013-2014

Our contribution to the city of Bengaluru was through maintaining the War Memorial at M.G. Road, maintenance of medians at Anil Kumble Circle, Kamraj Road, Coffee Board & Marathahalli and renovation and maintenance of parks in Rest House Road and Domlur. We also sponsored the "Creating Civic Leaders for Bengaluru" by Bangalore Political Action Committee (BPAC) as part of the BPAC's drive to promote awareness on the need for good political leadership and address civic issues in Bengaluru.

Our commitment to promote and strengthen regional culture of Karnataka and Tamil Nadu continued this year as well. We sponsored the 'Kannada Rajyotsava' event held in New York in addition to the musical event by noted Kannada musician Hamsalekha held by *Kannada Sangha in Singapore*. We also sponsored an event conducted by *Navi Mumbai Tamil Sangam* at Navi Mumbai and the Tamil New Year Celebration *"Chithirai*

Thiruvizha 2014" in United Kingdom organized by World Tamil Organisation.

Our commitment to promote education made us to sponsor the Marketing Strategy Competition "Prove Your Mettle" held at Indian Institute of Management, Kozhikode and the winning teams were given cash prizes

We sponsored the Art event of noted artist Vani Ganapathy. We supported 'Fireflies', a three-day theatre festival where 400 children demonstrated the impact of excellent education on children, organized by a trust that is currently leading an India-wide movement to eliminate educational inequality.

In sports, we sponsored the *Puravankara Masters Badminton Tournament 2014* and Puravankara Bangalore Golf Team for *'The Louis Philippe Cup 2014'* of which we were the runners up.

Constitution of Corporate Social Responsibility Committee (CSR Committee)

According to Section 135 of the Companies Act, 2013 read together with Companies (Corporate Social Responsibility Policy) Rules, 2014 and revised Schedule VII to the said Act which came into effect from 1 April 2014, all companies having net worth of ₹5,000 Mn. or more, or turnover of ₹10,000 Mn. or more or a net profit of ₹50 Mn. or more during any financial year are required to constitute a Corporate Social Responsibility Committee (CSR Committee) of the Board of Directors comprising 3 or more directors, with at least one of them being an Independent Director.

At the meeting of its Board of Directors held on 7 August 2014, the CSR Committee consisting the following Directors was formed:

1. Mr. Ashish Puravankara
2. Mr. Nani R Choksey
3. Mr. Anup S. Shah

Mr. V P Raguram, the Company Secretary of the Company, will act as Secretary to the CSR Committee

The terms of reference of the CSR Committee shall be:

(a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII to the Companies Act, 2013;

(b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) Monitor the Corporate Social Responsibility of the company from time to time.

Shares under Compulsory Dematerilisation:

The Company's equity shares are compulsorily tradable in electronic form. As on 31 March 2014 0.0002% of the Company's total equity paid-up capital representing 402 shares (6 Shareholders) is in physical form and the remaining shares namely 237,149,284 (99.9998%) are in electronic form. In view of the numerous advantages offered by the Depository system, the Members holding shares in physical form are advised to avail of the facility of dematerialisation.

Acknowledgements

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

RAVI PURAVANKARA

CHAIRMAN AND MANAGING DIRECTOR

Bengaluru
7 August 2014

REPORT ON CORPORATE GOVERNANCE

CONTENTS:

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

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

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

2. CORPORATE GOVERNANCE STRUCTURE

Board of Directors	Committees of the Board	Committees of the Board
	Mandatory	Non Mandatory
Mr.Ravi Puravankara Mr. Ashish Puravankara Mr. Nani R. Choksey Mr. Anup S Shah Mr. RVS Rao Mr. Pradeep Guha	- Audit Committee - Stakeholders Relationship Committee	-Nomination and Remuneration Committee - Management Sub Committee - IPP Committee -Corporate Social Responsibility (CSR) Committee

3. BOARD OF DIRECTORS

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

Matters of Policy and other relevant and significant informations are furnished regularly to the Board. To provide better Corporate Governance & transparency, your Board has constituted an Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Management Sub-Committee, IPP Committee and Corporate Social Responsibility (CSR) Committee to look into various aspects for which they have been constituted.

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

According to Section 275, Section 278 of the Companies Act, 1956, Maximum limit on the Directorship is fixed at 15(Fifteen) Companies (excluding alternate Directorship, Private Companies which is not a holding / subsidiary of a Public Company, unlimited Companies).

Further under Clause 49(I)(C) of the Listing Agreement, Directors can hold membership upto 10 Committees and act as a Chairman in not more than 5 of such Committees.

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

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

Directors	Designation	Relationship with other Directors	Date of Appointment as Director	Directorships*	Committee Memberships#	Chairmanship of Committees$
Mr. Ravi Puravankara	Chairman & Managing Director(E)	Father of Mr. Ashish Puravankara	3 June 1986	7	1	-
Mr. Ashish Puravankara	Joint Managing Director(E)	Son of Mr. Ravi Puravankara	14 July 2000	15	1	-
Mr. Nani R. Choksey	Deputy Managing Director(E)	-	3 June 1986	13	1	-
Mr. Anup S Shah	Independent Director(I)	-	1 June 2005	5	2	1
Mr. RVS Rao	Independent Director(I)	-	26 December 2006	3	5	3
Mr. Pradeep Guha	Independent Director(I)	-	26 December 2006	4	3	-

E – Executive Director, I – Independent Director

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

 # Denotes Memberships of Audit Committee and Stakeholders Relationship Committee only ((Mandatory Committees) after excluding Membership of Nomination and Remuneration Committee (Non Mandatory Committee), in pursuance to Clause 49(I)(C) of the Listing Agreement.

$ Denotes Chairmanship of Audit Committee and Stakeholders Relationship Committee only ((Mandatory Committees) after excluding Chairmanship of Nomination and Remuneration Committee (Non Mandatory Committee), in pursuance to Clause 49(I)(C) of the Listing Agreement.

Meetings - Board of Directors

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

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

During the year 4 Board Meetings of the Board of Directors were convened and held on 17 April 2013, 6 August 2013, 30 October 2013 & 7 February 2014. The meetings of the Board vis-a-vis attendance of the directors are provided herein below:

Board Meetings during the Financial Year

BM's	**1**	**2**	**3**	**4**			
BM Date	17 April 2013	6 August 2013	30 October 2013	7 February 2014	BM's held	BM's attended	Attendance at the last AGM
BM place	Bengaluru	Bengaluru	Bengaluru	Bengaluru			
Mr. Ravi Puravankara	✔	✔	✔	✖	4	3	✖
Mr.Ashish Puravankara	✔	✔	✔	✔	4	4	✔
Mr.Nani R Choksey	✔	✔	✔	✔	4	4	✔
Mr.Anup S Shah	✔	✔	✔	✔	4	4	✔
Mr.R V S Rao	✖	✔	✔	✔	4	3	✔
Mr.Pradeep Guha	✔	✔	✖	✔	4	3	✖
Total Board Strength	6	6	6	6			
No. of Directors Present	5	6	5	5			

BM - Board Meeting

Circular Resolutions passed by the Board of Directors

No Circular Resolution was passed during the year.

Remuneration to Whole-time Directors & Independent Directors

Remuneration to the Managing Director and Whole-time Directors and Independent

Directors: for the Financial Year 2013-14 are tabulated hereunder.

The Board of Directors in its meeting held on 16 May 2014 approved the payment of Commission of ₹1,100,000 (Rupees One Million & Hundred Thousand Only) for each of the Independent Directors of the Company for the financial year ended 31 March 2014. Further, each of the Independent Directors were paid Sitting Fees of ₹15,000 for attending each Meetings of the Board of Directors and the Audit Committee, held during the Financial Year 2013-2014.

Further, the Company paid a sum of ₹4,452,186 to M/S. Anup S Shah Law Firm during the year for various professional services rendered by the said law firm of which Mr. Anup S Shah is a partner. Provident Housing Limited, a wholly owned subsidiary of the Company, paid a sum of ₹66,30,600 to M/S. Anup S Shah Law Firm during the year for various professional services rendered by them.

Summary of Compensation paid to Directors for the Financial Year 2013-14

₹ million

Name	Gross Remuneration	Contribution to Provident Fund	Incentive / Commission	Sitting fees	Total
Ravi Puravankara	24.55	1.15	-	-	25.70
Ashish Puravankara	13.15	0.01	-	-	13.16
Nani R Choksey	13.56	0.90	-	-	14.46
Anup S Shah	-	-	1.10	0.12	1.22
RVS Rao	-	-	1.10	0.09	1.19
Pradeep Guha	-	-	1.10	0.09	1.19

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

The Managing Director and the Whole-time Directors have been appointed for a period of 5 years commencing from 1 April 2011 – 31 March 2016 and the said appointments were approved by the members of the Company in the 25th Annual General Meeting of the Company held on 24 September 2011.Further, either the Board of Directors or the Managing Director and Whole-time Directors may terminate their appointment by serving 3 (three) months' prior written notice to the other party, or such other terms including notice period as may be mutually agreed by the Board and the said Directors.

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

Name of the Director	**Mr. Ravi Puravankara (DIN 707948)**
Date of Appointment on the Board	3 June 1986
Date of Birth	25 May 1952
Nature of expertise in specific functional areas	Mr. Ravi Puravankara, Founder, Chairman and Managing Director has been associated with the Real Estate sector since 1975. Fuelled by his vision, the group has established sizeable presence across India, Sri Lanka and the UAE. He was the President of International Real Estate Federation (FIABCI) – India Chapter, Paris. He received a 'Lifetime Achievement' award at the Realty Plus Excellence Awards, 2012.
Directorship held in other Companies (other than Puravankara Projects Limited)	Prudential Housing and Infrastructure Development Limited. Purva Marine Properties Private Limited. Puravankara Hotels Limited. Starworth Infrastructure & Construction Limited. Provident Housing Limited. Purva Land Limited. Purva Corporation Puravankara (UK) Limited. Welworth Lanka (Private) Limited. Welworth Lanka Holdings (Private) Limited. Keppel Puravankara Development Private Limited. Sobha Puravankara Aviation Private Limited. Dealwel Estates Private Limited.
Membership in Other Committees	None
Number of shares held as on 31 March 2014	177,852,904 (74.99%)
Relationship with other Directors	Father of Mr. Ashish Puravankara, the Joint Managing Director of the Company.

Note:

Directorship in Foreign Companies, alternate directorships, Directorships in Private Companies and membership in governing councils, chambers and other Bodies are included. Membership/ Chairmanship in Audit Committee and Shareholder Grievance Committees of other Companies are included.

Shares & Stock Options held by the Directors as on 31 March 2014

Name	Equity Shares	Percentage of Shareholding	Stock Options
Mr. Ravi Puravankara*	177,852,904	74.9960%	Nil
Mr. Ashish Puravankara	4,800	0.0020%	Nil
Mr. Nani R. Choksey	1,920	0.0008%	Nil
Mr. Anup S Shah	Nil	N.A.	Nil
Mr. RVS Rao#	2,000	0.0008%	Nil
Mr. Pradeep Guha	Nil	N.A.	Nil
Total Shares issued by the Company	237,149,686		

** The Institution Placement Programme (IPP) of the Company was completed on 28 May 2013 and the Offer For Sale (OFS) by Mr. Ravi Puravankara was completed on 23 May 2013, as a result of this the Shareholding of Mr. Ravi Puravankara got reduced to 74.99%.*

 # held jointly with Mrs. Lakshmi R. Rao

Code of Conduct – Board Members & Senior Management

The Board has laid down a Code of Conduct for the Board of Directors and the Senior Management of the Company which is also posted on the website of the Company. All the Board members and the Senior Management have affirmed compliance with the Code for the year ended 31 March 2014.

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

4. COMMITTEES OF THE BOARD OF DIRECTORS

The Company has the following committees of the Board;

a. Audit Committee

b. Stakeholders Relationship Committee

c. Nomination and Remuneration Committee

d. Management Sub-Committee

e. IPP Committee

f. Corporate Social Responsibility (CSR) Committee

a. Audit Committee:

The Audit Committee was constituted on 9 April 2003 & its Meetings are normally held at the Corporate Office of the Company located at Bengaluru, before the Board Meeting.

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

Half-yearly and Annual Financial statements.

According to Clause 49(II)(B) The Audit Committee should meet at least four times in a year and not more than four months shall elapse between two meetings, which has been complied with.

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

i. financial reporting process;

ii. adequacy of internal control systems;

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

iv. the performance of statutory and internal auditors.

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

During the year 4 Audit Committee Meetings were convened and held on 17 April 2013, 6 August 2013, 30 October 2013 & 7 February 2014. The meetings of the Audit Committee vis-a-vis attendance of the members are provided herein below. Mr. Anup S Shah represented the Audit Committee as its Chairman to answer shareholders' queries in the Annual General Meeting of the Company held on 24 September 2013.

Audit Committee Meetings during the Financial Year

ACM	1	2	3	4		
Date of Meeting	**17 April 2013**	**6 August 2013**	**30 October 2013**	**7 February 2014**	**ACM's held**	**ACM's attended**
Mr. Anup S Shah	✔	✔	✔	✔	4	4
Mr. R V S Rao	✕	✔	✔	✔	4	3
Mr. Pradeep Guha	✔	✔	✕	✔	4	3
Mr. Ravi Puravankara	✔	✔	✔	✕	4	3
Total Committee Strength	4	4	4	4		
No. of Members Present	3	4	3	3		

ACM - Audit Committee Meeting

b. Stakeholders Relationship Committee:

The Investor Grievance Committee was constituted on 26 December 2006 and title of the Committee was changed from Investor Grievance Committee to Stakeholders Relationship Committee vide a Resolution passed at the Board Meeting held on 16 May 2014. Its Meetings are normally held at the Corporate Office of the Company located at Bengaluru, before the Board Meeting.

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. V P Raguram, Company Secretary, acts as the Secretary of the Committee. Further, the quorum for the Stakeholders Relationship Committee Meetings is 2 Members.

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

i. transfer of shares;

ii. dividends;

iii. dematerialisation of shares;

iv. replacement of torn / mutilated share certificates;

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

vi. other related issues.

During the year 4 Stakeholders Relationship Committee Meetings were convened and held on 17 April 2013, 6 August 2013, 30 October 2013 & 7 February 2014. The meetings of the Stakeholders Relationship Committee vis-a-vis attendance of the members are provided herein below.

Stakeholders Relationship Committee during the Financial Year

SRC	1	2	3	4		
Date of Meeting	**17 April 2013**	**6 August 2013**	**30 October 2013**	**7 February 2014**	**SRC's Held**	**SRC's Attended**
Mr.R V S Rao	✕	✓	✓	✓	4	3
Mr. Ashish Ravi Puravankara	✓	✓	✓	✓	4	4
Mr. Nani R Choksey	✓	✓	✓	✓	4	4
Total Committee Strength	3	3	3	3		
No. of Members Present	2	3	3	3		

SRC - Stakeholders Relationship Committee

Brief summary on the Stakeholders Grievances - Sources of Complaints & Nature of Complaints are as summarised hereunder:

Stakeholders Grievances - Sources of Complaints:

Particulars	Balance as on 1 April 2013	Received during the year	Resolved during the year	Balance as on 31 March 2014
Complaints Received	0	20	20	0
Total	0	20	20	0

c. Nomination and Remuneration Committee:

The Compensation Committee was constituted on 28 June 2006 and title of the Committee was changed from Compensation Committee to Nomination and Remuneration Committee vide a Resolution passed at the Board Meeting held on 16 May 2014.

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

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

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

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

During the year no Meetings were held by the Nomination and Remuneration Committee.

d. Management Sub-Committee:

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

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

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

e. IPP Committee:

The IPP Committee was constituted on 17 April 2013 and its Meetings were held at the Corporate Office of the Company located at Bengaluru.

The Committee comprised of Mr. Ashish Puravankara, Mr. Nani R. Choksey, Mr. Anup S Shah, Mr. RVS Rao, Mr. Pradeep Guha and Mr. V P Raguram, Company Secretary, acted as the Secretary of the Committee. Further the quorum for the IPP Committee Meetings was 3 Directors with at least one Independent Director.

The IPP Committee of the Board of Directors was vested with necessary executive powers to manage the Institutional Placement Programme of the Company to bring the Promoters Contribution to 75%, in compliance to the SEBI ICDR Regulations. Consequent to the successful completion of the IPP Activities (the object for which the Committee was constituted), resulting in net cash inflows of ₹1,767.80 Million, the Committee was dissolved on 6 August 2013.

IPP Committee Meetings during the Financial Year

IPP	1	2	3	4	5	6	7		
Date of Meeting	**30 April 2013**	**15 May 2013**	**21 May 2013**	**22 May 2013**	**24 May 2013 @ 10.00 A.M.**	**24 May 2013 @ 6. 00 P.M.**	**28 May 2013**	**IPP's Held**	**IPP's Attended**
Mr. Anup S Shah	✔	✔	✔	✔	✔	✔	✔	7	7
Mr. R V S Rao	✔	✔	✔	✔	✔	✔	✔	7	7
Mr. Pradeep Guha	✕	✕	✕	✕	✕	✕	✕	7	0
Mr. Ashish Puravankara	✔	✔	✔	✔	✔	✔	✔	7	7
Mr. Nani R. Choksey	✔	✔	✕	✕	✕	✕	✕	7	2
Total Committee Strength	5	5	5	5	5	5	5		
No. of Members Present	4	4	3	3	3	3	3		

IPP – Institutional Placement Programme Committee

f. Corporate Social Responsibility (CSR) Committee:

At the meeting of its Board of Directors held on 7 August 2014, the CSR Committee consisting the following Directors was formed:

1. Mr. Ashish Puravankara

2. Mr. Nani R Choksey

3. Mr. Anup S. Shah

Mr. V P Raguram, the Company Secretary of the Company, will act as Secretary of the CSR Committee

The terms of reference of the CSR Committee shall be:

(a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII to the Companies Act, 2013;

(b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) Monitor the Corporate Social Responsibility of the company from time to time.

5. GENERAL BODY MEETINGS

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

Financial Year	Nature of Meeting	Day, Date & Time	Venue	Special Resolutions
2012-2013	**27th AGM**	Tuesday, 24 September 2013 @ 12.00 Noon	The Taj West End Hotel, # 25, Race Course Road, Bengaluru - 560 001.	Nil
2011-2012	**26th AGM**	Tuesday, 21 August 2013 @ 12.00 Noon	The Taj West End Hotel, # 25, Race Course Road, Bengaluru - 560 001.	i. Payment of Commission to Non-Executive Directors (other than Managing and Whole Time Directors) for a sum not exceeding 1% of Net profit, for each Financial Year commencing from 1 April 2012 –31 March 2017. ii. Appointment of Ms. Amanda Puravankara as an employee of Starworth Infrastructure & Constructions Ltd, a wholly owned subsidiary of the Company
2010-2011	**25th AGM**	Saturday, 24 September 2011 @ 12.00 Noon	The Taj West End Hotel, # 25, Race Course Road, Bengaluru - 560 001.	i. Re-appointment of Mr. Ravi Puravankara as the Managing Director of the Company and approving the upper limit of remuneration ii. Re-appointment of Mr. Ashish Puravankara as Jt. Managing Director of the Company and approving the upper limit of remuneration ii. Re-appointment of Mr. Nani R. Choksey as Deputy Managing Director of the Company and approving the upper limit of remuneration.

Extra-Ordinary General Meeting (EGM):

During the year, no Extra-Ordinary General Meeting (EGM) was held.

Passing of Resolutions by Postal Ballot:

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

6. COMPLIANCE & DISCLOSURES

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

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

3. The Company has duly complied with the requirements of the regulatory authorities on capital market. There are no penalties imposed nor any strictures have been passed against the Company during the last three years.

4. There is no audit qualification.

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

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

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

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

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

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

f. Whistle Blower policy:

During October 2013, the Board adopted the Whistleblower policy and the same has been posted on the Intranet of the Company. We have established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our Code of Conduct and Ethics with adequate safeguards against the victimisation of employees and allows direct access to the Chairperson of the Audit Committee in exceptional cases. The Policy has been appropriately communicated to the employees within the organisation. We further affirm that no employee has been denied access to the Audit Committee during the fiscal year 2014.

g. 'Policy to provide Protection Against Sexual Harassment of Women in Workplace':

In compliance with the requirements of a new legislation viz. "Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace Act, 2013", introduced by the Government of India, which came into effect from 9 December 2013, the Company has adopted a 'Policy to provide Protection Against Sexual Harassment of Women in Workplace', which has been displayed on the Website of the Company. There were no cases reported during the year under review under the said policy.

7. MEANS OF COMMUNICATION

(a) Financial Results:

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

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

(b) Other Business updates including New Project Launches:

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

8. GENERAL SHAREHOLDER INFORMATION

Outstanding GDRs / ADRs / Warrants / any other Convertible Instruments

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

Plant Locations

As Puravankara belongs to real estate development industry, we do not have any plant locations.

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

Share Transfer System

The share transfers in physical form are processed within a period of 15 days from the date of receipt subject to the documents being valid and complete in all respects.

Equity Shares in Suspense Account

As per Clause 5A of the Listing Agreement, details of Equity shares lying in the suspense account as on 31 March 2014 is as follows:

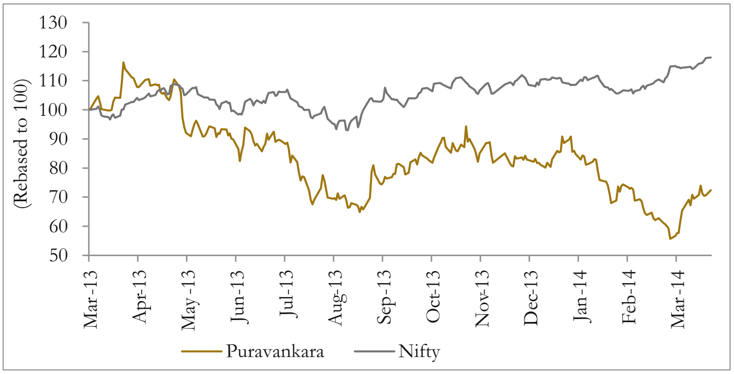
Particulars	Aggregate No. of Shareholders and the outstanding shares in the suspense Account lying as on 1 April 2013	No. of Shareholders to whom shares were transferred from suspense account during the year.	Aggregate No. of Shareholders and the outstanding shares in the suspense Account lying as on 31 March 2014
No. of Shareholders	24	1	23
No. of Shares	2,560	50	2,510
Suspense Account Details:			
Bank Name	HDFC Bank Ltd.		
Current Account No.	05230350002129		
Current Account -	PURAVANKARA PROJECTS LIMITED UNCLAIMED SUSPENSE A/c		
DP	HDFC Bank Limited.		
DP ID	ID IN301549		
Demat Account No.	IN301549 37397596		

Details of Shares in Dematerialisation & Physical Form as on 31 March 2014:

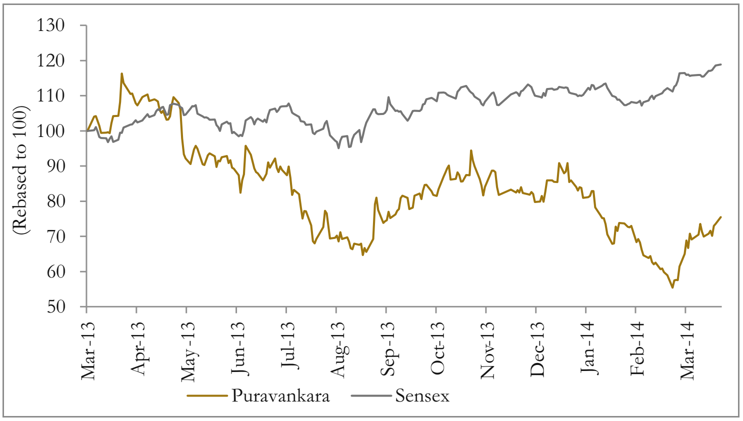
	No. of Share Holders	No. of Shares	%
NSDL	17,456	234,588,646	98.92
CDSL	6,910	2,560,638	1.08
Physical	6	402	0.00
TOTAL	**24,372**	**237,149,686**	**100.00**

Puravankara : Fy14 Stock Movement Update

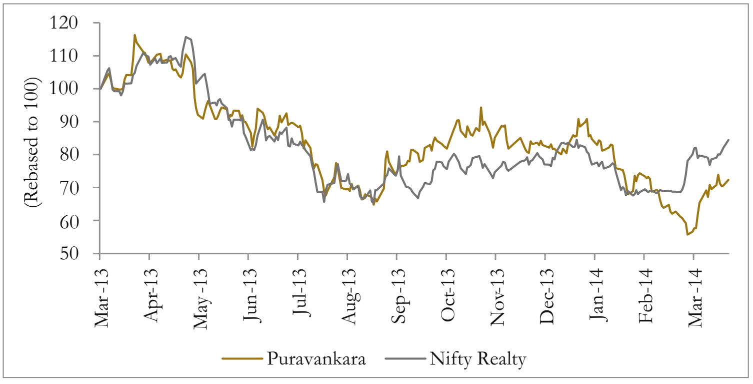
Puravankara vs. Nifty



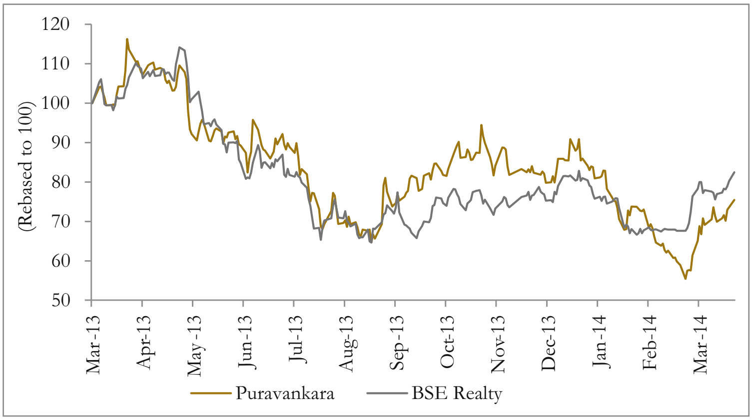
Puravankara vs. Sensex



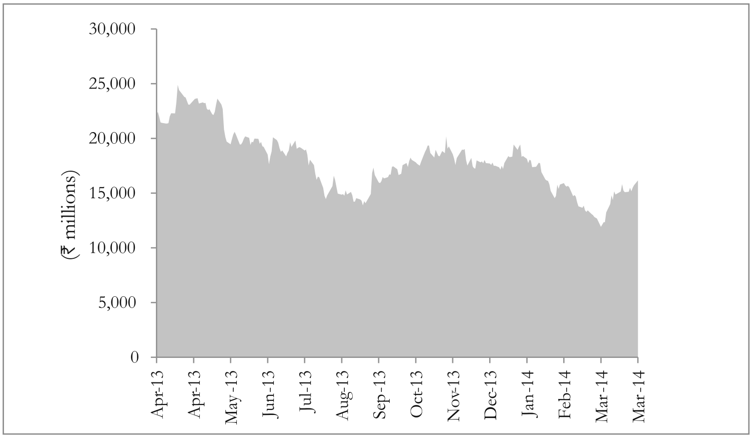
Puravankara vs. Nifty Realty



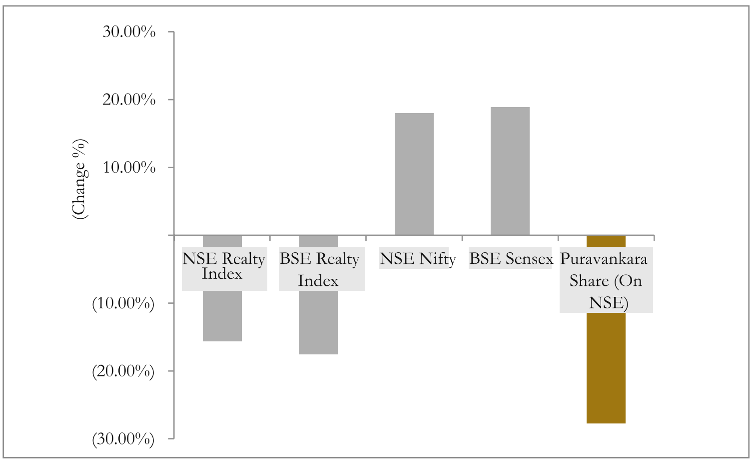
Puravankara vs. BSE Realty



Market Capitalisation (NSE) for year ending 31 March 2014



Comparison with Broad Based Indices
(% change: 31 March 2013 – 31 March 2014)



Market Price Data and Performance - Bombay Stock Exchange Ltd. (BSE)

Month	Month's high in ₹	Month's low in ₹	Volume in Shares	Turnover in ₹
Apr-13	107.60	87.55	2,288,510	220,206,799
May-13	102.00	79.25	954,464	88,134,174
Jun-13	90.00	72.00	287,876	23,876,495
Jul-13	85.70	61.05	528,657	42,637,477
Aug-13	73.00	58.35	153,128	9,733,845
Sep-13	77.00	58.05	269,783	19,128,801
Oct-13	84.90	69.20	160,580	12,340,797
Nov-13	90.60	72.10	502,461	41,208,999
Dec-13	84.40	72.10	412,609	32,127,120
Jan-14	84.00	60.00	1,016,812	73,996,762
Feb-14	67.75	52.90	145,931	8,780,227
Mar-14	69.80	50.00	630,912	37,668,393

Market Price Data and Performance - National Stock Exchange Ltd. (NSE)

Month	Month's High in ₹	Month's Low in ₹	Volume in Shares	Turnover in ₹
Apr-13	117.90	87.00	4,357,324	426,987,000
May-13	102.50	82.05	3,539,071	312,059,000
Jun-13	86.40	71.10	2,210,404	182,604,000
Jul-13	88.00	60.60	1,359,338	108,456,000
Aug-13	73.40	59.45	985,483	62,739,000
Sep-13	76.00	55.65	1,434,141	99,811,000
Oct-13	82.85	65.55	964,883	73,561,000
Nov-13	90.90	72.00	2,714,185	217,222,000
Dec-13	84.00	71.80	1,992,158	154,534,000
Jan-14	83.70	60.00	5,405,520	372,274,000
Feb-14	67.95	53.05	1,891,849	115,037,000
Mar-14	69.80	49.50	4,417,204	257,383,000

NSE & BSE Data: on Volumes and Value

Month	Total Volume in Shares	Total Value in ₹
Apr-13	6,645,834	647,193,799
May-13	4,493,535	400,193,174
Jun-13	2,498,280	206,480,495
Jul-13	1,887,995	151,093,477
Aug-13	1,138,611	72,472,845
Sep-13	1,703,924	118,939,801
Oct-13	1,125,463	85,901,797
Nov-13	3,216,646	258,430,999
Dec-13	2,404,767	186,661,120
Jan-14	6,422,332	446,270,762
Feb-14	2,037,780	123,817,227
Mar-14	5,048,116	295,051,393

Shareholding Pattern(SHP) as on 31 March 2014

Category of Shareholder	No. of Shareholders	No. of Equity Shares	%
Promoter :			
Mr. Ravi Puravankara*	1	177,852,904	74.9961%
Relatives of Promoter*	4	9,360	0.0039%
Public Institutions:			
Foreign Institutional Investors	24	31,906,507	13.4542%
Insurance Companies	2	1,881,275	0.7933%
Mutual Funds	18	12,862,697	5.4239%
Financial Institutions/Banks	3	1,247,900	0.5262%
Public - Non-institutions:			
Individual Shareholders	23494	4,441,161	1.8727%
Bodies Corporate	339	6,367,183	2.6849%
Clearing Members	170	140,916	0.0594%
Non Resident Indians (Repat)	252	390,532	0.1647%
Non Resident Indians (Non Repat)	63	45,331	0.0191%
Directors/Relatives	2	3,920	0.0017%
TOTAL	24,372	237,149,686	100%

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

Top 10 Shareholders as on 31 March 2014

Sl. No.	Shareholdr's Name	Equity Shares	%
1	Ravi Puravankara	177,852,904	74.9961
2	HSBC Global Investment Funds A/C HSBC GIF Mauritius Ltd.	7,357,222	3.1024
3	Reliance Life Insurance Company Ltd.	4,520,002	1.9060
4	SBI Emerging Businesses Fund	3,969,596	1.6739
5	College Retirement Equities Fund -Stock Account	3,871,806	1.6326
6	GHI LTP Ltd.	3,266,403	1.3774
7	HSBC Bank (Mauritius) Ltd.	2,830,530	1.1936
8	The Master Trust Bank of Japan Ltd. A/C HSBC Indian Equity Mother Fund	2,454,334	1.0349
9	Reliance Capital Trustee Company Limited A/C Reliance Growth Fund	2,265,394	0.9553
10	Life Insurance Corporation of India	1,833,765	0.7733

Distribution of Shareholding (DS) as on 31 March 2014

Range Equity Shares	No. Share Holders	%	No. of Equity Shares	%
1 – 500	23,171	95.08	1,827,903	0.77
501 – 1000	539	2.21	431,807	0.18
1001 – 2000	257	1.05	392,140	0.17
2001 – 3000	152	0.62	373,781	0.16
3001 – 4000	55	0.23	194,499	0.08
4001 – 5000	41	0.17	193,548	0.08
5001 – 10000	62	0.25	453,469	0.19
10001 and above	95	0.39	233,282,539	98.37
TOTAL	**24,372**	**100.00**	**237,149,686**	**100.00**

Dividend History (₹)

Financial Year	Dividend (%)	Dividend Per Share (₹)	Remarks
31 March 2014	38.40%	1.92	Final Dividend (Proposed)
31 March 2013	20.00%	1.00	Final Dividend
31 March 2013	50.00%	2.50	Interim Dividend on 10 May 2013 - (To all Shareholders other than Promoters & Promoter Group)
31 March 2012	20.00%	1.00	Final Dividend
31 March 2011	20.00%	1.00	Final Dividend
31 March 2010	20.00%	1.00	Final Dividend
31 March 2008	40.00%	2.00	Final Dividend

Share Capital – Past History

Date of allotment of Equity Shares	No. of Equity Shares	Cumulative No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of payment	Particulars of Issue Details	Cumulative Issued Capital (₹)	Cumulative Share Premium (₹)
03 June 1986	15	15	100	100	Cash	Allotment at subscription	1,500	Nil
27 April 1987	85	100	100	100	Cash	Preferential Allotment1	10,000	Nil
22 June 1992	4,900	5,000	100	100	Cash	Preferential Allotment2	500,000	Nil
20 March 1995	45,000	50,000	100	100	Cash	Preferential Allotment to Mr. Ravi Puravankara	5,000,000	Nil
23 June 1995	50,000	100,000	100	100	Cash	Preferential Allotment to Mr. Ravi Puravankara	10,000,000	Nil
23 March 2000	400,000	500,000	100	100	Cash	Preferential Allotment to Mr. Ravi Puravankara	50,000,000	Nil
29 March 2001	300,000	800,000	100	Nil	Bonus Issue in ratio of 3:5	Bonus issue	80,000,000	Nil
26 December 2006		16,000,000	5	Face Value per Equity Share reduced from ₹100 to ₹5 Per Equity Share[3]				
26 December 2006	176,000,000	19,2000,000	5	Nil	Bonus Issue in ratio of 1:11	Bonus issue	960,000,000	Nil

Share capital-Past history

Date of allotment of Equity Shares	No. of Equity Shares	Cumulative No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of payment	Particulars of Issue Details	Cumulative Issued Capital (₹)	Cumulative Share Premium (₹)
26 December 2006	17,455	192,017,455	5	572.92	Cash	Preferential Allotment to Mr. Jaithirth Rao	960,087,275	9,913,043.60
31 July 2007	21,406,880	213,424,335	5	400	Cash	Public issue	1,067,121,675	7,988,811,915
28 May 2013	23,725,351	237,149,686	5	81	Cash	IPP Issue4	1,185,748,430	9,637,975,495

1 Preferential allotment of 75 Equity Shares to Ravi Puravankara and five Equity Shares each to Vasanti Puravankara and Satish Puravankara.
2 Preferential allotment of 4,885 Equity Shares to Ravi Puravankara and five Equity Shares each to Kunhambu Nair, Vishalakshi Puravankara and Chaula N. Choksey.

3 The authorized shares capital of ₹100,000,000 was increased to ₹1,200,000,000 consisting of 240,000,000 Shares of ₹5 each pursuant to a resolution of the shareholders passed at their EGM dated 23 December2006

4 IPP Programme of the Company was completed on 28 May 2013 by allotting 23,725,351 Equity Shares of ₹5 each at a premium of ₹76 to the Qualified Institutional Buyers (QIB'S).

Other - Shareholder Information:

Corporate Identification Number(CIN)	L45200KA1986PLC051571
	Registered Office: Puravankara Projects Ltd. #130/1, Ulsoor Road, **Bengaluru – 560042.** Corporate Office: Puravankara Projects Ltd. #130/2, Ulsoor Road, **Bengaluru – 560042.**
Annual General Meeting Date, time and venue	**Monday,** the **22 September 2014 @12.00 Noon**, at **The Taj West End Hotel**, # 25, Race Course Road, Bengaluru – 560 001, India.
Date of Book Closure	**16 September 2014 to 22 September 2014**(both days inclusive).
Dividend Payment Date	Within a period of 30 days from the date of Declaration (i.e. 22 September 2014), to those Members whose names appear on the Register of Members as on 15 September 2014.
Financial Calendar (tentative) Results for Quarter Ending*: Jun 2014 Sep 2014 Dec 2014 Mar 2015 Annual General Meeting * In addition, the Board may meet on other dates if there are Special Requirements.	 First / Second week of Aug 2014 First / Second week of Nov 2014 First / Second week of Feb 2015 First / Second week of May 2015 Sep'2015

Listing on Stock Exchanges	a. Bombay Stock Exchange Ltd. (BSE) Phiroze jeejeebhoy Towers, Dalal Street Mumbai- 400001. Tel: +91-22-2272 1233/4, +91-22-6654 5695 Fax: +91-22-2272 1919 b. National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051. Tel: +91-22-2659 8100 - 8114, Fax: +91-22-2659 8120
Stock Code	a. NSE - PURVA b. BSE –532891
ISIN of the Company*	**Equity shares**: INE323I01011 **Non-convertible Debentures of ₹5,000,000 each:** Series II : INE323I07059
Secured, Non-convertible and Redeemable Debentures (NCDs)* * since redeemed	The Company has issued on private placement to 2 investors on 24 February 2012, 40 NCDs (Series II) of ₹5,000,000 each, on private placement basis.
Address for Correspondence	Puravankara Projects Limited # 130 /1, Ulsoor Road **Bengaluru - 560 042.** Tel: +91-80-2559 9000 / 4343 9999 Fax: +91-80-2559 9350 Email: investors@puravankara.com Website: www.puravankara.com
Registrar and Transfer Agent	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup(West), **Mumbai-400078.** Tel: +91-22-2594 6970 Fax: +91-22-2594 6969 Email: rnt.helpdesk@linkintime.co.in
Debenture Trustees	**IL&FS Trust Company Limited** The IL&FS Financial Centre Plot No C-22, G Block, Bandra Kurla Complex, Bandra (East) **Mumbai-400 051.** Tel: +91-22-2659 3763 Fax: +91-22-2653 3297

SEBI	**Securities and Exchange Board of India** Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), **Mumbai 400051.** Tel: +91-22-2644 9000 / 4045 9000 / Toll Free: 1800 22 7575 Fax : +91-22-2644 9019-22 / 4045 9019-22 E-mail : sebi@sebi.gov.in
NSDL	**National Securities Depository Ltd.** Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel , **Mumbai - 400 013.** Tel.: +91-22-2499 4200 Fax: +91-22-2499 4972 Email: iifd@nsdl.co.in
CDSL	**Central Depository Services (India) Limited** Trade World, 28th Floor, P.J. Towers, Dalal Street, Fort, **Mumbai – 400 023.** Tel.: +91-22-2272 3333 Fax: +91-22-2272 3199 Email:complaints@cdslindia.com

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

RAVI PURAVANKARA
CHAIRMAN AND MANAGING DIRECTOR

Bengaluru
7 August 2014

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

The Board of Directors,
Puravankara Projects Limited,
130/1, Ulsoor Road,
Bengaluru-560042.

This is to certify that:

a. We have reviewed financial statements and the cash flow statement for the Financial Year 2013-14 and that to the best of our knowledge and belief:

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

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

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

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

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

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

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

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

We further declare that all Board Members and Senior Management personnel have affirmed compliance with the code of conduct for the Financial Year 2013-14.

FOR PURAVANKARA PROJECTS LIMITED

RAVI PURAVANKARA	**JACKBASTIAN K. NAZARETH**	**ANIL KUMAR A.**
Chairman and Managing Director	Group – Chief Executive Officer	Chief Financial Officer

Bengaluru
7 August 2014

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

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 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adapted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit not an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, and the 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.

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 LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No: 001076N/N500013

per Aasheesh Arjun Singh
Partner
Membership No. 210122

Bengaluru

7 August 2014

MANAGEMENT DISCUSSION AND ANALYSIS

Contents :

1. Global economic overview

Despite an improvement in financial conditions the global economy continues to expand at a subdued pace. After a marked slowdown over the past two years, global economic activity gained momentum in the second half of 2013. Globally most of the economies witnessed moderate strengthening, but growth still remains below potential. Since late 2012, new economic policy initiatives and measures in major developed economies have mitigated risks and helped enhance consumer, business and investor confidence.

The Indian economy has experienced a slowdown for the past two years and country is passing through a difficult phase caused by the increase in global prices for oil, natural gas and other commodities. The consequence of this is the rise in costs across the board and erosion of real disposable incomes which resulted in decline of growth by 6.7 percent during 2011-12 to 4.5 percent during 2012-13 and finally picking up marginally to reach 4.7 percent during 2013-14.

The arrival of FDI, reduction in taxes on overseas borrowings by domestic companies and the inflation coming down paved the way for the country's economic recovery. With strong support from lending institutions, housing credit has grown substantially over the years, resulting in increased market penetration.

The real estate industry accounts for a 6.3% share of India's GDP and grew by 7.5% during 2013-14. The growth of the real estate sector in particular has been consistent over the past decade. Housing is a basic necessity for human life and is the second largest generator of employment, next only to agriculture. Housing activities have both forward and backward linkages across nearly 300 sub-sectors such as manufacturing (steel, cement, and builders' hardware), transport, electricity, gas and water supply, trade, financial services, and construction which contribute capital formation, income opportunities, and generation of employment. The real estate sector is the second largest employer in India, second only to agriculture. This sector currently creates 7.6 million jobs which is expected to grow to 17 million by 2025. The real estate sector is the fourth largest in terms of FDI inflows in the country. FDI within the sector is expected to touch $25 billion by the next decade, a huge rise from current levels of $4 billion. To support the growth of the housing and real estate sector, many institutions have been set up, especially for financing.

Urbanisation and increasing household incomes are some of the major factors that have spurred the demand for residential real estate. About 377 million Indians comprising 31% of the country's population, live in urban areas according to the Census 2011. By 2031, about 600 million Indians will reside in urban areas. India's demographic dividend opportunity will play a key role in propelling growth and the real estate sector has a huge window of opportunity to leverage this. However, as per a report by the McKinsey Global Institute, India will need to invest $1.2 trillion over the next 20 years to modernise urban infrastructure and keep pace with burgeoning urbanisation.

New regulations like the Land Acquisition Bill and the Real Estate Regulatory Bill which are expected to be enforced over the next few quarters, will help stagger supply. Although, housing demand in India is expected to exceed supply over the next decade, Puravankara is positive that with the aforementioned legislations being implemented the Company will be able to maintain healthy margins.

Bengaluru: a phenomenal growth story

With the IT boom transpiring during the turn of the millennium in Bengaluru, the city experienced an exponential growth in its real estate sector as well. As per global consultancy firm Knight Frank's Prime Asia Development Land Index, land for residential development in Bengaluru has seen a whopping 26.1% increase over the last two years (second only to Mumbai with a 35.2% increase).

Products in the affordable and mid-segment category within Bengaluru have been performing well. 2-BHK (800-950 sq. ft.) and 3-BHK apartments (1,200-1,300 sq. ft.) are being offered in order to suit the client's wallet. Puravankara has grabbed this opportunity to cater to their customer's needs through its Provident brand. Provident sales are 29.32% of total sales for FY14 (1.05 million sq. ft./3.58 million sq. ft.)

Bengaluru is also the third-largest real estate investment hub for high networth individuals (HNIs) and tops the list in terms of investment from NRIs looking at settling down in India in the future.

Other factors that will influence capital appreciation and rental potential in Bengaluru include growth of the IT industry, a greater influx of HNIs and NRIs, proposed infrastructural investments (peripheral ring road, metro rail, high speed rail link, mono rail and elevated expressway) and proposed SEZ and IT parks in North Bengaluru (ITIR, Aerospace, Devanhalli Business Park, Airport City)

2. Brief organisational background

The Puravankara Group, headquartered in Bengaluru, was established in 1975 and has over 39 years of experience in property development, real estate and construction sectors in India, and one among the largest in South India that serves the needs of a discerning clientele in housing, commercial and retail spaces.

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

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

Our Promoter commenced operations in the real estate industry in Mumbai in 1975 and has over 39 years of experience in the property development, real estate and construction sectors in India.

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

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

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

3. Awards and recognitions

Puravankara was been honoured with many awards over the years in recognition of its ability to deliver quality apartments. Few of the awards that Purvavankara received during the year in recognition to our contribution to the real estate and the construction industry are listed below.

- Mr. Ravi Puravankara- Founder, Chairman & Managing Director as one of 'Asia's top 50 Visionaries for his contribution to Real Estate Development in Asia'
- 'Most Admired Upcoming Project of the 2013' award for Purva Windermere at the ET Now Awards for Retail Excellence, 2013
- Award for 'Transformational Leadership' at the NDTV Property Awards, 2013
- Award for 'Residential dwellings below 1,500 square feet' for Provident Welworth City at the CREDAI Real Estate Awards, Karnataka, 2013
- 'Affordable Housing of the Year' for Provident Welworth City at the Realty Plus Excellence Awards, 2013
- 'Environment-friendly Project of the Year (Residential)' for Purva Highland at the ET Now Awards for Retail Excellence, 2013
- 'Popular Choice' award in the 'Affordable Housing of the Year' category for Provident Welworth City at the ET Now Awards for Retail Excellence, 2013
- 'Young Achievers' award for Mr. Ashish Puravankara, our Joint Managing Director of 2013 at the 'Real Estate Awards for Retail Excellence'.
- 'Enterprising Chief Executive Officer' award for our Group Chief executive Officer Mr. Jackbastian K Nazareth at the ET Now Awards for Realty Excellence Awards, 2013

4. Management's discussion of risks and concerns

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

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

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

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

Company Specific Risks

Serial No.	Inherent Risk Description	Business Process	Impact factors	Mitig *es in Italics)*
1	Uncertainty/ Irregularity of titles to land acquired/ developed by Company due to inadequate due diligence, forged documents, JD partners not having clear titles to land etc	Land Acquisition	• Inability to transfer title • Exposure to legal disputes and related costs • Impact on Land Valuations	• Due diligence by independent and in-house counsel • Representations/ Encumbrance certificates • Advertisements/Public notices in newspapers • Suitable monetary compensation to settle disputes • Experience of more than 30 years
2	Delays in completion of projects due to shortage of skilled labour, material, contractors and delays by contractors etc	Project Execution	• Higher construction costs • Impact on reputation/ Customer dissatisfaction • Payment of penalties to customers	• Increased usage of mechanized equipment • Supply of labour outsourced to sub-contractors • Dedicated Planning department • Penalty clauses for delay in agreements with Contractors • Newer technologies • *Extension of working hours on weekdays and Sundays* • *Interstate purchases*

Serial No.	Inherent Risk Description	Business Process	Impact factors	Mitigation Measures *(Proposed mitigation measures in Italics)*
3	Inability to attract and retain employees as a result of increased opportunities in the market, higher salaries offered by competition and employee dissatisfaction with company policies/ processes.	Human Resources	• Loss of expertise and continuity • Higher recruitment and training costs • Delay in Project Execution	• Fast growing Company - opportunities are better • Site visits by HR personnel • Defined Appraisal system to provide career guidance and feedback • *Compensation benchmarking survey* • *Exit interview* • *Innovative Loyalty building programs* • *Separate department for hearing grievances of employees and mitigating the same periodically.*
4	Inadequate systems security due to absence of secure transmission lines, absence of an IT policy indicating safe system usage mechanisms, inadequate access controls to ERP etc	Information Technology	• Loss/ pilferage of confidential data	• Secure connectifity systems are being implemented to address data integrity through transmission between sites and all offices • Strengthening existing controls in ERP from existing levels of control • Centralised Mail Server • Existence of formal IT policy
5	Non-Compliance with requirements of labour laws and other relevant rules and regulations due to inadequate knowledge of requirements, absence of a mechanism to obtain assurance, unorganized nature of labour market, expansion into new geographies etc.	Compliance	• 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 • Internal Audit 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*

Serial No.	Inherent Risk Description	Business Process	Impact factors	Mitigation Measures *(Proposed mitigation measures in Italics)*
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 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	Finance	• Higher financing costs • Mismatch in cash flow • Period review of the loans portfolio with plan for restructuring	• Maintain optimum net debt equity ratio • Asset quality is standard • Sell initially well to cover costs • Ensure project level cost flows are positive
9	Sub-standard construction quality due to dependence on third parties, absence of adequate number of quality structural consultants, sub-standard quality of raw material etc	Project Execution	• Delay in project completion • Impact on reputation • Abortive costs	• In-house construction & quality team • Use of snagging checklists • Structure certified by Govt authorized consultants • Defects liability insurance taken • Expert opinion from local consultants

Serial No.	Inherent Risk Description	Business Process	Impact factors	Mitigation Measures *(Proposed mitigation measures in Italics)*
10	New territory Risks arising from uncertainty in the natural parameters, inadequate knowledge of local regulations, dilution of control etc	Project Execution	• Delay in project completion • Impact on reputation • Abortive costs • Stay order by the court due to PIL's • Project costs incorrectly estimated	• Expert opinion from local consultants sought • *Location audits on process implementation effectiveness*
11	Reduced margins due to significant escalation in material, labour costs, post project commencement/ ineffective planning etc	Project Execution and Sales & Marketing	• Reduced Margins	• Selling strategy - only a certain percentage of apartments are sold upfront • 5% contingency margin in initial estimates • Implementation of newer technology to reduce construction time • Dedicated Planning department
12	Inability to anticipate and respond to consumer requirements due to inadequate market research and analysis	Business Development and Sales & Marketing	• Lower demand for properties	• Direct sales • 'Know Your Customer's Requirements' ('KYCR')initiatives • Analysis of buying patterns/ size of loan disbursements
13	Loss due to theft, accidents at site, defects etc	Project Execution	• Financial Loss • Impact on reputation	• 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*

Serial No.	Inherent Risk Description	Business Process	Impact factors	Mitigation Measures *(Proposed mitigation measures in Italics)*
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 labourers/ construction personnel on site/ Accidents on site due to non-adherence to safety procedures, non-enforcement of safety procedures	Project Execution	• Delays in the project • Compensation /Litigation Costs • Impact on reputation	• Safety Officers • Safety Programs • Workmen's insurance policy • Workers employed through contractors are insured by the contractors • *Location audits* • *Company proposes to apply for a safety award*
19	Presence of fly-by-night operators resulting in decreased demand for Purva properties	Business Development	• Loss of potential customers • Educate customers and impact	• High Quality of Construction • Established brand name • Experience of 39 years

Serial No.	Inherent Risk Description	Business Process	Impact factors	Mitigation Measures *(Proposed mitigation measures in Italics)*
20	Issues with Joint Venture partner	Business Development	• Impact on types of projects that the company undertakes • Growth	• Clearly defined commercial terms successful relationship
21	Significant Dependence on few members of management/Loss of key management personnel	Human Resources	• Loss of Experience/ Expertise • Loss of key relationships	• Adequate systems and structure for smooth transition • *Introduction of Succession Plan for Key Managerial Personnel*
22	Inability to use acquired land for intended purpose due to non-compliance with permitted land uses, inability to transfer titles to land etc	Business Development	• Exposure to legal disputes & related costs • Delayed project commencement/ Project abandonment • Surrender of excess land held over ceiling	• Comprehensive Development Plan • Land in green zones/land not zoned is not purchased • Agreements to Sell/ Memorandum of Understanding in Company's favour • Due diligence process • Involvement of senior management

Industry risks

Serial No.	Inherent Risk Description	Business Process	Impact factors	Mitigation Measures *(Proposed mitigation measures in Italics)*
1	Slump in the real estate market/ Significant decline in property prices	Business Development	• Reduction in property prices • Impact on demand for properties	• Vast Majority of under Purva brand sold at ₹5,000 per sq. ft. Certain flexibility in pricing has also enable the company to mitigate this factor • Low Land Acquisition costs • Ability to adapt to changing circumstances • Low outstanding on land payments

Serial No.	Inherent Risk Description	Business Process	Impact factors	Mitigation Measures *(Proposed mitigation measures in Italics)*
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 ₹5,000 per sq. ft. • Flexible pricing policy • Low cost affordable housing – Provident
3	Compulsory Land Acquisition by Government due to development of infrastructure projects	Land Acquisition	• Delay in project completion • Exposure to legal disputes and related costs • Exposure to additional costs if changes are required to be made to the master plan	• Review of City infrastructure plan/ Possibility of future expansion of roads considered • NOC's from Government prior to purchase • Project commenced only after receipt of sanctions from relevant authorities
4	Loss due to natural calamities	Project Execution	• Financial Loss • Inability to complete projects on schedule	• Appropriate Insurance policies • *Disaster Recovery Plan/ Business Continuity Plan to be rolled out*
5	Inability to grow existing land bank as desired due to inability /delay in procuring contiguous land for large projects, inability to build land bank at strategic locations at low costs etc	Business Development	• Inability to grow business	• Focus on new acquisitions in other potential locations of Bengaluru • Existing land bank will last for next five years

Notes:

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

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

5. Internal control systems and their adequacy

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

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

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

We continue to believe that our employees are key contributors to our success. The Group's endeavour to impart the best training, working environment for retaining the best talents in the industry remains unabated. Our work force consists of (i) our permanent employees, (ii) consultants who are engaged by us on a contractual basis to assist in the architectural and structural design of our projects and (iii) contractors who are engaged by us on a contractual basis and who employ labourers to work at our project sites. The table below sets out the number of employees as of March 31, 2014 and 2013 respectively.

Employee Category	Fiscal 2014	Fiscal 2013
Non Technical	631	550
Technical	436	419
Trainees	68	47
Total	1135	1016

7. Opportunities and Threats

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

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

The improved sentiments and performance of various segments of the economy has also resulted in the improvements in the demand for premium and lifestyle apartments where the

Company has already established its brand in the market in this segment.

8. Discussion on Financial Conditions and Results of Operations

Income

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

Revenue from operations

Our revenue from operations comprises of revenue from projects and other operating revenue. Our revenue from projects represented 99.07 percent and 98.88 percent of our revenue from operations in Fiscal 2014 and 2013, respectively. Our other operating revenue represented 0.93 percent and 1.12 percent of our revenue from operations in Fiscal 2014 and 2013, respectively.

Revenue from projects

Revenue from projects comprises of sale of our residential properties and interior works. Our sale of properties represented 99.61 percent and 99.54 percent of our revenue from projects in Fiscal 2014 and 2013, respectively.

We also derive income from the sale of interior works, which includes designing, procuring, fabricating and installing the furniture, fixtures and other fittings in our property developments. Income from interior works represented 0.39 percent and 0.46 percent respectively, of our revenue from projects in Fiscal 2014 and 2013, respectively.

Other operating revenues

Our other operating revenue comprise of rental income, scrap sales and others. We lease our commercial properties and derive rental income. Rental income represented 13.59 percent. and 5.74 percent, respectively, of our other operating revenues in Fiscal 2014 and 2013, respectively.

Other income

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

Expenses

Our significant expenses include:

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

Project expenses

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

Material and contract cost

Our material and contract cost primarily consist of costs related to materials used in our construction, wages, civil work done by our contractors, fees paid to architects, plan sanction and project related levies paid to local authorities. These expenses also include expenses incurred in relation to the equipment and machinery used in the construction and design for our projects, interior works and other services that we provide which are not specifically allocated to a project. Our material and contract costs represented 60.00 percent and 65.19 percent of our total expenses in Fiscal 2014 and 2013, respectively, which also included the cost allocated to the inventory in respect of unsold units in our projects.

Land cost

Land cost consist of the cost of acquisition of land, expenses incurred in the upkeep of and value addition to land and the cost of acquisition of development rights. Our land costs represent the cost of land pertaining to sale of undivided share of land (UDS) in qualifying projects and cost of land that are allotted for properties under development. Our land costs represented 43.87 percent, and 27.30 percent, respectively, of our total expenses in Fiscal 2014 and 2013, respectively, which also included the cost allocated to the inventory in respect of unsold units in our projects.

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

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

Employee Benefit expense

Employee benefit expense comprise salaries, wages, allowances and bonuses paid to employees, contribution to employees' provident fund and other staff welfare expenses not recognized under either material and contract costs or under selling costs. Our employee benefit expenses represented 8.62 percent and 8.12 percent respectively, of our total expenses in 2014 and 2013 respectively.

Net finance expense

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

Our net finance expense, including the cost allocated to inventory, represented 21.26 percent and 25.53 percent of our total expenses in Fiscal 2014 and 2013, respectively.

Depreciation and amortization cost

Depreciation and amortization cost consists of depreciation on building, plant and machinery, certain other items used in construction, office equipments, computers, furniture and fixtures, vehicles, shuttering materials, leasehold improvements and intangible assets. Our depreciation and amortization cost represented 0.79 percent and 0.77 percent respectively, of our total expenses in Fiscal 2014 and 2013 respectively.

Other expenses

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

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

Our other expenses represented 20.31 percent and 15.60 percent respectively, of our total expenses in Fiscal 2014 and 2013, respectively.

Share of Profit in Associates

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

Profit Before Tax

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

Tax Expense

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

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

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

9. Factors Affecting Results of Operations

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

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

Each of these factors is discussed below:

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

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

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

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

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

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

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

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

Taxation: The other primary factor affecting our financial conditions is the tax payable by us. The provision for taxation is made on Taxes Payable Method and determined in accordance with the provisions of Income Tax Act, 1961. 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.

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.

10. Critical Accounting Policies

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

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

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

(a) Revenue recognition of revenues from Projects

Revenue from the sale of properties is recognized when significant risks and rewards of ownership have been transferred to the customer, which coincides with entering into a legally binding agreement.

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

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

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

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

We have applied the percentage of completion method as revised by the Guidance Note to eight of our real estate projects, Purva Whitehall, Purva Sunflower, Purva Skydale, Purva Amaiti, Purva Westend, Purva Palmbeach, Purva Coronation Square, Provident Sunworth, Provident Skyworth and Provident Green Park. However, the expenditure incurred on construction and development costs of these projects is less than 25 percent of their total construction and development costs (excluding Purva Whitehall and Provident Sunworth) and consequently, we have not recognized any construction revenue for these projects.

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

(b) Impairment of assets

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

(c) Inventories

Inventory comprises raw materials used for our construction activity. Raw materials are valued at the lower of cost or net realizable value, with the cost being determined on a 'first in first out' basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

(d) Accounting for taxes 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 reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

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

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

(e) Borrowing cost

Borrowing 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 Cost". A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as incurred.

(f) Basis of consolidation

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

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

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

11. Results of Operations

The following table sets forth certain items derived from our audited consolidated summary financial statements for Fiscal 2014 and 2013 expressed in absolute terms and as a percentage of total revenue for the periods indicated. Amounts have been rounded to ensure percentages total to 100 percent as appropriate.

	Fiscal 2014		Fiscal 2013	
Particulars	₹ million	%	₹ million	%
Income				
Revenue from operations				
Revenue from projects	12,980.61	98.84	12,319.55	98.67
Other operating revenues	121.38	0.92	139.35	1.12
Other income	31.04	0.24	25.90	0.21
Total	**13,133.03**	**100.00**	**12,484.80**	**100.00**
Expenses				
Material and contract cost	6,423.68	48.91	5,918.04	47.40
Land cost	4,697.22	35.77	2,478.39	19.85
Decrease/(increase) in inventory of properties under development and properties held for sale	(5,872.87)	(44.72)	(3,859.83)	(30.91)
Employee benefits expense	923.19	7.03	737.63	5.91
Finance expense, net	2,275.94	17.33	2,317.91	18.57
Depreciation and amortization	84.79	0.65	70.28	0.56
Other expenses	2,174.09	16.55	1,416.22	11.34
Total	**10,706.04**	**81.52**	**9,078.64**	**72.72**
Profit before tax and share of profit/(loss) in associates, net	**2,426.99**	**18.48**	**3,406.16**	**27.28**
Share of profit/(loss) in associates, net	1.39	0.01	152.20	1.22
Profit before tax	**2,428.38**	**18.49**	**3,558.36**	**28.50**
Tax expense				
Current tax	845.72	6.44	1,124.41	9.00
Deferred tax	(2.45)	(0.02)	(0.40)	–
Profit after tax and before prior period items	**1,585.11**	**12.07**	**2,434.35**	**19.50**
Prior period income (net of tax expense)	14.67	0.11	–	-
Net profit for the year	**1,599.78**	**12.18**	**2,434.35**	**19.50**

Comparison of Fiscal 2014 and Fiscal 2013

Income

Our total income comprising of revenues from operations and other income increased to ₹ 13,133.03 million in Fiscal 2014 by ₹ 648.23 million, or 5.19 percent, from ₹ 12,484.80 million in Fiscal 2013.

Revenue from operations

Our revenue from operations comprising of revenue from projects and other operating revenues increased to ₹ 13,101.99 million in Fiscal 2014 by ₹ 643.09 million, or 5.16 percent, from ₹ 12,458.90 million in Fiscal 2013.

Revenue from projects

Our revenue from projects increased to ₹ 12,980.61 million in Fiscal 2014 by ₹ 661.06 million, or 5.37 percent from ₹ 12,319.55 million in Fiscal 2013. This was primarily due to increase in the revenue generated from the sale of apartments during Fiscal 2014. In Fiscal 2014, we recognized income from sale of apartments in 11 residential completed projects, 20 residential Ongoing Projects and including consideration of sale of land.

Our income from interior works decreased to ₹ 50.92 million by ₹ 5.78 million or (10.19) percent from ₹ 56.70 million in Fiscal 2013.

Other operating revenues

Our other operating revenues decreased to ₹ 121.38 million in Fiscal 2014 by ₹ 17.97 million, or (12.90) percent, from ₹ 139.35 million in Fiscal 2013.

Other income

Our other income increased to ₹ 31.04 million in Fiscal 2014 by ₹ 5.14 million, or 19.85 percent, from ₹ 25.90 million in Fiscal 2013.

Expenses

Our total expenses increased to ₹ 10,706.04 million in Fiscal 2014 by ₹ 1,627.40 million, or 17.93 percent, from ₹ 9,078.64 million in Fiscal 2013. This was primarily due to an increase in construction activities in our Ongoing Projects resulting in a corresponding increase in expenses.

Project expenses

Our project expenses increased to ₹ 5,248.03 million in Fiscal 2014 by ₹ 711.43 million or 15.68 percent from ₹ 4,536.60 million in Fiscal 2013. This is also reflected in our revenue from operations on account of increase in the revenue from projects. Project expenses, as a percentage to the total income increased to 39.96 percent in Fiscal 2014 from 36.34 percent in Fiscal 2013. Our project expenses comprise of the following:

Material and contract cost

Our material and contract cost was ₹ 6,423.68 million in Fiscal 2014 and ₹ 5,918.04 million in Fiscal 2013. This cost includes progress cost incurred, raw materials, labour and other related costs for the projects under construction for all properties under development on a gross basis. This is primarily due to an increase in construction activities in our projects. During the fiscal year company delivered an area of 3.87 million sq. ft.

Land cost

Our land cost was ₹ 4,697.22 million in Fiscal 2014 and ₹ 2,478.39 million in Fiscal 2013. This represents the cost of land transferred from properties held for development coinciding with the launch of the new project. For projects launched under a Joint development scheme, the guidance value of land is recorded on a gross basis as part of this land cost.

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

Increase in inventory of properties under development and properties held for sale was ₹ 5,872.87 million in Fiscal 2014 and ₹ 3,859.83 million in Fiscal 2013.

Employee benefit expense

Our employee benefit expense increased to ₹ 923.19 million in Fiscal 2014 by ₹ 185.56 million, or 25.16 percent, from ₹ 737.63 million in Fiscal 2013. This was primarily due to recruitment of additional employees in our sales and marketing division and for our construction sites.

Net finance expense

Our net finance expense decreased to ₹ 2,275.94 million in Fiscal 2014 by ₹ 41.97 million, or (1.81) percent, from ₹ 2,317.91 million in Fiscal 2013. This was primarily due to decrease in our total borrowings to ₹ 16,951.60 million in Fiscal 2014 from ₹ 17,859.25 million in Fiscal 2013. Company raised funds through Insttitutional Placement Programme (IPP) ₹ 1767.80 million which was utilized for reduction of debt.

Depreciation and amortization

Our depreciation and amortization increased to ₹ 84.79 million in Fiscal 2014 by ₹ 14.51 million, or 20.65 percent, from ₹ 70.28 million in Fiscal 2013. This was primarily due to an increase of our fixed assets amounting to ₹ 140.79 million in Fiscal 2014.

Other expenses

Our other expense increased to ₹ 2,174.09 million in Fiscal 2014 by ₹ 757.87million, or 53.51 percent, from ₹ 1,416.22 million in Fiscal 2013. This was primarily due to an increase in the advertising and sales promotion, brokerage and referral charges for marketing new project launches. During the year company launched 5 projects adding 4.26 million sq. ft. to our ongoing projects.

Tax expense

Our tax expense decreased to ₹ 843.27 million in Fiscal 2014 by ₹ 280.74 million, or (24.98) percent, from ₹ 1,124.01 million in Fiscal 2013 due to decreased profits. Our current tax decreased to ₹ 845.72 million in Fiscal 2014 by ₹ 278.69 million, or (24.79) percent, from ₹ 1,124.41 million in Fiscal 2013. Our deferred tax decreased to ₹ (2.45) million in Fiscal 2014 by ₹ 2.05 million, from ₹ (0.40) million in Fiscal 2013.

Net profit for the period

Our net profit declined to ₹ 1,599.78 million in Fiscal 2014 by ₹ 834.57 million, or (34.28) percent, from ₹ 2,434.35 million in Fiscal 2013.

Reserves and Surplus

Our reserves and surplies increased to ₹ 20,547.11 as of March 31, 2014 from ₹ 17,927.95 as at March 31, 2013, increase is mainly due to strong performance at consolidated level.

Dividend

The Board of Directors has recommmended a final dividend of ₹ 1.92 per share for the year ended 31st March 2014 subject to approval of the share holders in the ensuing Annual General Meeting.

Liquidity and Capital Resources

As of March 31, 2014, the Company had cash and bank balances of ₹1,737.31 million. Cash and bank balances primarily consist of cash on hand, fixed deposits with an initial maturity of less than twelve months and balances with banks. Our primary liquidity requirements have been to finance our purchases of land, working capital for development of our projects. We expect to meet our working capital and liquidity requirements for the next 12 months primarily from the cash flows from our business operations, and, if required, project specific borrowings from banks and financial institutions as may be expedient.

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

Credit Rating

Credit rating agency ICRA has upgraded and assigned the long term debt rating to BBB (positive) from BBB(stable) for credit facilities availed by the Company. The outlook on the long-term rating is revised to positive from stable. The change in the rating upgradation reflects improvement in group's debt coverage indicators on the back of its reduced debt quantum and significant reduction in its average interest costs.

Cash Flows

Set forth below is a table of selected information from our consolidated statements of cash flows for Fiscal 2014 and 2013:

Particulars	Fiscal 2014	Fiscal 2013
Net cash from/(used in) operating activities	1,765.87	399.09
Net cash generated from/(used in) investing activities	(455.16)	(518.36)
Net cash generated from/(used in) financing activities	(1,931.04)	1,696.83
Net increase/(decrease) in cash and cash equivalents	(620.33)	1,577.56
Cash and cash equivalents at the beginning of the year	2,275.37	697.81
Cash and cash equivalents as at the end of the year	1,737.31	2,333.58

Net cash generated from/(used in) operating activities

Our net flows generated from operating activities in Fiscal 2014 primarily comprised of operating profit before working capital adjustments for ₹ 4,788.09 million, which was adjusted for an increase in the properties under development of ₹ 4,230.23 million, a decrease in the properties held for sale of ₹ 573.90 million, an increase in trade receivables of ₹ 594.77 million, an increase in loans and advances and other current assets of ₹ 1,481.26 million, an increase in current liabilities and provisions of ₹ 3,456.71 million as well as tax payments of ₹ 793.92 million.

Net cash generated from/(used in) investing activities

Our cash flow used in investment activities for Fiscal 2014 primarily comprised of purchase of fixed assets of ₹ 140.79 million, properties held for development of ₹ 375.41 million, deposits and advances of ₹ 657.29 million, which were offset in part by net cash generated from interest received of ₹ 113.30 million, dividend received from our associates ₹ 407.93 million, maturity of deposits with banks ₹ 98.71 and net income from sale of units of liquid mutual funds of ₹ 57.17 million.

Net cash generated from/(used in) financing activities

Our net cash generated from financing activities in Fiscal 2014 was primarily comprised of proceeds from term loans of ₹6,379.20 million, proceeds from share capital including premium of ₹1921.76 million and proceeds from working capital loans of ₹ 1,321.06 million which were offset in part by net cash used in repayment of term loans of ₹ 7,613.03 million, repayment of debentures of ₹ 979.60 million, and interest and dividend payments of ₹ 2,451.44 million and ₹ 339.76 million respectively.

Assets

Non-Current Assets: The total non-current assets were ₹ 11,745.68 million and ₹ 12,500.21 million as at March 31, 2014 and 2013, respectively. Our non-current assets comprise of fixed assets, non-current investments, properties held for development, deferred tax asset (net), long term loans and advances and other non-current assets.

Fixed Assets : The book value of our total fixed assets (including capital work-in progress) was ₹ 923.34 million and ₹ 868.90 million, as of March 31, 2014 and 2013 respectively. Our fixed assets primarily consist of freehold and leasehold land, buildings, plant and machinery, office equipments, computers, furniture and fixtures, vehicles, shuttering materials and leasehold improvements and intangible assets. Capital work-in-progress includes capital expenditure on assets which we propose to retain.

Non Current Investments: Our investments represents equity investments in associate companies namely; Keppel Puravankara Development Private Ltd. Our total investment in associate companies were ₹ 705.86 million (₹ 203.05 million has been classified as current investments, pursuant to conditional share purchase agreement entered with the buyer on 9th May 2014 to disinvest its entire shareholding in Keppel Magus Development Limited, an associate company) ₹ 1,384.76 million as at March 31, 2014 and 2013, respectively. The decrease in investment in associates is due to share in losses of our associates during the current fiscal by following equity method of accounting as prescribed under Accounting standard 23 "Accounting for Investment in Associates in Consolidated Financial Statement" issued by ICAI.

Properties held for development: This consists of various lands which have been acquired for the purposes of development. Our properties held for development were ₹ 7,431.11 million and ₹ 7,977.06 million as at March 31, 2014 and 2013, respectively. The decrease is due to transfer to properties held under development on launch of projects during the current fiscal.

Current Assets: The total current assets were ₹ 35,429.83 million and ₹ 28,142.30 million as at March 31, 2014 and 2013, respectively. Our current assets comprise of current investments, inventory, trade receivables, cash and bank balances, short term loans and advances and other current assets.

Current Investments : The carrying value of Keppel Magus Development Private Limited of ₹ 203.05 million, an associate company has been classified as current investments pursuant to the agreement entered on 9 May 2014 to disinvest the entire shareholding of Puravankara Projects Limited in the said associate Company and units of liquid mutual funds were ₹ 57.17 million as at 2013.

Inventories : Our inventories consists of raw materials used in our construction activities, properties under development and properties held for sale. Our inventories were ₹ 27,001.81 million and ₹ 21,176.29 million as at March 31, 2014 and 2013, respectively.

Properties under development: This consists of our on-going projects. Our projects under development was ₹ 22,101.22 million and ₹ 18,765.80 million as at March 31, 2014 and 2013, 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 ₹ 4,558.71 million and ₹ 2,021.26 million as at March 31, 2014 and 2013, respectively.

Trade Receivables: The total amount of trade receivables were ₹ 3,667.82 million and ₹ 3,073.05 million as at March 31, 2014 and 2013, respectively. Our trade debtors consist of unsecured receivables with respect to sale of properties.

Cash and bank balances: Our cash and cash equivalents consist of cash on hand and cash held in current and deposit accounts with specified banks. The cash and cash equivalents were ₹ 1,737.31 million and ₹ 2,333.58 million as at March 31, 2014 and 2013, respectively

Total borrowings decreased by ₹ 907.65 million to ₹ 16,951.60 million. For further details please refer to Notes 1, 5, 9 and related disclosure of the "Financial Statements".

Transactions with Associates and Related Parties

We enter into transactions with companies, which are controlled by members of our Promoter Group and other related parties in the ordinary course of our business. As of March 31, 2014, our net balance involving transactions with related parties was ₹ 581.24 million in loans, advances, deposits and liabilities to various joint ventures, Promoter Group companies and related individuals. For details regarding our related party transactions, please see "Financial Statements – Related Party Information".

Significant developments after March 31, 2014 that may affect our future results of operations

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

12. Cautionary Statement

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

FINANCIAL SECTION

To the Board of Directors of
Puravankara Projects Limited

1. We have audited the accompanying Consolidated Financial Statements of **Puravankara Projects Limited** (the 'Company'), its subsidiaries and associates (collectively referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2014, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
   i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2014;
   ii) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
   iii) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

7. We did not audit the financial statements of certain subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions)of ₹ 3,389.89 million as at 31 March 2014, the total revenue (after eliminating intra-group transactions) of ₹ 582.46 million for the year ended on that date and net cash flows aggregating to ₹ 86.07 million for the year ended on that date. These financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our opinion on the consolidated financial statements of the Group for the year then ended, to the extent they relate to the financial statements not audited by us as stated in this paragraph, is based solely on the audit reports of other auditors. We did not audit the financial statements of an associate whose financial statements reflect the Company's share of loss of ₹ 16.98 million for the year ended on that date included in these Consolidated Financial Statements. These financial statements have not been audited by other auditors. Our opinion is not qualified in respect of these matters.

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

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

Bengaluru
16 May 2014

Consolidated Balance Sheet as at 31 March 2014

(All amounts in ₹ million, unless otherwise stated)

	Note	31 Mar 2014	31 Mar 2013
Equity and liabilities			
Shareholders' Funds			
Share capital	3	1,185.75	1,067.12
Reserves and surplus	4	20,547.11	17,927.95
		21,732.86	18,995.07
Non-Current Liabilities			
Long-term borrowings	5	7,030.36	8,977.93
Other long-term liabilities	7	14.06	10.23
Long-term provisions	8	85.22	60.59
		7,129.64	9,048.75
Current Liabilities			
Short-term borrowings	9	7,005.42	7,256.76
Trade payables	10	1,919.16	1,651.44
Other current liabilities	10	8,997.16	3,412.13
Short-term provisions	8	594.32	335.53
		18,516.06	12,655.86
Total		47,378.56	40,699.68
Assets			
Non-Current Assets			
Fixed assets			
Tangible assets	11	875.62	837.74
Intangible assets	12	45.54	25.65
Capital work-in-progress		2.18	5.51
		923.34	868.90
Non-current investments	13	705.86	1,384.76
Properties held for development	14	7,431.11	7,977.06
Deferred tax assets (net)	6	4.09	1.64
Long-term loans and advances	15	2,592.25	2,052.68
Other non-current assets	17	89.03	215.17
		11,745.68	12,500.21
Current Assets			
Current investments	13	203.05	57.17
Inventories	18		
Raw materials		341.88	389.23
Properties under development		22,101.22	18,765.80
Properties held for sale		4,558.71	2,021.26
		27,001.81	21,176.29
Trade receivables	16	3,667.82	3,073.05
Cash and bank balances	19	1,737.31	2,333.58
Short-term loans and advances	15	1,809.86	747.86
Other current assets	17	1,213.03	811.52
		35,429.83	28,142.30
Total		47,378.56	40,699.68
Significant accounting policies	1		

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

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

For Walker Chandiok & Co LLP
(formerly Walker, Chandiok & Co)
Chartered Accountants

per Aasheesh Arjun Singh
Partner

Bengaluru
16 May 2014

For and on behalf of the Board of Directors

Ravi Puravankara
Chairman and Managing Director

Nani R Choksey
Deputy Managing Director

Ashish Puravankara
Joint Managing Director

Anil Kumar A
Chief Financial Officer

V P Raguram
Company Secretary

Bengaluru
16 May 2014

Consolidated Statement of Profit and Loss for the year ended 31 March 2014

(All amounts in ₹ million, unless otherwise stated)

	Note	31 Mar 2014	31 Mar 2013
Income			
Revenue from operations			
Revenue from projects	20	12,980.61	12,319.55
Other operating revenues	20	121.38	139.35
Other income		31.04	25.90
Total		**13,133.03**	**12,484.80**
Expenses			
Material and contract cost	21	6,423.68	5,918.04
Land cost		4,697.22	2,478.39
Decrease/(increase) in inventory of properties under development and properties held for sale	22	(5,872.87)	(3,859.83)
Employee benefits expense	23	923.19	737.63
Finance expense, net	24	2,275.94	2,317.91
Depreciation and amortization	25	84.79	70.28
Other expenses	26	2,174.09	1,416.22
Total		**10,706.04**	**9,078.64**
Profit before tax and share of profit/(loss) in associates, net		**2,426.99**	**3,406.16**
Share of profit/(loss) in associates, net		1.39	152.20
Profit before tax		**2,428.38**	**3,558.36**
Tax expense			
Current tax		845.72	1,124.41
Deferred tax		(2.45)	(0.40)
Profit after tax and before prior period items		**1,585.11**	**2,434.35**
Prior period income (net of tax expense)		14.67	–
Net profit for the year		**1,599.78**	**2,434.35**
Earnings per share (Nominal value ₹ 5 per share)			
Basic (₹)	27	6.86	11.41
Diluted (₹)		6.86	11.41
Significant accounting policies	1		

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

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

For Walker Chandiok & Co LLP
(formerly Walker, Chandiok & Co)
Chartered Accountants

per Aasheesh Arjun Singh
Partner

Bengaluru
16 May 2014

For and on behalf of the Board of Directors

Ravi Puravankara
Chairman and Managing Director

Nani R Choksey
Deputy Managing Director

Ashish Puravankara
Joint Managing Director

Anil Kumar A
Chief Financial Officer

V P Raguram
Company Secretary

Bengaluru
16 May 2014

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 provisions of the Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (to the extent applicable). The accounting policies have been consistently applied unless otherwise stated.

b. Use of estimates

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

c. Basis of consolidation

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

The excess of cost of the parent company of its investment in the subsidiary over its portion of equity in the subsidiary, on the date of investments is recognised in the financial statements as goodwill. The parent portion of equity in such subsidiary is determined on the basis of book values of assets and liabilities as per the financial statement of the subsidiary as on the date of investment. In case the cost of investment in subsidiary companies is less than the proportionate share in equity of the investee company as on the date of investment, the difference is treated as capital reserve and shown under Reserves and Surplus.

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

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

d. Revenue recognition

Revenue from projects

Revenue from the sale of properties is recognized when significant risks and rewards of ownership have been transferred to the customer, which coincides with entering into a legally binding agreement.

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

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

Effective 1 April 2012, in accordance with the "Guidance Note on Accounting for Real Estate Transactions (Revised 2012)" (Guidance note) all projects commencing on or after the said date or projects where revenue is recognised for the first time on or after the above date, construction revenue on such projects have been recognized on percentage of completion method provided the following thresholds have been met:

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

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

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

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

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

Contract revenues represent the aggregate amounts of sale price for agreements entered into and are accrued based on the percentage that the actual construction costs incurred until the reporting date bears to the total estimated construction costs to completion. Land costs are not included for the purpose of computing the percentage of completion.

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

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

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

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

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 under development

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

f. Properties held for sale

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

g. Properties held for development

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

h. Fixed assets

Fixed assets are stated at cost less accumulated depreciation/amortization and impairment losses. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use. Fixed assets purchased in foreign currency are recorded at the actual rupee cost incurred.

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

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

i. Depreciation/amortization

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

j. Borrowing cost

Borrowing 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 Statement of Profit and Loss as incurred.

k. Advertisement and promotional expenses

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

l. Impairment of assets

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

m. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the long-term investments.

n. Cash and cash equivalents

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

o. Inventory

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

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

p. 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.

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

q. Leases

Finance leases

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

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

Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term unless other systematic basis is more representative of the time pattern of the benefit.

r. Employee benefits

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

Provident fund

The Company contributes to the statutory provident fund of the Regional Provident Fund Commissioner, in accordance with Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which the employee renders 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 past service costs. Independent actuaries use the projected unit credit method to calculate the defined benefit obligation.

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

s. Tax expense

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

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

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

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

t. Earnings per share

Basic earnings per share is 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.

u. Provisions and contingent liabilities

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

2 Group structure

The subsidiaries and associates consolidated under the Group as at 31 March 2014 comprise the entities listed below:

Name of the entity	Country of incorporation	Effective shareholding
Overseas subsidiary companies		
Welworth Lanka Holding Private Limited	Sri Lanka	100%
Welworth Lanka Private Limited	Sri Lanka	100%
Purva Corporation	British Virgin Islands	100%
Puravankara UK Limited	British Virgin Islands	100%
Indian subsidiary companies		
Prudential Housing and Infrastructure Development Limited	India	100%
Centurions Housing and Constructions Private Limited	India	100%
Melmont Construction Private Limited	India	100%
Purva Marine Properties Private Limited	India	100%
Purva Realities Private Limited	India	100%
Grand Hills Developments Private Limited (formerly known as Purva Opel Properties Private Limited)	India	100%
Purva Ruby Properties Private Limited	India	100%
Purva Good Earth Properties Private Limited	India	100%
Purva Sapphire Land Private Limited	India	100%
Purva Star Properties Private Limited	India	100%
Nile Developers Private Limited	India	100%
Vaigai Developers Private Limited	India	100%
Puravankara Hotels Limited	India	100%
Purva Land Limited	India	100%
Starworth Infrastructure and Construction Limited	India	100%
Provident Housing Limited	India	100%
Associate companies		
Keppel Puravankara Development Private Limited	India	49.00%
Propmart Technologies Limited	India	32.83%
Keppel Magus Development Private Limited *	India	36.26%
Sobha Puravankara Aviation Private Limited	India	49.75%

There is no change in the effective shareholding of all of the above entities from the previous year ended 31 March 2013.

* On 9th May 2014, the Company entered into a conditional share purchase agreement to disinvest the entire shareholding.

2 Group structure *(contd...)*

Information of the subsidiaries for the year ended 31 March 2014

Sl. no.	Name	Issued, paid-up capital	Reserves	Total assets	Total liabilities	Investments (excluding investment in subsidiaries)	Turnover	Profit/(loss) before taxation	Provision for taxation	Profit/ (loss) after taxation	Proposed dividend
1	Prudential Housing and Infrastructure Development Limited	0.50	(12.94)	5.51	17.95	Nil	–	(0.31)	–	(0.31)	Nil
2	Centurions Housing and Constructions Private Limited	0.10	294.39	300.36	5.88	Nil	77.35	61.01	20.25	40.77	Nil
3	Melmont Construction Private Limited	0.10	(38.17)	1,270.47	1,308.54	Nil	–	(0.05)	–	(0.05)	Nil
4	Purva Marine Properties Private Limited	0.15	(0.20)	0.08	0.13	Nil	–	(0.02)	–	(0.02)	Nil
5	Purva Realities Private Limited	0.10	(0.12)	359.83	359.85	Nil	–	(0.02)	–	(0.02)	Nil
6	Grand Hills Developments Private Limited (formerly known as Purva Opel Properties Private Limited)	0.10	(0.10)	0.10	0.10	Nil	–	(0.02)	–	(0.02)	Nil
7	Purva Ruby Properties Private Limited	0.10	(0.45)	136.09	136.44	Nil	–	(0.37)	–	(0.37)	Nil
8	Purva Good Earth Properties Private Limited	0.10	(0.10)	0.10	0.10	Nil	–	(0.02)	–	(0.02)	Nil
9	Purva Sapphire Land Private Limited	0.10	(0.10)	0.10	0.10	Nil	–	(0.02)	–	(0.02)	Nil
10	Purva Star Properties Private Limited	0.10	176.39	1,292.48	1,115.99	Nil	532.64	269.85	93.38	176.48	Nil
11	Nile Developers Private Limited	1.00	70.48	205.95	134.47	Nil	–	(0.72)	–	(0.72)	Nil
12	Vaigai Developers Private Limited	1.00	50.65	161.32	109.67	Nil	–	(0.05)	–	(0.05)	Nil
13	Puravankara Hotels Limited	0.50	(0.10)	0.50	0.10	Nil	–	(0.02)	–	(0.02)	Nil
14	Purva Land Limited	0.50	(0.13)	0.50	0.13	Nil	–	(0.02)	–	(0.02)	Nil
15	Starworth Infrastructure & Construction Limited	0.50	248.18	778.00	529.32	Nil	1,602.84	195.22	61.44	133.79	Nil
16	Provident Housing Limited	0.50	2,618.28	6,286.33	3,667.55	Nil	3,396.79	948.84	318.87	629.97	Nil
17	Purva Corporation +	0.01	(0.01)	0.02	0.02	Nil	–	–	–	–	Nil
18	Purvankara UK Limited++	–	(0.01)	–	0.01	Nil	–	(0.01)	–	(0.01)	Nil
19	Welworth Lanka Holding Private Limited +++	216.03	(2.72)	218.81	5.50	Nil	–	(0.44)	–	(0.44)	Nil
20	Welworth Lanka Projects (Pvt) Ltd+++	215.00	(64.16)	155.39	4.55	Nil	–	(10.90)	–	(10.90)	Nil

All are wholly owned subsidiaries of Puravankara Projects Ltd.

+: Amount in GBP (million)

++ : Amount in USD (million)

+++: Amount in Sri Lankan Rupees (million)

3 Share capital

	31 Mar 2014	31 Mar 2013
Authorized shares		
320.00 million (31 March 2013- 320.00 million) equity shares of ₹ 5 each	1,600.00	1,600.00
Issued, subscribed and fully paid up shares		
237.15 million (31 March 2013- 213.42 million) equity shares of ₹ 5 each	1,185.75	1,067.12
	1,185.75	**1,067.12**

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

Equity shares

	31 Mar 2014		31 Mar 2013	
	No. in million	₹ million	No. in million	₹ million
Balance at the beginning of the year	213.42	1,067.12	213.42	1,067.12
Issued during the year	23.73	118.63	–	–
Outstanding at the end of the year	**237.15**	**1,185.75**	**213.42**	**1,067.12**

b. Terms/rights attached to equity shares

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

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

The Board has proposed an annual dividend for all shareholders of the Company amounting to ₹ 1.92 per equity share (31 March 2013- ₹ 1) and additionally declared interim dividend amounting to nil (31 March 2013 - ₹ 2.50) as distribution to shareholders excluding promoter (including promoters group) shareholders.

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

	31 Mar 2014		31 Mar 2013	
	No. in million	% holding in the class	No. in million	% holding in the class
Equity shares of ₹ 5 each fully paid up				
Ravi Puravankara	177.85	74.99%	191.99	89.96%

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

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

The Company has not issued any bonus shares nor there has been any buy back of shares during five years immediately preceding 31 March 2014.

e. Shares reserved for issue under options

On 1 Jul 2006, the members of the Company approved the Puravankara Projects Limited 2006 Employee Stock Option Scheme ('ESOS' or 'the Plan') of the Company. The plan provides for the issuance of stock options to eligible employees (including directors of the Company) with the total options issuable under the Plan not to exceed 1,366,080 options and includes a limit for the maximum and minimum number of options that may be granted to each employee. Under the plan, these options vest over a period of four years and can be exercised for a period of one year from vesting. As on 31 March 2014, there are no options outstanding under the above plan.

4 Reserves and surplus

	31 Mar 2014	31 Mar 2013
Securities premium reserve		
Balance at the beginning of the year	7,988.81	7,988.81
Add: Premium on issue of shares	1,803.13	–
Less: Share issue expenses*	153.96	–
Balance at the end of the year	9,637.98	7,988.81
*In accordance with the directives issued by SEBI, the Company has issued 23.72 million equity shares at a premium of ₹ 76.00 per share through the Institutional Placement Programme ('IPP'). Additionally, the promoter has divested an additional 14.14 million equity shares through an Offer For Sale ('OFS'), to comply with the requirements of promoter share holding not to exceed 75%. The expenditure adjusted against securities premium represents the cost incurred for the above. Management is of the opinion that, there are no cost that are attributable for the OFS.		
Debenture redemption reserve		
Balance at the beginning of the year	198.51	214.12
Less: Written back to the Statement of Profit and Loss during the year	360.00	325.62
Add: Transfer from the Statement of Profit and Loss during the year	161.49	310.01
Balance at the end of the year	–	198.51
General reserve		
Balance at the beginning of the year	611.30	499.00
Add: Transfer during the year	106.10	112.30
Balance at the end of the year	717.40	611.30
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	9,129.33	7,104.03
Add: Net profit for the year	1,599.78	2,434.35
Add: Debenture redemption reserve written back	360.00	325.62
Less: Transfer to debenture redemption reserve	161.49	310.01
Profit available for appropriation	10,927.62	9,553.99
Appropriations		
Less: Dividend		
- Interim	–	53.57
- Proposed	455.33	213.42
Less: Tax on distribution of dividend		
- Interim	–	9.10
- Proposed	77.38	36.27
Less: Tax on distribution of dividend from associate		
- Interim dividend on equity shares	61.38	–
- Preference shares	7.94	–
Less: Transfer to general reserve	106.10	112.30
Less: Adjustment for dividend due to change in shareholding	27.76	–
Balance at the end of the year	10,191.73	9,129.33
	20,547.11	17,927.95

5 Long-term borrowings

	Non-current		Current	
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
Secured				
Debentures				
nil (31 March 2013 - 40) Non-convertible redeemable debentures of ₹ 5 mn each	–	114.32	–	21.68
Term loans				
From banks	5,004.79	2,945.95	1,393.29	563.44
From others	1,848.24	5,723.31	1,505.43	1,024.09
Unsecured				
Term loans				
From others	177.33	194.35	17.10	15.35
	7,030.36	8,977.93	2,915.82	1,624.56
Amount disclosed under "Other current liabilities" (refer note 10)	–	–	(2,915.82)	(1,624.56)
	7,030.36	8,977.93	–	–

5 Long-term borrowings *(contd...)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2014	As at 31 March 2013
Debentures					
i.	40 secured redeemable non convertible debentures of ₹ 5 mn each	Mortgage of a land parcel at Uganvadi Village, Kasaba Hobli, Devanahalli Taluk, proportionate undivided share of land with respect to unsold units of Purva Venezia and Purva Highland Project, receivables of sold and unsold units of these projects and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Redeemable in 7 quarterly installments starting from Jul 2013.	–	136.00
				–	136.00
	The interest on above debentures are linked to the base rate of a bank which is floating in nature. As on the Balance Sheet date, the interest rate is			–	16.75%
Term Loans from banks (Secured)					
i.	Term loan facility from Standard Chartered Bank - ₹ 3,215	Mortgage of property together with all buildings and structures thereon, both present and future along with scheduled receivables of Purva Windermere Phase - I, II & III and also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company. This facility includes overdraft limit of ₹ 805 which is repayable as per the terms of the facility.	Repayable in 16 quarterly installments commencing from 31 Mar 2015	2,766.88	–
ii.	Term loan facility from Citi Bank - ₹ 165	Mortgage of three residential flats at Purva Grande Project, Lavelle Road, Bengaluru and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 54 monthly installments commencing from Jan 2014.	157.75	–
iii.	Term loan facility of ₹ 1,300 from ICICI Bank Limited	This facility is secured by pari passu charge by way of equitable mortgage of unsold area admeasuring about 2,024,605 sq.ft in Welworth City Project together with underlying land, Sunworth Project, hypothecation of receivables of these projects and personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 30 monthly installments commencing from 15 Jan 2015.	1,000.00	1,000.00

5 Long-term borrowings *(contd...)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2014	As at 31 March 2013
iv.	Term loan facility of ₹ 1,000 from ICICI Bank Limited	This facility is secured by an exclusive charge by way of equitable mortgage of 87,000 sq.ft land situated at Maduvankari village, Chennai together with all buildings and structures thereon both present and future, undivided share of land of Purva Bluemont Project Phase I (excluding the proportionate share of sold area of 498,072 sq.ft approx) together with all buildings & structures thereof both present and future and hypothecation of scheduled receivables, Escrow account and DSR account of Purva Bluemont Project Phase I, extension of charge by way of equitable mortgage on undivided share of land of Purva Swanlake Project (excluding the proportionate share of sold area of 550,134 sq.ft approx) together with all buildings & structures thereof both present and future, extension of charge by hypothecation of scheduled receivables, Escrow account and DSR account and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 30 monthly installments commencing from 15 Sep 2013.	781.21	1,000.00
v.	Term loan facility from ICICI Bank Limited - ₹ 1,500	Mortgage of a land (with building and structure thereon both present and future) located at Plot no. D4, Sy. no. 843, Ernakulam, receivables of Purva Season Project and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 30 installments starting from Aug 2013.	1,020.87	1,489.70
vi.	Term loan facility from IDBI Bank Limited - ₹ 880	Mortgage of immovable property at Edapally, Kochi measuring about 11.15 acres and personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 8 equal quarterly installments starting from 01 Oct 2013.	660.00	–
vii.	Other loans (Vehicle loans)	Secured by a charge against respective vehicles.	Repayable in 36 to 60 monthly installments.	11.37	19.69
				6,398.08	3,509.39
	The interest on above term loans from banks are linked to the respective banks base rates which are floating in nature. As on the Balance Sheet date, the interest rates per annum ranges between			8.35% to 15.00%	8.35% to 14.75%

5 Long-term borrowings *(contd...)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2014	As at 31 March 2013
Term loans from others (Secured)					
i.	Term loan facility of ₹ 900 from PNB Housing Finance Limited	This facility is secured by registered mortgage of 41 residential units admeasuring 5,334.26 Sq.mtrs at Purva Venezia, 19 residential units admeasuring 3,510.68 Sq.mtrs at Purva Atria Platina and by way of equitable mortgage of 50 residential units admeasuring 13,659.42 Sq.mtrs at Purva Oceana.	Repayable in 60 equal monthly installments starting from Feb 2014.	878.71	–
ii.	Term loan facility of ₹ 1,765 from J.P Morgan Advisors India Private Limited	This facility is secured by a first ranking mortgage and charge pari passu with the other Project lenders in the form of an English/registered mortgage (without possession) over Purva Windermere Project with all collections & receivables and also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 16 quarterly installments commencing from Mar 2015.	–	1,765.00
iii.	Term loan facility of ₹ 1,100 from J.P Morgan Securities India Private Limited	This facility is secured by a first ranking mortgage and charge pari passu with the other Project lenders in the form of an English/registered mortgage (without possession) over Purva Windermere Project with all collections & receivables and also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 16 quarterly installments commencing from Mar 2015.	–	1,100.00
iv.	Credit facility of ₹ 1,500 from HDFC Limited	This facility is secured by mortgage of land admeasuring 8.41 acres (366,339.6 sq.ft) located at Ernakulam Village, Kanayannur Taluk, Marine Drive Kochi, mortgage of land admeasuring 04 acres 26 guntas located at Kudlu Village, Sarjapura Hobli, Anekal Taluk Bengaluru, extension of mortgage of unsold developer's share of built up area and undivided land of Purva Grandbay, Kochi, extension of mortgage of unsold developer's share of built up area and undivided land of Purva Eternity, Kochi and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 24 monthly installments commencing from Jun 2014.	1,451.02	1,250.00
v.	Credit Facility of ₹ 1,200 from ICICI Home Finance Company Limited	This facility is secured by pari passu charge by way of equitable mortgage of unsold area admeasuring about 2,024,605 sq.ft in Welworth City Project together with underlying land, Sunworth Project, hypothecation of receivables of these projects and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 27 monthly installments commencing from 15 Oct 2013.	666.89	1,000.00

5 Long-term borrowings *(contd...)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2014	As at 31 March 2013
vi.	Kotak Mahindra Prime Limited - ₹ 250	Mortgage of land parcel at Chengalpet Taluk, Kancheepuram District, hypothecation of receivables and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 20 monthly installments starting from Dec 2013.	–	250.00
vii.	Karvy Financial Services Limited- ₹ 200	Mortgage of three residential flats at Purva Grande Project, Lavelle Road, Bengaluru and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 24 monthly installments starting from Feb 2013.	–	185.93
viii.	Credit facility of ₹ 230 from Reliance Home Finance Limited	Mortgage of property (Purva Oceana) together with all buildings and structures thereon, both present and future at Marine Drive, Kochi, scheduled receivables of the project and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 18 monthly installments commencing from Feb 2013.	–	207.15
ix.	Credit Facility of ₹ 100 from Reliance Home Finance Limited	Mortgage of property (Purva Oceana) together with all buildings and structures thereon, both present and future at Marine Drive, Kochi, scheduled receivables of the project and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 18 monthly installments commencing from Feb 2013.	–	90.06
x.	Sammy's Dream Land Co. Pvt Limited- ₹ 350	Mortgage of land parcel at Edapally, Ernakulam owned by the Company and Melmont Construction Pvt Limited.	Repayable in 2 equal installments in Jun 2014 and Sep 2014 respectively.	350.00	350.00
xi.	Sammy's Dream Land Co. Pvt Limited- ₹ 400	Secured by undivided right, title and interest in Purva Bluemont Project to the extent of 337,427 sq.ft attributable to Phase II development of the project.	Repayable in 4 quarterly equal installments.	–	400.00

5 Long-term borrowings *(contd...)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2014	As at 31 March 2013
xii.	Reliance Capital Limited - ₹ 284.30	Mortgage of property (Purva Oceana) together with all buildings and structures thereon, both present and future at Marine Drive, Kochi, scheduled receivables of the project and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 15 equated monthly installment starting from Aug 2012.	–	140.04
xiii.	Vehicle Loan from Kotak Mahindra Prime Limited	Secured by a charge against respective vehicle.	Repayable in 36 to 60 monthly installments.	7.05	9.22
				3,353.67	6,747.40
Term loan from others (Unsecured)					
i.	HDFC Limited- ₹ 220	Mortgage of non residential property, Purva Premier owned by Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 108 equated monthly installments starting from Jul 2012.	194.43	209.70
				194.43	209.70
	The interest on above term loans from others are primarily linked to the respective benchmarks which are floating in nature. As on the Balance Sheet date, the interest rates per annum ranges between			9.78% to 16.50%	9.78% to 19.00%

6 Deferred tax liability/(asset), net

	31 Mar 2014	31 Mar 2013
Deferred tax liability arising on account of depreciation	48.63	36.04
Less: Deferred tax asset arising on account of:		
Expenses allowable on payment basis		
Gratuity	(23.99)	(16.14)
Vacation pay	(3.31)	(2.00)
Bonus	(8.55)	(11.13)
Lease rent	(16.87)	(8.41)
	(4.09)	(1.64)

7 Other long-term liabilities

Security deposits	14.06	10.23
	14.06	10.23

8 Provisions

	Non-current		Current	
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
Provision for employee benefits				
Gratuity	76.46	54.34	1.02	0.34
Vacation pay	8.76	6.25	1.81	0.48
Provision for tax (net of advance tax)	–	–	58.78	85.02
Other provisions				
Proposed dividend	–	–	455.33	213.42
Tax on proposed dividend	–	–	77.38	36.27
	85.22	60.59	594.32	335.53

9 Short-term borrowings

	31 Mar 2014	31 Mar 2013
Secured		
Debentures*	–	843.60
Term loans from banks*	3,033.27	2,854.68
Term loans from others*	–	300.20
Cash credit and other loan from banks	1,725.45	2,488.08
	4,758.72	6,486.56
Unsecured		
From bank	2,028.61	574.31
Interest free loan from related parties repayable on demand	218.09	195.89
	2,246.70	770.20
	7,005.42	7,256.76
* Classified based on the operating cycle of the Company.		
The amount repayable within twelve months:		
Debentures	–	134.82
Term loans from banks	916.86	1,706.53
Term loans from others	–	300.20

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

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2014	As at 31 March 2013
Debentures					
i.	248 secured redeemable non convertible debentures of ₹ 5 mn each	Mortgage of a land parcel at Uganvadi Village, Kasaba Hobli, Devanahalli Taluk, proportionate undivided share of land with respect to unsold units of Purva Venezia and Purva Highland Project, receivables of sold and unsold units of these projects and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Redeemable in 7 quarterly installments starting from Jul 2013.	–	843.60
				–	843.60
	The interest on above debentures are linked to the base rate of a bank which is floating in nature. As on the Balance Sheet date, the interest rate is			–	16.75%
Term Loans from banks (Secured)					
i.	Credit facility of ₹ 600 from Standard Chartered Bank	This facility is secured by exclusive charge over land & buildings and receivables of Purva Sunflower, Purva Gainz and Purva Primus Projects, first and pari passu charge over unsold units and receivables of Purva Midtown Project. All these securities are cross collateralised with each other. This facility includes overdraft limit of ₹ 150 which is repayable as per the terms of the facility.	Repayable in 5 quarterly installments starting from Sep 2015.	298.00	–
ii.	Credit facility of ₹ 1,000 from Standard Chartered Bank	Exclusive charge on unsold units of Provident Harmony and Provident Cosmocity Projects and hypothecation of receivables of sold and unsold units of these projects.	Repayable in 5 quarterly installments starting from Feb 2015.	500.00	–
iii.	Term loan facility from ICICI Bank Limited - ₹ 500	Mortgage of a land (with building and structure thereon both present and future) located at Plot no. D4, Sy. no. 843 Ernakulam, receivables of Purva Season Project and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 30 installments starting from Aug 2013.	400.00	100.00
iv.	Term loan facility from IndusInd Bank - ₹ 550	This facility is secured by an exclusive charge by way of equitable mortgage of 44 unsold units of Purva Skywood project. This facility includes overdraft limit of ₹ 251.50 which is repayable as per the terms of the facility.	Repayable in 15 monthly installments commencing from Sep 2014	378.80	–

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

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2014	As at 31 March 2013
v.	Credit facility of ₹ 200 from Standard Chartered Bank	This facility is secured by exclusive charge over land & buildings and receivables of Purva Gainz, Purva Primus and Purva Sunflower Projects, first and pari passu charge over unsold units and receivables of Purva Midtown Project. All these securities are cross collateralised with each other. This facility includes overdraft limit of ₹ 50 which is repayable as per the terms of the facility.	Repayable in the form of bullet repayment at the end of the tenor which is Oct 2015.	150.00	79.00
vi.	Credit facility of ₹ 450 from Standard Chartered Bank	This facility is secured by exclusive charge over land & buildings and receivables of Purva Gainz, Purva Primus and Purva Sunflower Projects, first and pari passu charge over unsold units and receivables of Purva Midtown Project. All these securities are cross collateralised with each other. This facility includes overdraft limit of ₹ 110 which is repayable as per the terms of the facility.	Repayable in the form of bullet repayment at the end of the tenor which is Oct 2015.	340.00	305.00
vii.	Term loan facility from ICICI Bank Limited - ₹ 1,250	Mortgage of a land (with building and structure thereon both present and future) located at Padur, Keelambakkam village, Chennai, equitable mortgage on Plot no. D4, Survey no. 843 Ernakulam (together with all buildings and structure thereon, present and future), receivables of Purva Season Project and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 24 installments starting from Aug 2013.	966.47	980.68
viii.	Term loan facility from Standard Chartered Bank - ₹ 2,000	As on 31 Mar 13, this facility was secured by exclusive charge on 5 acres land at Coimbatore, land & buildings and receivables of Midtown Project, Cosmo City Project, Skywood Project and Company's share in Harmony Project on cross collateralized basis and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 18 monthly installments commencing from Sep 2012.	–	1,270.00
ix.	Term loan facility from Standard Chartered Bank - ₹ 350	As on 31 Mar 13, this facility was secured by exclusive charge on 5 acres land at Coimbatore, land & buildings and receivables of Midtown Project, Cosmo City Project, Skywood Project and Company's share in Harmony Project on cross collateralized basis and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 4 quarterly installments starting from Sep 2012.	–	120.00
				3,033.27	2,854.68
	The interest on above term loans from banks are linked to the respective banks base rates which are floating in nature. As on the Balance Sheet date, the interest rates per annum ranges between			13.50% to 15.00%	13.50% to 14.75%

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

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2014	As at 31 March 2013
Term Loans from others (Secured)					
i.	Kotak Mahindra Prime Limited - ₹ 250	Mortgage of land at Chengalpet Taluk, Kancheepuram District, hypothecation of receivables and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 27 monthly installments commencing from Sep 2011.	–	75.20
ii.	HDFC Limited - ₹ 340	Mortgage of land at Ernakulam Marine Drive with building constructed thereupon, present and future receivables of sold and unsold units and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 21 monthly installments starting from Nov 2011.	–	125.00
iii.	HDFC Limited - ₹ 350	Mortgage of land at Kakanad, Kochi with building constructed thereupon, present and future receivable of sold and unsold units and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 21 monthly installments starting from Oct 2011.	–	100.00
				–	300.20
	The interest on above term loans from others are primarily linked to the respective benchmarks which are floating in nature. As on the Balance Sheet date, the interest rates per annum ranges between			–	14.75% to 18.75%
Cash credit and other loan from banks (Secured)					
i.	Cash credit facility of ₹ 1,180 from Andhra Bank	Secured against the properties of the Company and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.		1,293.02	1,238.46
ii.	Working capital facility of ₹ 1,100 from IDBI Bank	Secured against the properties of the Company and personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.		–	985.77
iii.	Overdraft facility of ₹ 800 from Andhra Bank	Secured against the land together with the buildings and structure thereon at Geddalahalli, Bengaluru and is also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.		–	263.85

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

Sl. No	Particulars	Nature of security	As at 31 March 2014	As at 31 March 2013
iv.	Overdraft facility of ₹ 500 from Dhanlaxmi Bank	Mortgage of land parcel in the 42 acres owned by the company situated at Uganavadi village, Bengaluru and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	432.43	–
			1,725.45	2,488.08
From banks (Unsecured)				
i.	Working Capital facility of ₹ 650 from Deutsche Bank	Secured by pledge of personal investments of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	359.61	403.31
ii.	Short Term Loan of ₹ 1,690 from Barclays PLC	Secured by pledge of personal investments of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	1,669.00	171.00
			2,028.61	574.31
	The interest on above loans from others are primarily linked to the respective benchmarks which are floating in nature. As on the Balance Sheet date, the interest rates per annum ranges between		9.50% to 14.50%	9.63% to 15.75%

10 Trade payables

	31 Mar 2014	31 Mar 2013
Trade payables	1,910.36	1,649.18
Due to related parties	8.80	2.26
	1,919.16	1,651.44
Other current liabilities		
Current maturities of long term borrowings (note 5)	2,915.82	1,624.56
Advances received from customers	1,636.76	1,059.35
Interest accrued but not due on borrowings	57.48	88.48
Duties and taxes payable	123.02	90.48
Other payables	4,263.23	486.10
Interim dividend payable	–	53.57
Tax payable on dividend	–	9.10
Unpaid dividend	0.85	0.49
	8,997.16	3,412.13
	10,916.32	5,063.57

11 Tangible assets

	Land *	Buildings	Plant and machinery	Office equipments	Computers	Furniture and fixtures	Vehicles	Shuttering material	Leasehold improvements	Total
Cost										
At 01 April 2012	71.65	136.52	273.57	29.18	35.73	33.34	95.03	280.37	84.71	1,040.10
Additions	–	35.21	19.84	14.29	32.14	17.09	19.59	25.94	52.15	216.25
Disposals	–	–	–	(0.54)	(0.81)	(1.90)	(10.66)	–	–	(13.91)
At 31 Mar 2013	71.65	171.73	293.41	42.93	67.06	48.53	103.96	306.31	136.86	1,242.44
Additions	–	3.68	18.02	5.17	15.94	8.26	19.76	31.84	13.41	116.08
Disposals	–	–	(0.06)	(0.37)	(0.66)	(0.20)	(3.24)	–	–	(4.53)
At 31 Mar 2014	71.65	175.41	311.37	47.73	82.34	56.59	120.48	338.15	150.27	1,353.99
Depreciation										
At 01 April 2012	–	4.52	93.83	4.87	17.55	7.70	41.20	178.40	1.60	349.67
Charge for the year	–	2.37	11.69	1.72	7.06	3.33	8.25	24.04	6.88	65.34
Disposals	–	–	–	(0.01)	(0.78)	(0.92)	(8.60)	–	–	(10.31)
At 31 Mar 2013	–	6.89	105.52	6.58	23.83	10.11	40.85	202.44	8.48	404.70
Charge for the year	–	2.66	12.55	2.37	9.74	3.94	9.29	26.12	9.97	76.64
Disposals	–	–	(0.04)	(0.17)	(0.60)	(0.11)	(2.05)	–	–	(2.97)
At 31 Mar 2014	–	9.55	118.03	8.78	32.97	13.94	48.09	228.56	18.45	478.37
Net block										
At 31 Mar 2013	71.65	164.84	187.89	36.35	43.23	38.42	63.11	103.87	128.38	837.74
At 31 Mar 2014	71.65	165.86	193.34	38.95	49.37	42.65	72.39	109.59	131.82	875.62

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

12 Intangible assets

	Computer software	Total
Cost		
At 01 April 2012	32.43	32.43
Additions	14.79	14.79
Disposals	–	–
At 31 Mar 2013	47.22	47.22
Additions	28.04	28.04
Disposals	–	–
At 31 Mar 2014	75.26	75.26
Amortization		
At 01 April 2012	16.63	16.63
Charge for the year	4.94	4.94
Disposals	–	–
At 31 Mar 2013	21.57	21.57
Charge for the year	8.15	8.15
Disposals	–	–
At 31 Mar 2014	29.72	29.72
Net block		
At 31 Mar 2013	25.65	25.65
At 31 Mar 2014	45.54	45.54

13 Investments

	31 Mar 2014	31 Mar 2013
Non-current investments		
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investment in associates (fully paid up)		
Keppel Puravankara Development Private Limited (refer note (i) below)	529.46	988.33
4.41 million equity shares (31 Mar 2013- 4.41 million) of ₹ 10 each at par		
Keppel Magus Development Private Limited*	–	220.03
nil (31 Mar 2013- 0.36 million of ₹ 610 each)		
* On 9th May 2014, the Company entered into a conditional share purchase agreement to disinvest the entire shareholding.		
Preference shares		
Investment in associates (fully paid up)		
Keppel Puravankara Development Private Limited	176.40	176.40
17.64 million 13.25% cumulative, redeemable, convertible preference shares (31 Mar 2013- 17.64 million) of ₹ 10 each at par		
	705.86	1,384.76
Current investments - at the lower of cost and fair value		
Trade investments		
Unquoted equity instruments		
Investment in associates (fully paid up)		
Keppel Magus Development Private Limited *	203.05	–
0.36 million equity shares (31 Mar 2013- nil) of ₹ 610 each		
* On 9th May 2014, the Company entered into a conditional share purchase agreement to disinvest the entire shareholding.		
Non-trade (unquoted)		
In units of liquid mutual funds of Birla Sun Life Savings Fund Scheme	–	57.17
	203.05	57.17
	908.91	1,441.93

(i) The amount is net of ₹ 407.93 and ₹ 69.33 representing dividend and distribution tax respectively thereon received for the year ended 31 March 2014.

14 Properties held for development

	Non-current		Current	
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
At the beginning of the year	7,977.06	8,281.44	–	–
Add: Additions during the year	407.41	66.20	–	–
Add: Transferred from properties under development	–	76.08	–	–
Less: Transferred to properties under development	953.36	446.66	–	–
	7,431.11	7,977.06	–	–

15 Loans and advances

Security deposits				
Unsecured, considered good	1,475.91	938.85	1.00	–
	1,475.91	938.85	1.00	–
Loans and advances to related parties				
(Unsecured, considered good)				
Loans to associates *	233.00	304.44	90.81	31.08
	233.00	304.44	90.81	31.08
Other loans and advances				
(Unsecured, considered good)				
Advances to suppliers *	–	–	1,475.05	446.04
Advances for land contracts *	683.62	634.53	–	–
Advance income tax (net of provision for taxation)	69.72	59.53	6.62	–
Prepaid expenses *	0.37	0.92	32.47	102.83
Taxes and duties recoverable	92.87	70.79	144.21	98.51
Capital advance	4.13	–	–	–
Other advances *	32.63	43.62	59.70	69.40
	883.34	809.39	1,718.05	716.78
Total loans and advances	2,592.25	2,052.68	1,809.86	747.86

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

16 Trade receivables

(Unsecured, considered good)				
Outstanding for a period exceeding six months	–	–	729.04	652.18
Other receivables	–	–	2,938.78	2,420.87
	–	–	3,667.82	3,073.05

17 Other assets

Non-current bank balances (Note 19)	81.30	204.07	–	–
Unbilled revenue	–	–	1,212.58	809.07
Interest accrued but not due on fixed deposits	7.73	11.10	0.45	2.45
	89.03	215.17	1,213.03	811.52

18 Inventories

	Current	
	31 Mar 2014	31 Mar 2013
Raw materials	341.88	389.23
	341.88	389.23
Properties under development		
Land cost	11,063.41	8,320.51
Material and construction cost	11,037.81	10,445.29
	22,101.22	18,765.80
Properties held for sale		
At the beginning of the year	2,021.26	543.24
Add : Additions during the year	3,473.62	2,591.75
Less: Sales during the year	900.48	1,113.73
Less: Write downs during the year	35.69	–
	4,558.71	2,021.26
	27,001.81	21,176.29

19 Cash and bank balances

	Non-current		Current	
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
Cash and cash equivalents				
Cash on hand			3.98	4.18
Balances with banks:				
On current accounts			1,651.06	1,981.59
Cheques in hand			–	9.60
Deposits with original maturity of less than three months			–	280.00
			1,655.04	2,275.37
Other bank balances				
Deposits with maturity for more than 12 months *	81.30	204.07	–	–
Deposits with maturity for less than 12 months *	–	–	38.92	57.62
Margin money deposit	–	–	42.50	0.10
Unpaid dividend account	–	–	0.85	0.49
	81.30	204.07	82.27	58.21
Amount disclosed under non-current assets (Note 17)	(81.30)	(204.07)	–	–
	–	–	1,737.31	2,333.58

* Represents amounts restricted for use

20 Revenue from operations

	31 Mar 2014	31 Mar 2013
Revenue from projects		
Sale of properties*	12,929.69	12,262.85
Interior	50.92	56.70
	12,980.61	12,319.55
Other operating revenue		
Rental income (refer note 28)	16.50	8.00
Scrap sales	2.75	8.22
Others	102.13	123.13
	121.38	139.35

* Revenue from sale of properties includes ₹ 158.20 for the year ended 31 March 2014 (31 March 2013 nil) being the consideration for sale of land.

21 Material and contract cost

	31 Mar 2014	31 Mar 2013
Inventory of building material at the beginning of the year	389.23	315.93
Add : Incurred during the year		
Material and contract costs	6,376.33	5,991.34
Less : Inventory of building material at the end of the year	341.88	389.23
	6,423.68	5,918.04

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

Inventory at the beginning of the year		
Properties under development *	18,765.80	16,383.99
Properties held for sale	2,021.26	543.24
Inventory at the end of the year		
Properties under development	22,101.22	18,765.80
Properties held for sale	4,558.71	2,021.26
	(5,872.87)	(3,859.83)

* Excluding the transfer of property to properties held for development

23 Employee benefits expense

Salaries, wages and bonus	848.86	674.55
Contribution to provident fund and other funds	27.31	25.28
Gratuity expenses	22.80	21.91
Staff welfare	24.22	15.89
	923.19	737.63

24 Finance expense, net *

Finance expense:		
Interest		
- Term loans	1,990.34	1,327.20
- Cash credits	199.18	406.43
- Debentures	41.63	410.66
Discount on issue of debentures	–	16.04
Loan and other processing charges	156.02	217.14
Bank charges	5.50	4.59
Others	19.52	21.31
	2,412.19	2,403.37
Finance income:		
Bank deposits	51.15	15.38
Interest on loan to associates	28.32	28.90
Interest received from customers	53.68	38.30
Income from units of mutual funds	3.10	2.88
	136.25	85.46
Finance expenses, net	2,275.94	2,317.91

* Includes finance expense capitalized and included in properties under development ₹ 1,262.15 for the year ended 31 March 2014 (31 March 2013 ₹ 1,447.78).

25 Depreciation and amortization

	31 Mar 2014	31 Mar 2013
Depreciation of tangible assets (refer note 11)	76.64	65.34
Amortization of intangible assets (refer note 12)	8.15	4.94
	84.79	70.28

26 Other expenses

Travel and conveyance	75.10	43.96
Repairs and maintenance		
- buildings	8.40	6.40
- plant & machinery	10.18	12.93
- others	120.92	93.41
Legal and professional charges	367.18	251.77
Rent (refer note 28)	138.66	128.13
Rates and taxes	288.25	129.62
Security charges	109.95	78.82
Communication costs	24.81	16.03
Printing and stationery	36.85	21.00
Advertising and sales promotion	803.98	526.41
Brokerage and referral charges	78.67	43.53
Foreign exchange loss/(gain)	0.32	2.07
Miscellaneous expenses	110.82	62.14
	2,174.09	1,416.22

27 Earnings per share (EPS)

Weighted average number of shares outstanding during the period (million)	233.20	213.42
Add: Dilutive effect of stock options (million)	–	–
Weighted average number of shares used to compute diluted EPS (million)	233.20	213.42
Net profit after tax attributable to equity shareholders	1,599.78	2,434.35
Earnings per share (₹) :		
Basic	6.86	11.41
Diluted	6.86	11.41
Nominal value - Rupees per equity share	5.00	5.00

28 Leases

The lease expense for cancellable and non-cancellable operating leases was ₹ 138.66 for the year ended 31 March 2014 (31 March 2013 ₹ 128.13). Lease commitments under the non-cancellable operating leases as at the Balance Sheet date were as follows:-

Particulars	31 Mar 2014	31 Mar 2013
a) Within one year	183.23	193.65
b) One to five years	697.23	671.69
c) More than five years	371.86	251.56
Total	1,252.32	1,116.90

Sublease

The Company has sub let one of the properties under a non cancellable operating lease agreement. Lease income was ₹ 16.50 for the year ended 31 March 2014 (31 March 2013 ₹ 8.00).

29 Other commitments and contingencies

		31 Mar 2014	31 Mar 2013
a)	Demand from Service Tax Department	51.71	68.08
b)	Demand from Commercial Tax Department	22.64	23.26
c)	Deduction under Section 80-IB of the Income - tax Act, 1961 (refer note (i) below)	68.12	140.67
d)	Company's share of contractual commitments to an associate including future period	288.70	546.87
e)	Company's share in claims not acknowledged as debts of an associate	14.70	46.94

(i) The Company has received an order from the Income Tax Appellate Tribunal (ITAT) directing the Assessing officer to carryout the denovo assessment of the income for A.Y 2004-05 to 2009-10 reconsidering the claim under Section 80-IB for a project of the Company. During the quarter ended 31 March 2014, the Assessing Officer carried out the denovo assessment for A.Y 2004-05 to 2009-10, proportionately disallowing the deduction of ₹ 164.47 under Sec 80-IB for the above referred project. Consequent to the ITAT order referred above the income tax department has simultaneously preferred an appeal in the Hon'ble High Court of Bombay challenging the ITAT order. As the appeal against the ITAT order is pending with the Hon'ble High Court, the management has not preferred an appeal against the denovo assessment order. Management believes that the above will not have any affect on these financial statements.

Further, the Company has also received a demand for A.Y 2010-11 and 2011-12 for the above project disallowing the deduction under section 80-IB of the Income tax Act, 1961, wherein the management has filed an appeal with Commissioner of Income Tax (Appeals). The management believes that the above will not have any impact on these financial statements.

(ii) The Company is also involved in certain litigation for lands acquired by it for construction purposes, either through a Joint Development Agreement or through outright purchases. These cases are pending with the Civil Courts and scheduled for hearings shortly. After considering the circumstances and legal advice received, management believes that these cases will not adversely effect its financial statements. Further the company has given certain advances for purchase of land under agreements executed wherein it is required to make further payments based on terms/milestones subject to fulfilment of certain conditions by other party.

30 Related party transactions

(i) Parties where control exists

Mr. Ravi Puravankara

(ii) Key management personnel

Mr. Ravi Puravankara

(iii) Relatives of key management personnel

Ms. Geeta S Vhatkar
Mr. Ashish Puravankara
Ms. Amanda Puravankara

(iv) Entities controlled/significantly influenced by key management personnel (other related parties):

Purva Developments
Puravankara Investments
Handiman Services Limited
Dealwel – Proprietorship
Tanya Trust
Amanda Trust
Purva Properties and Resorts Private Limited
Dealwel Estates Private Limited

(v) Associate companies

Keppel Puravankara Development Private Limited
Propmart Technologies Limited
Keppel Magus Development Private Limited
Sobha Puravankara Aviation Private Limited

30 Related party transactions *(contd...)*

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

Nature of transaction	Associates		Key management personnel		Relatives of key management personnel		Other related parties	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Loans given to								
Propmart Technologies Limited	233.00	206.22	–	–	–	–	–	–
Keppel Puravankara Development Private Limited	–	31.08	–	–	–	–	–	–
Keppel Magus Development Private Limited	90.81	98.22	–	–	–	–	–	–
Dealwel Estates Private Limited	–	–	–	–	–	–	0.03	0.03
Deposits made in associates								
Sobha Puravankara Aviation Private Limited	64.76	65.78	–	–	–	–	–	–
Advance for land contracts paid to								
Geeta S Vhatkar	–	–	–	–	179.30	179.30	–	–
Advance								
Sobha Puravankara Aviation Private Limited	233.93	40.11	–	–	–	–	–	–
Security Deposits paid to								
Dealwel	–	–	–	–	–	–	1.50	1.50
Puravankara Investments	–	–	–	–	–	–	4.50	4.50
Guarantees given by								
Ravi Puravankara	–	–	16,750.00	22,429.30	–		–	–
Ashish Puravankara	–	–	–	–	7,180.00	12,960.00	–	–
Dues from								
Tanya Trust	–	–	–	–	–	–	–	8.39
Amanda Trust	–	–	–	–	–	–	–	8.62
Dues to								
Handiman Services Limited	–	–	–	–	–	–	8.49	2.55
Puravankara Investments	–	–	–	–	–	–	18.81	18.81
Purva Development	–	–	–	–	–	–	1.79	1.79
Purva Properties and Resorts Private Limited	–	–	–	–	–	–	0.02	0.02
Ravi Puravankara	–	–	197.48	175.29	–	–	–	–

(vii) 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 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Interest on loans								
Keppel Puravankara Development Private Limited	0.99	2.51	–	–	–	–	–	–
Keppel Magus Development Private Limited	8.44	9.09	–	–	–	–	–	–
Propmart Technologies Limited	18.89	17.30	–	–	–	–	–	–
Loans given to								
Propmart Technologies Limited	9.78	21.73	–	–	–	–	–	–
Dealwel Estates Private Limited	–	–	–	–	–	–	–	0.01
Loans repaid by								
Keppel Magus Development Private Limited	15.85	5.28	–	–	–	–	–	–
Keppel Puravankara Development Private Limited	32.07	–	–	–	–	–	–	–
Propmart Technologies Limited	1.89	0.45	–	–	–	–	–	–
Loans taken from								
Ravi Puravankara	–	–	200.00	–	–	–	–	–
Loans repaid to								
Ravi Puravankara	–		177.80	42.16	–		–	
Puravankara Investments	–	–	–	–	–	–	–	0.19
Advance paid to								
Sobha Puravankara Aviation Private Limited	253.54	45.37	–	–	–	–	–	–
Deposits made								
Sobha Puravankara Aviation Private Limited	–	14.58	–	–	–	–	–	–
Dividend income								
Keppel Puravankara Development Private Limited	407.93	–	–	–	–	–	–	–

30 Related party transactions *(contd...)*

(vii) 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 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Security and maintenance expenses								
Handiman Services Limited	–	–	–	–	–	–	141.58	87.14
Rental expenses								
Sobha Puravankara Aviation Private Limited	36.34	43.26	–	–	–	–	–	–
Puravankara Investments	–	–	–	–	–	–	38.08	32.05
Brokerage expenses								
Propmart Technologies Limited	0.69	–	–	–	–	–	–	–
Travel expenses								
Sobha Puravankara Aviation Private Limited	5.32	–	–	–	–	–	–	–
Sale value of flats								
Tanya Trust	–	–	–	–	–	–	–	11.18
Amanda Trust	–	–	–	–	–	–	–	11.50
Amanda Puravankara	–		–	–	74.79	–	–	–
Remuneration								
Ravi Puravankara	–	–	25.70	22.44	–	–	–	–
Ashish Puravankara	–	–	–	–	13.16	12.53	–	–

31 Employee benefits

A. Defined benefit plan

The Company has gratuity and vacation pay as defined benefit retirement plans for its employees. As at 31 March 2014 and 31 March 2013 the plan assets were invested in insurer managed funds.

Disclosures as required by AS 15 for the year ended 31 March 2014 are as under:

		31 Mar 2014		31 Mar 2013	
		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	97.30	10.57	77.93	6.73
	Fair value of plan assets as at the end of the year	(19.82)	–	(23.25)	–
	Net liability/(asset) recognized in the Balance Sheet	**77.48**	**10.57**	**54.68**	**6.73**
2	**Changes in the present value of defined benefit obligation**				
	Defined benefit obligation as at beginning of the year	77.93	6.73	59.59	28.69
	Service cost	19.28	8.46	19.04	6.98
	Interest cost	6.93	0.53	4.66	0.45
	Actuarial losses/(gains)	(2.57)	(3.29)	0.89	15.99
	Benefits paid	(4.27)	(1.86)	(6.25)	(44.72)
	Curtailment losses/(gains)	–	–	–	(0.66)
	Defined benefit obligation as at the end of the year	**97.30**	**10.57**	**77.93**	**6.73**
3	**Changes in the fair value of plan assets**				
	Fair value as at the beginning of the year	23.25	–	26.82	–
	Expected return on plan assets	1.78	–	2.40	–
	Actuarial (loss)/gains	(0.94)	–	0.28	–
	Contributions	–	1.86	–	44.72
	Benefits paid	(4.27)	(1.86)	(6.25)	(44.72)
	Fair value as at the end of the year	**19.82**	**–**	**23.25**	**–**
	Non-current	76.46	8.76	54.34	6.25
	Current	1.02	1.81	0.34	0.48

31 Employee benefits *(contd...)*

	31 Mar 2014		31 Mar 2013	
	Gratuity	Vacation pay	Gratuity	Vacation pay
Assumptions used in the above valuations are as under:				
Interest rate	9.15%	9.15%	8.25%	8.25%
Discount rate	9.15%	9.15%	8.25%	8.25%
Expected return on plan assets	8.00%	–	8.00%	–
Future salary increase	6.00%	6.00%	6.00%	6.00%
Attrition rate	5.00%	5.00%	2.00%	2.00%
Retirement age	60 years	60 years	60 years	60 years
4 Net gratuity and vacation pay cost for the year ended 31 March 2014 and 31 March 2013 comprises of following components.				
Service cost	19.28	8.46	19.04	6.98
Interest cost	6.93	0.53	4.66	0.45
Actuarial losses/(gains)	(1.63)	(3.29)	0.61	15.99
Expected return on plan assets	(1.78)	–	(2.40)	–
Curtailment losses/(gains)	–	–	–	(0.66)
Net cost	**22.80**	**5.70**	**21.91**	**22.76**

	31 Mar 2014	31 Mar 2013	31 Mar 2012	31 Mar 2011	31 Mar 2010
5 Experience adjustments					
Defined benefit obligation as at the end of the year	97.30	77.93	59.59	52.46	44.80
Plan assets	19.82	23.25	26.82	30.05	29.09
Surplus/(deficit)	(77.48)	(54.68)	(32.77)	(22.41)	(15.71)
Experience adjustments on plan liabilities	(2.57)	0.89	(2.33)	(2.05)	(0.13)
Experience adjustments on plan assets	(0.94)	0.28	0.17	(2.37)	(0.32)

B. Defined contribution plan

The Company makes contribution of statutory provident fund as per Employees' Provident Funds and Miscellaneous Provisions Act, 1952. This is a defined contribution plan as per AS 15. Contribution made was ₹ 24.82 for the year ended 31 March 2014 (31 March 2013 ₹ 24.05).

32 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.

33 Transfer pricing

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

The company has undertaken necessary steps to comply with the Transfer Pricing regulations and the prescribed report from the Accountant will be obtained for the year ending 31 March 2014. The management is of the opinion that the above referred transactions are at arm's length, and hence the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

34 Prior period comparatives

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

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date

For Walker Chandiok & Co LLP
(formerly Walker, Chandiok & Co)
Chartered Accountants

per Aasheesh Arjun Singh
Partner

Bengaluru
16 May 2014

For and on behalf of the Board of Directors

Ravi Puravankara
Chairman and Managing Director

Nani R Choksey
Deputy Managing Director

Ashish Puravankara
Joint Managing Director

Anil Kumar A
Chief Financial Officer

V P Raguram
Company Secretary

Bengaluru
16 May 2014

	31 Mar 2014	31 Mar 2013
A. Cash flow from operating activities		
Profit before tax and prior period items	**2,428.38**	**3,558.36**
Adjustments for:		
Depreciation and amortization	84.79	70.28
(Profit)/loss on sale of fixed assets	0.37	1.39
Finance expenses, net	2,275.94	2,317.91
Share of (profit)/loss in associates	(1.39)	(152.20)
Operating profit before working capital changes	**4,788.09**	**5,795.74**
Movements in working capital :		
(Increase)/Decrease in trade receivables	(594.77)	(1,153.26)
(Increase)/Decrease in inventories of raw materials	47.35	(73.30)
(Increase)/Decrease in loans and advances & other current assets	(1,481.26)	(395.24)
(Increase)/Decrease in properties under development	(4,230.23)	(1,319.35)
(Increase)/Decrease in properties held for sale	573.90	(1,478.02)
Increase/(Decrease) in current liabilities and provisions	3,456.71	(79.42)
Cash (used in)/received from operations	**2,559.79**	**1,297.15**
Direct taxes paid	(793.92)	(898.06)
Net cash from/(used in) operating activities	**1,765.87**	**399.09**
B. Cash flows from investing activities		
Purchase of fixed assets	(140.79)	(216.40)
Proceeds from sale of fixed assets	1.19	2.22
Loans to associates	(9.78)	(21.73)
Loans repaid by associates	49.81	5.73
Purchase of units of liquid mutual funds	(716.46)	(534.28)
Proceeds from sale of units of liquid mutual funds	773.63	477.11
Properties held for development	(375.41)	(66.20)
Deposits and advances	(657.29)	(55.12)
Net investment in bank deposits and margin monies	98.71	(161.28)
Dividend income received	407.93	–
Interest received	113.30	51.59
Net cash from/(used in) investing activities	**(455.16)**	**(518.36)**

	31 Mar 2014	31 Mar 2013
C. Cash flows from financing activities		
Proceeds from term loans	6,379.20	10,727.37
Repayment of term loans	(7,613.03)	(4,211.64)
Proceeds from share capital (including premium)	1,921.76	–
Share capital issue expenses	(153.96)	–
Repayment of debentures	(979.60)	(1,960.40)
Proceeds from/(repayments of) unsecured loan	(15.27)	209.70
Proceeds from/(repayments of) cash credit and working capital loans	1,321.06	(396.46)
Dividend paid including taxes	(339.76)	(248.04)
Finance charges paid	(2,451.44)	(2,423.70)
Net cash generated from/(used in) financing activities	**(1,931.04)**	**1,696.83**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**(620.33)**	**1,577.56**
Cash and cash equivalents at the beginning of the year	**2,275.37**	**697.81**
Cash and cash equivalents at the end of the year	**1,655.04**	**2,275.37**
Components of cash and cash equivalents		
Cash and bank balances (as per Note 19 to the financial statements)	1,737.31	2,333.58
Less: Bank deposits and margin monies considered separately	82.27	58.21
	1,655.04	**2,275.37**

This is the Consolidated Cash Flow Statement referred to in our report of even date

For Walker Chandiok & Co LLP
(formerly Walker, Chandiok & Co)
Chartered Accountants

per Aasheesh Arjun Singh
Partner

Bengaluru
16 May 2014

For and on behalf of the Board of Directors

Ravi Puravankara
Chairman and Managing Director

Nani R Choksey
Deputy Managing Director

Ashish Puravankara
Joint Managing Director

Anil Kumar A
Chief Financial Officer

V P Raguram
Company Secretary

Bengaluru
16 May 2014

Standalone Financials

To the Members of
Puravankara Projects Limited

1. We have audited the accompanying financial statements of Puravankara Projects Limited, ("the Company"), which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss for year then ended, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
   i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
   ii) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
   iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8. As required by Section 227(3) of the Act, we report that:
   (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   (c) the financial statements dealt with by this report are in agreement with the books of account;
   (d) in our opinion, the financial statements comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 ; and
   (e) on the basis of written representations received from the directors, as on 31 March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For Walker Chandiok & Co LLP
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No.: 001076N

per Aasheesh Arjun Singh
Partner
Membership No.: 210122

Bengaluru
16 May 2014

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 program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) (a) The Company has granted secured/unsecured loans to sixteen parties covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year is ₹ 2,469,612,261 and the year-end balance is ₹ 1,998,915,506.

(b) The Company has granted interest free loans to certain subsidiaries and interest bearing loans to other parties covered under Section 301 of the Act. In our opinion, the interest free nature, the rate of interest, where applicable, and other terms and conditions of such loans are not, prima facie, prejudicial to the interest of the Company.

(c) In respect of loans given, the interest and principal amounts are repayable on demand and since the repayment of such amounts have not been demanded, in our opinion, receipt of the principal amount and interest is regular.

(d) There is no overdue amount in respect of loans granted to such companies, firms or other parties.

(e) The Company has taken secured/unsecured loans from three parties covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year is ₹ 684,807,388 and the year-end balance is ₹ 434,738,735.

(f) In our opinion, the rate of interest, where applicable and other terms and conditions of loans taken by the Company are not, prima facie, prejudicial to the interest of the Company.

(g) In respect of loans taken, the interest, where applicable and principal amounts are repayable on demand and since the repayment of such amounts have not been demanded, in our opinion, payment of the principal amount and interest is regular.

(iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

(v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered.

(b) In our opinion, for certain transactions made in pursuance of such contracts or arrangements and exceeding the value of ₹ 500,000 in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time. Further, owing to the unique and specialized nature of certain items involved and in the absence of any comparable prices for such items, we are unable to comment as to whether the transactions made in pursuance of such contracts or arrangements have been made at the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.

(vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Amount Paid Under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
The Karnataka Value Added Tax Act, 2003.	Value Added Tax (including interest & penalty on an approximate basis)	2,545,554	2,545,554	2005-2006	Karnataka Appellate Tribunal
The Karnataka Value Added Tax Act, 2003.	Value Added Tax (including interest & penalty on an approximate basis)	4,186,160	4,186,160	2005-2006	Karnataka Appellate Tribunal
The Karnataka Value Added Tax Act, 2003.	Value Added Tax (including interest & penalty on an approximate basis)	1,989,958	1,465,408	2006-2007	Karnataka Appellate Tribunal
The Karnataka Value Added Tax Act, 2003.	Value Added Tax (including interest & penalty on an approximate basis)	3,313,935	1,656,968	2008-2009	The Joint Commissioner (Appeals)
The Karnataka Value Added Tax Act, 2003.	Value Added Tax (including interest & penalty on an approximate basis)	2,218,120	1,064,060	2009-2010	The Joint Commissioner (Appeals)
The Karnataka Value Added Tax Act, 2003.	Value Added Tax (including interest & Penalty on an approximate basis)	8,477,107	4,238,554	2010-2011	Joint Commissioner of Commercial Taxes (Appeals)
Chapter V of the Finance Act, 1994	Irregular shifting from Construction of Complex service to Works contract service including Interest & penalty	51,708,346	-	2007- 2008	Customs, Excise & Service Tax Appellate Tribunal, Bangalore
Chapter V of the Finance Act, 1994	Service tax not paid on other services	20,213,578	-	2002-2006	Customs, Excise & Service Tax Appellate Tribunal, Bangalore

Name of the statute	Nature of dues	Amount (₹)	Amount Paid Under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
The Income-Tax Act, 1961	Deduction under section 80IB	665,471	–	2003-2004	High Court of Bombay *
The Income-Tax Act, 1961	Deduction under section 80IB	21,273,125	3,000,000	2004-2005	High Court of Bombay *
The Income-Tax Act, 1961	Deduction under section 80IB	4,161,619	3,000,000	2005-2006	High Court of Bombay *
The Income-Tax Act, 1961	Deduction under section 80IB	11,665,066	–	2006-2007	High Court of Bombay *
The Income-Tax Act, 1961	Deduction under section 80IB	8,129,834	–	2007-2008	High Court of Bombay *
The Income-Tax Act, 1961	Deduction under section 80IB	11,398,793	–	2008-2009	High Court of Bombay *
The Income-Tax Act, 1961	Deduction under section 80IB	5,439,355	–	2009-2010	Commissioner Income Tax – Appeals
The Income-Tax Act, 1961	Deduction under section 80IB	5,387,358	–	2010-2011	Commissioner Income Tax – Appeals

* The disputed amount represents demand received on denovo assessment as per the directions of Income Tax Appellant Tribunal. The department has filed an appeal against the above order which is pending adjudication with the Honorable High Court of Bombay.

(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) The Company has no dues payable to a financial institution. In our opinion, the Company has not defaulted in repayment of dues to a bank or to debenture-holders during the year.

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

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

(xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.

(xv) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are not, prima facie, prejudicial to the interest of the Company.

(xvi) In our opinion, the term loans were applied for the purpose for which the loans were obtained, other than temporary deployment pending application.

(xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment by the Company.

(xviii) During the year, the Company has not made any preferential allotment of shares to parties and 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 security in respect of debentures issued; however the debentures were completely repaid during the year.

(xx) We have verified the end use of money raised by public issue as disclosed by the management in the other explanatory information to the financial statements.

(xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

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

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

Bengaluru
16 May 2014

Balance Sheet as at 31 March 2014

(All amounts in ₹ million, unless otherwise stated)

	Note	31 Mar 2014	31 Mar 2013
Equity and Liabilities			
Shareholders' Funds			
Share capital	2	1,185.75	1,067.12
Reserves and surplus	3	16,923.15	14,774.15
		18,108.90	15,841.27
Non-Current Liabilities			
Long-term borrowings	4	5,856.12	7,197.26
Deferred tax liability, (net)	5	1.33	1.44
Other long-term liabilities	6	14.06	10.23
Long-term provisions	7	71.74	49.78
		5,943.25	7,258.71
Current Liabilities			
Short-term borrowings	8	6,723.86	7,472.93
Trade payables	9	1,336.48	1,146.28
Other current liabilities	9	7,067.10	2,685.24
Short-term provisions	7	541.27	250.06
		15,668.71	11,554.51
Total		39,720.86	34,654.49
Assets			
Non-Current Assets			
Fixed assets			
Tangible assets	10	721.56	700.25
Intangible assets	11	44.04	25.54
Capital work-in-progress		2.12	5.51
		767.72	731.30
Non-current investments	12	351.38	557.72
Properties held for development	13	5,568.52	6,147.32
Long-term loans and advances	14	3,736.84	3,628.81
Other non-current assets	16	8.81	141.29
		10,433.27	11,206.44
Current Assets			
Current investments	12	221.19	57.17
Inventories	17		
Raw materials		207.50	313.98
Properties under development		17,614.40	15,501.45
Properties held for sale		4,360.10	1,915.69
		22,182.00	17,731.12
Trade receivables	15	2,627.53	2,158.09
Cash and bank balances	18	1,357.51	2,053.82
Short-term loans and advances	14	1,862.24	872.97
Other current assets	16	1,037.12	574.88
		29,066.40	23,390.88
Total		39,720.86	34,654.49
Significant accounting policies and other explanatory information	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 LLP
(formerly Walker, Chandiok & Co)
Chartered Accountants

per Aasheesh Arjun Singh
Partner

Bengaluru
16 May 2014

For and on behalf of the Board of Directors

Ravi Puravankara
Chairman and Managing Director

Nani R Choksey
Deputy Managing Director

Ashish Puravankara
Joint Managing Director

Anil Kumar A
Chief Financial Officer

V P Raguram
Company Secretary

Bengaluru
16 May 2014

Statement of Profit and Loss for the year ended 31 March 2014

(All amounts in ₹ million, unless otherwise stated)

	Note	31 Mar 2014	31 Mar 2013
Income			
Revenue from operations			
Revenue from projects	19	9,123.71	8,015.52
Other operating revenues	19	103.11	137.04
Other income	19	438.57	25.87
Total		**9,665.39**	**8,178.43**
Expenses			
Material and contract cost	20	4,789.29	3,724.10
Land cost		3,874.93	755.25
Decrease/(increase) in inventory of properties under development and properties held for sale	21	(4,557.36)	(1,766.71)
Employee benefits expense	22	678.20	549.59
Finance expense, net	23	2,011.10	2,208.28
Depreciation and amortization	24	63.20	54.40
Other expenses	25	1,396.39	985.44
Total		**8,255.75**	**6,510.35**
Profit before tax		**1,409.64**	**1,668.08**
Tax expense			
Current tax		349.45	544.87
Deferred tax		(0.11)	0.40
Net profit for the year		**1,060.30**	**1,122.81**
Earnings per share (Nominal value ₹ 5 per share)			
Basic (₹)	26	4.55	5.26
Diluted (₹)	26	4.55	5.26
Significant accounting policies and other explanatory information	1		

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

This is the Statement of Profit and Loss referred to in our report of even date

For Walker Chandiok & Co LLP
(formerly Walker, Chandiok & Co)
Chartered Accountants

per Aasheesh Arjun Singh
Partner

Bengaluru
16 May 2014

For and on behalf of the Board of Directors

Ravi Puravankara
Chairman and Managing Director

Nani R Choksey
Deputy Managing Director

Ashish Puravankara
Joint Managing Director

Anil Kumar A
Chief Financial Officer

V P Raguram
Company Secretary

Bengaluru
16 May 2014

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 provisions of the Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (to the extent applicable). The accounting policies have been consistently applied unless otherwise stated.

b. Use of estimates

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

c. Revenue recognition

Revenue from projects

Revenue from the sale of properties is recognized when significant risks and rewards of ownership have been transferred to the customer, which coincides with entering into a legally binding agreement.

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

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

Effective 1 April 2012, in accordance with the "Guidance Note on Accounting for Real Estate Transactions (Revised 2012)" (Guidance note) all projects commencing on or after the said date or projects where revenue is recognized for the first time on or after the above date, construction revenue on such projects have been recognized on percentage of completion method provided the following thresholds have been met:

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

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

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

(d) at least 10 percent of the agreements are realized at the reporting date in respect of such contracts.

Contract revenues represent the aggregate amounts of sale price for agreements entered into and are accrued based on the percentage that the actual construction costs incurred until the reporting date bears to the total estimated construction costs to completion. Land costs are not included for the purpose of computing the percentage of completion.

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

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

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

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

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

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.

d. Properties under development

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

e. Properties held for sale

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

f. Properties held for development

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

g. Fixed assets

Fixed assets are stated at cost less accumulated depreciation/amortization and impairment losses. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use. Fixed assets purchased in foreign currency are recorded at the actual rupee cost incurred.

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

h. Depreciation/amortization

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

i. Borrowing cost

Borrowing 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 Statement of Profit and Loss as incurred.

j. Advertisement and promotional expense

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

k. Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be

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

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

l. Investments

Investments that are readily realizable and intended to be held for not more than one year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the long-term investments.

m. Cash and cash equivalents

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

n. Inventory

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

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

o. Foreign currency transactions

(a) Initial recognition

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

(b) Conversion

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

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

p. Leases

Finance leases

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

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

Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term unless other systematic basis is more representative of the time pattern of the benefit.

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

q. Employee benefits

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

Provident fund

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

Gratuity

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

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

Vacation pay

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

Other short-term benefits

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

r. Tax expense

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

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

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

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 Share capital

	31 Mar 2014	31 Mar 2013
Authorized shares		
320.00 million (31 March 2013- 320.00 million) equity shares of ₹ 5 each	1,600.00	1,600.00
Issued, subscribed and fully paid up shares		
237.15 million (31 March 2013- 213.42 million) equity shares of ₹ 5 each	1,185.75	1,067.12
	1,185.75	**1,067.12**

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

Equity shares

	31 Mar 2014		31 Mar 2013	
	No. in million	₹ million	No. in million	₹ million
Balance at the beginning of the year	213.42	1,067.12	213.42	1,067.12
Issued during the year	23.73	118.63	–	–
Outstanding at the end of the year	**237.15**	**1,185.75**	**213.42**	**1,067.12**

b. Terms/rights attached to equity shares

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

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

The Board has proposed an annual dividend for all shareholders of the Company amounting to ₹ 1.92 per equity share (31 March 2013- ₹ 1) and additionally declared interim dividend amounting to nil (31 March 2013 - ₹ 2.50) as distribution to shareholders excluding promoter (including promoters group) shareholders.

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

	31 Mar 2014		31 Mar 2013	
	No. in million	% holding in the class	No. in million	% holding in the class
Equity shares of ₹ 5 each fully paid up				
Ravi Puravankara	177.85	74.99%	191.99	89.96%

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

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

The Company has not issued any bonus shares nor there has been any buy back of shares during five years immediately preceding 31 March 2014.

e. Shares reserved for issue under options

On 1 July 2006, the members of the Company approved the Puravankara Projects Limited 2006 Employee Stock Option Scheme ('ESOS' or 'the Plan') of the Company. The plan provides for the issuance of stock options to eligible employees (including directors of the Company) with the total options issuable under the Plan not to exceed 1,366,080 options and includes a limit for the maximum and minimum number of options that may be granted to each employee. Under the plan, these options vest over a period of four years and can be exercised for a period of one year from vesting. As on 31 March 2014, there are no options outstanding under the above plan.

3 Reserves and surplus

	31 Mar 2014	31 Mar 2013
Securities premium reserve		
Balance at the beginning of the year	7,988.81	7,988.81
Add: Premium on issue of shares	1,803.13	–
Less: Share issue expenses*	153.96	–
Balance at the end of the year	9,637.98	7,988.81
*In accordance with the directives issued by SEBI, the Company has issued 23.72 million equity shares at a premium of ₹ 76.00 per share through the Institutional Placement Programme ('IPP'). Additionally, the promoter has divested an additional 14.14 million equity shares through an Offer For Sale ('OFS'), to comply with the requirements of promoter share holding not to exceed 75%. The expenditure adjusted against securities premium represents the cost incurred for the above. Management is of the opinion that, there are no cost that are attributable for the OFS.		
Debenture redemption reserve		
Balance at the beginning of the year	198.51	214.12
Less: Premium paid on redemption of debentures	–	–
Less: Written back to the Statement of Profit and Loss during the year	360.00	325.62
Add: Transfer from the Statement of Profit and Loss during the year	161.49	310.01
Balance at the end of the year	–	198.51
General reserve		
Balance at the beginning of the year	611.30	499.00
Add: Transfer during the year	106.10	112.30
Balance at the end of the year	717.40	611.30
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	5,975.53	5,261.77
Add: Net profit for the year	1,060.30	1,122.81
Add: Debenture redemption reserve written back	360.00	325.62
Less: Transfer to debenture redemption reserve	161.49	310.01
Profit available for appropriation	7,234.34	6,400.19
Appropriations		
Less: Dividend		
- Interim	–	53.57
- Proposed	455.33	213.42
Less: Tax on distribution of dividend		
- Interim	–	9.10
- Proposed	77.38	36.27
Less: Transfer to general reserve	106.10	112.30
Less: Adjustment for dividend due to change in shareholding	27.76	–
Balance at the end of the year	6,567.77	5,975.53
	16,923.15	14,774.15

4 Long-term borrowings

	Non-current		Current	
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
Secured				
Debentures				
nil (31 March 2013 - 40) Non-convertible redeemable debentures of ₹ 5 mn each	–	114.32	–	21.68
Term loans				
From banks	4,087.22	1,944.76	1,309.67	562.06
From others	1,591.57	4,943.83	1,095.21	713.50
Unsecured				
Term loans				
From others	177.33	194.35	17.10	15.35
	5,856.12	7,197.26	2,421.98	1,312.59
Amount disclosed under "Other current liabilities" (refer note 9)	–	–	(2,421.98)	(1,312.59)
	5,856.12	7,197.26	–	–

4 Long-term borrowings *(contd...)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2014	As at 31 March 2013
Debentures					
i.	40 secured redeemable non convertible debentures of ₹ 5 mn each	Mortgage of land parcel at Uganvadi Village, Kasaba Hobli, Devanahalli Taluk, proportionate undivided share of land with respect to unsold units of Purva Venezia and Purva Highland Projects, receivables of sold and unsold units of these projects and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Redeemable in 7 quarterly installments starting from Jul 2013.	–	136.00
				–	136.00
	The interest on above debentures are linked to the base rate of a bank which is floating in nature. As on the Balance Sheet date, the interest rate is			–	16.75%
Term Loans from banks (Secured)					
i.	Term loan facility from Standard Chartered Bank - ₹ 3,215	Mortgage of property together with all buildings and structures thereon, both present and future along with scheduled receivables of Purva Windermere Phase - I, II & III and also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company. This facility includes overdraft limit of ₹ 805 which is repayable as per the terms of the facility.	Repayable in 16 quarterly installments commencing from 31 Mar 2015	2,766.88	–
ii.	Term loan facility from Citi Bank - ₹ 165	Mortgage of three residential flats at Purva Grande Project, Lavelle Road, Bengaluru and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 54 monthly installments commencing from Jan 2014.	157.75	–
iii.	Term loan facility of ₹ 1,000 from ICICI Bank Limited	This facility is secured by an exclusive charge by way of equitable mortgage of 87,000 sq.ft land situated at Maduvankari village, Chennai together with all buildings and structures thereon both present and future, undivided share of land of Purva Bluemont Project Phase I (excluding the proportionate share of sold area of 498,072 sq.ft approx) together with all buildings and structures thereof both present and future and hypothecation of scheduled receivables, Escrow account and DSR account of Purva Bluemont Project Phase I, an extension of charge by way of equitable mortgage on undivided share of land of Purva Swanlake Project (excluding the proportionate share of sold area of 550,134 sq.ft approx) together with all buildings and structures thereof both present and future, extension of charge by hypothecation of scheduled receivables, Escrow account and DSR account and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 30 monthly installments commencing from 15 Sep 2013.	781.21	1,000.00

4 Long-term borrowings *(contd...)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2014	As at 31 March 2013
iv.	Term loan facility from ICICI Bank Limited- ₹ 1,500	Mortgage of a land (with building and structure thereon both present and future) located at Plot no. D4, Sy. no. 843, Ernakulam, receivables of Purva Season Project and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 30 installments starting from Aug 2013.	1,020.87	1,489.70
v.	Term loan facility from IDBI Bank Limited- ₹ 880	Mortgage of immovable property at Edapally, Kochi measuring about 11.15 acres and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 8 equal quarterly installments starting from 01 Oct 2013.	660.00	–
vi.	Other loans (Vehicle loans)	Secured by a charge against respective vehicles.	Repayable in 36 to 60 monthly installments.	10.18	17.12
				5,396.89	**2,506.82**
	The interest on above term loans from banks are linked to the respective banks base rates which are floating in nature. As on the Balance Sheet date, the interest rates per annum ranges between			8.35% to 15.00%	8.35% to 14.75%
Term loans from others (Secured)					
i.	Term loan facility of ₹ 900 from PNB Housing Finance Limited	This facility is secured by registered mortgage of 41 residential units admeasuring 5,334.26 sq.mtrs at Purva Venezia, 19 residential units admeasuring 3,510.68 sq.mtrs at Purva Atria Platina and by way of equitable mortgage of 50 residential units admeasuring 13,659.42 sq.mtrs at Purva Oceana.	Repayable in 60 equal monthly installments starting from Feb 2014.	878.71	–
ii.	Term loan facility of ₹ 1,765 from J.P Morgan Advisors India Private Limited	This facility is secured by a first ranking mortgage and charge pari passu with the other Project lenders in the form of an English/registered mortgage (without possession) over Purva Windermere Project with all collections and receivables and also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 16 quarterly installments commencing from Mar 2015.	–	1,765.00
iii.	Term loan facility of ₹ 1,100 from J.P Morgan Securities India Private Limited	This facility is secured by a first ranking mortgage and charge pari passu with the other Project lenders in the form of an English/registered mortgage (without possession) over Purva Windermere Project with all collections and receivables and also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 16 quarterly installments commencing from Mar 2015.	–	1,100.00

4 Long-term borrowings *(contd...)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2014	As at 31 March 2013
iv.	Credit facility of ₹ 1,500 from HDFC Limited	This facility is secured by mortgage of land admeasuring 8.41 acres (366,339.60 sq.ft) located at Ernakulam Village, Kanayannur Taluk, Marine Drive, Kochi, mortgage of land admeasuring 4 acres 26 guntas located at Kudlu Village, Sarjapura Hobli, Anekal Taluk, Bengaluru, extension of mortgage of unsold developer's share of built up area and undivided land of Purva Grandbay, Kochi, extension of mortgage of unsold developer's share of built up area and undivided land of Purva Eternity, Kochi and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 24 monthly installments commencing from Jun 2014.	1,451.02	1,250.00
v.	Kotak Mahindra Prime Limited - ₹ 250	Mortgage of land parcel at Chengalpet Taluk, Kancheepuram District, hypothecation of receivables and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 20 monthly installments starting from Dec 2013.	–	250.00
vi.	Karvy Financial Services Limited - ₹ 200	Mortgage of three residential flats at Purva Grande Project, Lavelle Road, Bengaluru and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 24 monthly installments starting from Feb 2013.	–	185.93
vii.	Credit facility of ₹ 230 from Reliance Home Finance Limited	Mortgage of property (Purva Oceana) together with all buildings and structures thereon, both present and future at Marine Drive, Kochi, scheduled receivables of the project and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 18 monthly installments commencing from Feb 2013.	–	207.15
viii.	Sammy's Dream Land Co. Pvt Limited - ₹ 350	Mortgage of land parcel at Edapally, Ernakulam owned by the Company and Melmont Construction Pvt Limited.	Repayable in 2 equal installments in Jun 2014 and Sep 2014 respectively.	350.00	350.00

4 Long-term borrowings *(contd...)*

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2014	As at 31 March 2013
ix.	Sammy's Dream Land Co. Pvt Limited- ₹ 400	Secured by undivided right, title and interest in Purva Bluemont Project to the extent of 337,427 sq.ft attributable to Phase II development of the project.	Repayable in 4 quarterly equal installments.	–	400.00
x.	Reliance Capital Limited - ₹ 284.30	Mortgage of property (Purva Oceana) together with all buildings and structures thereon, both present and future at Marine Drive, Kochi, scheduled receivables of the project and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 15 equated monthly installments starting from Aug 2012.	–	140.04
xi.	Vehicle Loan from Kotak Mahindra Prime Limited	Secured by a charge against respective vehicle.	Repayable in 36 to 60 monthly installments.	7.05	9.21
				2,686.78	**5,657.33**
Term loan from others (Unsecured)					
i.	HDFC Limited- ₹ 220	Mortgage of non residential property, Purva Premier owned by Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 108 equated monthly installments starting from Jul 2012.	194.43	209.70
				194.43	**209.70**
	The interest on above term loans from others are primarily linked to the respective benchmarks which are floating in nature. As on the Balance Sheet date, the interest rates per annum ranges between			9.78% to 16.50%	9.78% to 19.00%

5 Deferred tax liability/(asset), net

	31 Mar 2014	31 Mar 2013
Deferred tax liability arising on account of depreciation	43.13	31.82
Less: Deferred tax asset arising on account of:		
Expenses allowable on payment basis		
Gratuity	(19.80)	(12.83)
Vacation pay	(2.46)	(1.48)
Bonus	(5.43)	(7.66)
Lease rent	(14.11)	(8.41)
	1.33	1.44

6 Other long-term liabilities

Security deposits	14.06	10.23
	14.06	10.23

7 Provisions

	Non-current		Current	
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
Provision for employee benefits				
Gratuity	65.13	44.97	–	–
Vacation pay	6.61	4.81	1.47	0.37
Provision for tax (net of advance tax)	–	–	7.09	–
Other provisions				
Proposed dividend	–	–	455.33	213.42
Tax on proposed dividend	–	–	77.38	36.27
	71.74	49.78	541.27	250.06

8 Short-term borrowings

	31 Mar 2014	31 Mar 2013
Secured		
Debentures*	–	843.60
Term loans from banks*	2,533.27	2,854.68
Term loans from others*	–	300.20
Cash credit and other loan from banks	1,725.45	2,488.08
	4,258.72	6,486.56
Unsecured		
From bank	2,028.61	574.31
Interest free loan from related parties repayable on demand	218.09	195.90
Loan from related parties repayable on demand	218.44	216.16
	2,465.14	986.37
	6,723.86	7,472.93
* Classified based on the operating cycle of the Company.		
The amount repayable within twelve months:		
Debentures	–	134.82
Term loans from banks	816.86	1,706.53
Term loans from others	–	300.20

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

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2014	As at 31 March 2013
Debentures					
i.	248 secured redeemable non convertible debentures of ₹ 5 mn each	Mortgage of a land parcel at Uganvadi Village, Kasaba Hobli, Devanahalli Taluk, proportionate undivided share of land with respect to unsold units of Purva Venezia and Purva Highland Projects, receivables of sold and unsold units of these projects and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Redeemable in 7 quarterly installments starting from Jul 2013.	–	843.60
				–	843.60
	The interest on above debentures are linked to the base rate of a bank which is floating in nature. As on the Balance Sheet date, the interest rate is			–	16.75%
Term Loans from banks (Secured)					
i.	Credit facility of ₹ 600 from Standard Chartered Bank	This facility is secured by exclusive charge over land & buildings and receivables of Purva Sunflower, Purva Gainz and Purva Primus Projects, first and pari passu charge over unsold units and receivables of Purva Midtown Project. All these securities are cross collateralised with each other. This facility includes overdraft limit of ₹ 150 which is repayable as per the terms of the facility.	Repayable in 5 quarterly installments starting from Sep 2015.	298.00	–
ii.	Term loan facility from ICICI Bank Limited- ₹ 500	Mortgage of a land (with building and structure thereon both present and future) located at Plot no. D4, Sy. no. 843, Ernakulam, receivables of Purva Season Project and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 30 installments starting from Aug 2013.	400.00	100.00
iii.	Term loan facility from IndusInd Bank - ₹ 550	This facility is secured by an exclusive charge by way of equitable mortgage of 44 unsold units of Purva Skywood project. This facility includes overdraft limit of ₹ 251.50 which is repayable as per the terms of the facility.	Repayable in 15 monthly installments commencing from Sep 2014.	378.80	–
iv.	Credit facility of ₹ 200 from Standard Chartered Bank	This facility is secured by exclusive charge over land & buildings and receivables of Purva Gainz, Purva Primus and Purva Sunflower Projects, first and pari passu charge over unsold units and receivables of Purva Midtown Project. All these securities are cross collateralised with each other. This facility includes overdraft limit of ₹ 50 which is repayable as per the terms of the facility.	Repayable in the form of bullet repayment at the end of the tenor which is Oct 2015.	150.00	79.00

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

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2014	As at 31 March 2013
v.	Credit facility of ₹ 450 from Standard Chartered Bank	This facility is secured by exclusive charge over land & buildings and receivables of Purva Gainz, Purva Primus and Purva Sunflower Projects, first and pari passu charge over unsold units and receivables of Purva Midtown Project. All these securities are cross collateralised with each other. This facility includes overdraft limit of ₹ 110 which is repayable as per the terms of the facility.	Repayable in the form of bullet repayment at the end of the tenor which is Oct 2015.	340.00	305.00
vi.	Term loan facility from ICICI Bank Limited- ₹ 1,250	Mortgage of a land (with building and structure thereon both present and future) located at Padur, Keelambakkam village, Chennai, equitable mortgage on Plot no. D4, Survey no. 843, Ernakulam (together with all buildings and structure thereon, present and future), receivables of Purva Season Project and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	Repayable in 24 installments starting from Aug 2013.	966.47	980.68
vii.	Term loan facility from Standard Chartered Bank- ₹ 2,000	As on 31 Mar 13, this facility was secured by exclusive charge on 5 acres land at Coimbatore, land and buildings and receivables of Midtown Project, Cosmo City Project, Skywood Project and Company's share in Harmony Project on cross collateralized basis and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 18 monthly installments commencing from Sep 2012.	–	1,270.00
viii.	Term loan facility from Standard Chartered Bank- ₹ 350	As on 31 Mar 13, this facility was secured by exclusive charge on 5 acres land at Coimbatore, land and buildings and receivables of Midtown Project, Cosmo City Project, Skywood Project and Company's share in Harmony Project on cross collateralized basis and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 4 quarterly installments starting from Sep 2012.	–	120.00
				2,533.27	2,854.68
	The interest on above term loans from banks are linked to the respective banks base rates which are floating in nature. As on the Balance Sheet date, the interest rates per annum ranges between			13.50% to 15.00%	13.65% to 14.75%

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

Sl. No	Particulars	Nature of security	Repayment details	As at 31 March 2014	As at 31 March 2013
Term Loans from others (Secured)					
i.	Kotak Mahindra Prime Limited- ₹ 250	Mortgage of land at Chengalpet Taluk, Kancheepuram District, hypothecation of receivables and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 27 monthly installments commencing from Sep 2011.	–	75.20
ii.	HDFC Limited- ₹ 340	Mortgage of land at Ernakulam Marine Drive with building constructed thereupon, present and future receivables of sold and unsold units and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 21 monthly installments starting from Nov 2011.	–	125.00
iii.	HDFC Limited- ₹ 350	Mortgage of land at Kakanad, Kochi with building constructed thereupon, present and future receivable of sold and unsold units and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.	Repayable in 21 monthly installments starting from Oct 2011.	–	100.00
				–	300.20
	The interest on above term loans from others are primarily linked to the respective benchmarks which are floating in nature. As on the Balance Sheet date, the interest rates per annum ranges between			13.50%	14.75% to 18.75%
Cash credit and other loan from banks (Secured)					
i.	Cash credit facility of ₹ 1,180 from Andhra Bank	Secured against the properties of the Company and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.		1,293.02	1,238.46
ii.	Working capital facility of ₹ 1,100 from IDBI Bank	Secured against the properties of the Company and personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.		–	985.77
iii.	Overdraft facility of ₹ 800 from Andhra Bank	Secured against the land together with the buildings and structure thereon at Geddalahalli, Bengaluru and is also backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director and Mr. Ashish Puravankara, Joint Managing Director of the Company.		–	263.85

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

Sl. No	Particulars	Nature of security	As at 31 March 2014	As at 31 March 2013
iv.	Overdraft facility of ₹ 500 from Dhanlaxmi Bank	Mortgage of land parcel in the 42 acres owned by the company situated at Uganavadi village, Bengaluru and backed by the personal guarantee of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	432.43	–
			1,725.45	2,488.08
From banks (Unsecured)				
i.	Working Capital facility of ₹ 650 from Deutsche Bank	Secured by pledge of personal investments of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	359.61	403.31
ii.	Short Term Loan of ₹ 1,690 from Barclays PLC	Secured by pledge of personal investments of Mr. Ravi Puravankara, Chairman and Managing Director of the Company.	1,669.00	171.00
			2,028.61	574.31
	The interest on above loans from others are primarily linked to the respective benchmarks which are floating in nature. As on the Balance Sheet date, the interest rates per annum ranges between		9.50% to 15.50%	9.63% to 15.75%

9 Trade payables

	31 Mar 2014	31 Mar 2013
Trade payables	1,227.08	1,072.13
Due to subsidiaries	–	72.39
Due to related parties	109.40	1.76
	1,336.48	1,146.28
Other current liabilities		
Current maturities of long term borrowings (refer note 4)	2,421.98	1,312.59
Advances received from customers	1,010.73	712.88
Interest accrued but not due on borrowings	47.81	75.65
Duties and taxes payable	65.45	47.67
Other payables	3,520.28	473.29
Interim dividend payable	–	53.57
Tax payable on dividend	–	9.10
Unpaid dividend	0.85	0.49
	7,067.10	2,685.24

10 Tangible assets

	Land *	Buildings	Plant and machinery	Office equipments	Computers	Furniture and fixtures	Vehicles	Shuttering material	Leasehold improve-ments	Total
Cost										
At 01 April 2012	71.65	136.53	267.64	26.42	31.62	27.37	91.41	198.12	84.71	935.47
Additions	–	35.21	6.73	10.19	29.38	10.98	18.94	4.45	38.77	154.65
Disposals	–	–	–	(0.54)	(0.81)	(1.90)	(10.66)	–	–	(13.91)
At 31 Mar 2013	71.65	171.74	274.37	36.07	60.19	36.45	99.69	202.57	123.48	1,076.21
Additions	–	3.68	4.79	4.61	13.50	6.56	18.85	13.53	12.60	78.12
Disposals	–	–	(0.04)	(0.37)	(0.66)	(0.20)	(3.24)	–	–	(4.51)
At 31 Mar 2014	71.65	175.42	279.12	40.31	73.03	42.81	115.30	216.10	136.08	1,149.82
Depreciation										
At 01 April 2012	–	4.53	93.68	4.78	16.91	7.07	40.22	168.01	1.60	336.80
Charge for the year	–	2.37	10.96	1.53	6.20	2.72	7.86	11.19	6.63	49.46
Disposals	–	–	–	(0.01)	(0.77)	(0.92)	(8.60)	–	–	(10.30)
At 31 Mar 2013	–	6.90	104.64	6.30	22.34	8.87	39.48	179.20	8.23	375.96
Charge for the year	–	2.66	11.29	1.99	8.41	2.96	8.85	10.70	8.40	55.26
Disposals	–	–	(0.03)	(0.17)	(0.60)	(0.11)	(2.05)	–	–	(2.96)
At 31 Mar 2014	–	9.56	115.90	8.12	30.15	11.72	46.28	189.90	16.63	428.26
Net block										
At 31 Mar 2013	71.65	164.84	169.73	29.77	37.85	27.58	60.21	23.37	115.25	700.25
At 31 Mar 2014	71.65	165.86	163.22	32.19	42.88	31.09	69.02	26.20	119.45	721.56

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

11 Intangible assets

	Computer software	Total
Cost		
At 01 April 2012	32.44	32.44
Additions	14.68	14.68
Disposals	–	–
At 31 Mar 2013	47.12	47.12
Additions	26.44	26.44
Disposals	–	–
At 31 Mar 2014	73.56	73.56
Amortization		
At 01 April 2012	16.64	16.64
Charge for the year	4.94	4.94
Disposals	–	–
At 31 Mar 2013	21.58	21.58
Charge for the year	7.94	7.94
Disposals	–	–
At 31 Mar 2014	29.52	29.52
Net block		
At 31 Mar 2013	25.54	25.54
At 31 Mar 2014	44.04	44.04

12 Investments

	31 Mar 2014	31 Mar 2013
Non-current investments - valued at cost unless stated otherwise		
Trade investments - (unquoted)		
Equity instruments		
Investment in subsidiaries (fully paid up)		
Prudential Housing and Infrastructure Development Limited	0.50	0.50
0.05 million equity shares (31 Mar 2013- 0.05 million) of ₹ 10 each		
Centurions Housing and Constructions Private Limited	0.03	0.03
0.01 million equity shares (31 Mar 2013- 0.01 million) of ₹ 10 each		
Melmont Construction Private Limited	0.10	0.10
0.01 million equity shares (31 Mar 2013- 0.01 million) of ₹ 10 each		
Purva Corporation	0.45	0.45
0.01 million equity shares (31 Mar 2013- 0.01 million) of USD 1 each		
Puravankara UK Limited	0.20	–
0.002 million equity shares (31 Mar 2013- nil) of GBP 1 each		
Purva Marine Properties Private Limited	0.15	0.15
0.02 million equity shares (31 Mar 2013- 0.02 million) of ₹ 10 each		
Purva Realities Private Limited	0.10	0.10
0.01 million equity shares (31 Mar 2013- 0.01 million) of ₹ 10 each		
Welworth Lanka Holding Private Limited	89.14	74.49
21.60 million equity shares (31 Mar 2013-18.20 million) of LKR 10 each		
Nile Developers Private Limited	3.42	3.42
0.10 million equity shares (31 Mar 2013- 0.10 million) of ₹ 10 each		
Vaigai Developers Private Limited	0.99	0.99
0.10 million equity shares (31 Mar 2013- 0.10 million) of ₹ 10 each		
Purva Good Earth Properties Private Limited	0.10	0.10
0.01 million equity shares (31 Mar 2013- 0.01 million) of ₹ 10 each		
Purva Star Properties Private Limited	0.10	0.10
0.01 million equity shares (31 Mar 2013- 0.01 million) of ₹ 10 each		
Purva Sapphire Land Private Limited	0.10	0.10
0.01 million equity shares (31 Mar 2013- 0.01 million) of ₹ 10 each		
Purva Ruby Properties Private Limited	0.10	0.10
0.01 million equity shares (31 Mar 2013- 0.01 million) of ₹ 10 each		
Grand Hills Developments Private Limited	0.10	0.10
0.01 million equity shares (31 Mar 2013- 0.01 million) of ₹ 10 each		
Puravankara Hotels Limited	0.50	0.50
0.05 million equity shares (31 Mar 2013- 0.05 million) of ₹ 10 each		
Starworth Infrastructure and Construction Limited	0.50	0.50
0.05 million equity shares (31 Mar 2013- 0.05 million) of ₹ 10 each		
Provident Housing Limited	0.50	0.50
0.05 million equity shares (31 Mar 2013- 0.05 million) of ₹ 10 each		
Purva Land Limited	0.50	0.50
0.05 million equity shares (31 Mar 2013- 0.05 million) of ₹ 10 each		
Investment in associates (fully paid up)		
Propmart Technologies Limited	23.35	23.35
2.34 million equity shares (31 Mar 2013- 2.34 million) of ₹ 10 each		
Keppel Puravankara Development Private Limited	44.10	44.10
4.41 million equity shares (31 Mar 2013- 4.41 million) of ₹ 10 each		
Keppel Magus Development Private Limited*	–	221.19
nil (31 Mar 2013 - 0.36 million of ₹ 610 each)		
* on 9th May 2014, the Company entered into a conditional share purchase agreement to disinvest the entire shareholding.		
Sobha Puravankara Aviation Private Limited	9.95	9.95
0.99 million equity shares (31 Mar 2013 -0.99 million) of ₹ 10 each		
Preference shares		
Investment in associates (fully paid up)		
Keppel Puravankara Development Private Limited	176.40	176.40
17.64 million 13.25% cumulative, redeemable, convertible preference shares (31 Mar 2013- 17.64 million) of ₹ 10 each at par		
	351.38	557.72

12 Investments

	Current	
	31 Mar 2014	31 Mar 2013
Current investments - at the lower of cost and fair value		
Trade investments (unquoted)		
Equity instruments		
Investment in associates (fully paid up)		
Keppel Magus Development Private Limited *	221.19	–
0.36 million equity shares (31 Mar 2013- nil) of ₹ 610 each		
* on 9th May 2014, the Company entered into a conditional share purchase agreement to disinvest the entire shareholding.		
Non-trade (unquoted)		
In units of liquid mutual funds of Birla Sun Life Savings Fund Scheme	–	57.17
	221.19	57.17

13 Properties held for development

	Non-current		Current	
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
At the beginning of the year	6,147.32	6,466.16	–	–
Add: Additions during the year	327.94	51.74	–	–
Add: Transferred from properties under development	–	76.08	–	–
Less: Transferred to subsidiary	5.79	–	–	–
Less: Transferred to properties under development	900.95	446.66	–	–
	5,568.52	6,147.32	–	–

14 Loans and advances

Security deposits				
Unsecured, considered good	1,007.56	797.03	–	–
	1,007.56	797.03	–	–
Loans and advances to related parties				
(Unsecured, considered good)				
Loans to associates *	–	98.22	90.81	31.08
Loans to subsidiaries *	1,998.92	1,984.35	–	–
	1,998.92	2,082.57	90.81	31.08
Other loans and advances				
(Unsecured, considered good)				
Advances to suppliers *	–	–	1,373.07	575.48
Advances for land contracts *	590.69	598.28	–	–
Advance income tax (net of provision for taxation)	40.10	38.52	–	–
Prepaid expenses *	0.37	0.92	28.34	100.60
Taxes and duties recoverable	64.18	65.26	106.35	97.90
Capital advance	2.87	–	–	–
Other advances *	32.15	46.23	263.67	67.91
	730.36	749.21	1,771.43	841.89
Total loans and advances	3,736.84	3,628.81	1,862.24	872.97

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

15 Trade receivables

(Unsecured, considered good)				
Outstanding for a period				
exceeding six months	–	–	624.71	541.53
Other receivables	–	–	2,002.82	1,616.56
	–	–	2,627.53	2,158.09

16 Other assets

	Non-current		Current	
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
Non-current bank balances (refer note 18)	8.77	132.12	–	–
Unbilled revenue	–	–	1,036.71	572.68
Interest accrued but not due on fixed deposits	0.04	9.17	0.41	2.20
	8.81	141.29	1,037.12	574.88

17 Inventories

Raw materials	207.50	313.98
	207.50	313.98
Properties under development		
Land cost	8,885.37	6,616.20
Material and construction cost	8,729.03	8,885.25
	17,614.40	15,501.45
Properties held for sale		
At the beginning of the year	1,915.69	543.24
Add : Additions during the year	3,222.73	2,470.90
Less: Sales during the year	742.63	1,098.45
Less: Write downs during the year	35.69	–
	4,360.10	1,915.69
	22,182.00	17,731.12

18 Cash and bank balances

Cash and cash equivalents				
Cash on hand			2.93	3.20
Balances with banks:				
On current accounts			1,273.99	1,704.09
Cheques in hand			–	9.60
Deposits with original maturity of less than three months			–	280.00
			1,276.92	1,996.89
Other bank balances				
Deposits with maturity for more than 12 months *	8.77	132.12	–	–
Deposits with maturity for less than 12 months *	–	–	37.24	56.34
Margin money deposit	–	–	42.50	0.10
Unpaid dividend account	–	–	0.85	0.49
	8.77	132.12	80.59	56.93
Amount disclosed under non-current assets (refer note 16)	(8.77)	(132.12)	–	–
	–	–	1,357.51	2,053.82

* Represents amounts restricted for use

19 Revenue from operations

	31 Mar 2014	31 Mar 2013
Revenue from projects		
Sale of properties*	9,072.79	7,958.82
Interior	50.92	56.70
	9,123.71	8,015.52
Other operating revenue		
Rental income (refer note 27)	16.50	8.25
Scrap sales	2.66	8.18
Others	83.95	120.61
	103.11	137.04
Other income		
Dividend income from an associate		
- Equity shares	361.18	–
- Preference shares	46.75	–
Others	30.64	25.87
	438.57	25.87

* Revenue from sale of properties includes ₹ 380.30 for the year ended 31 March 2014 (31 March 2013 nil) being the consideration for sale of land.

20 Material and contract cost

Inventory of building material at the beginning of the year	313.98	280.98
Add : Incurred during the year		
Material and contract cost	4,682.81	3,757.10
	4,996.79	4,038.08
Less : Inventory of building material at the end of the year	207.50	313.98
	4,789.29	3,724.10

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

Inventory at the beginning of the year		
Properties under development *	15,501.45	15,107.19
Properties held for sale	1,915.69	543.24
Inventory at the end of the year		
Properties under development	17,614.40	15,501.45
Properties held for sale	4,360.10	1,915.69
	(4,557.36)	(1,766.71)

* Excluding the transfer of property to properties held for development

22 Employee benefits expense

Salaries, wages and bonus	622.35	502.72
Contribution to provident fund and other funds	20.25	19.85
Gratuity expenses	20.16	17.56
Staff welfare	15.44	9.46
	678.20	549.59

23 Finance expense, net *

	31 Mar 2014	31 Mar 2013
Finance expense:		
Interest		
- Term loans	1,684.42	1,228.25
- Cash credits	199.18	406.43
- Debentures	41.63	410.66
Discount on issue of debentures	–	16.04
Loan and other processing charges	147.77	181.85
Bank charges	4.13	4.08
Others	31.35	21.76
	2,108.48	2,269.07
Finance income:		
Bank deposits	41.77	12.75
Interest on loan to associates	9.43	11.60
Interest received from customers	43.08	33.56
Income from units of mutual funds	3.10	2.88
	97.38	60.79
Finance expense, net	2,011.10	2,208.28

* Includes finance expense capitalized and included in properties under development ₹ 1,153.97 for the year ended 31 March 2014 (31 March 2013 ₹ 1,393.78).

24 Depreciation and amortization

Depreciation of tangible assets (refer note 10)	55.26	49.46
Amortization of intangible assets (refer note 11)	7.94	4.94
	63.20	54.40

25 Other expenses

Travel and conveyance	55.38	33.38
Repairs and maintenance		
- buildings	8.40	6.40
- plant & machinery	4.13	7.83
- others	95.87	74.11
Legal and professional expense	265.87	158.01
Rent (refer note 27)	108.68	106.85
Rates and taxes	187.11	115.50
Security charges	79.42	56.02
Communication costs	18.48	13.04
Printing and stationery	21.31	13.28
Advertising and sales promotion	395.29	306.03
Brokerage and referral charges	54.16	35.58
Foreign exchange loss/(gain)	0.26	1.18
Miscellaneous expenses	102.03	58.23
	1,396.39	985.44
Payment to auditor (on accrual basis, excluding service tax)		
As auditor:		
Audit fee	4.00	3.60
In other capacity:		
Certification	2.50	–
Reimbursement of expenses	0.07	0.05
	6.57	3.65

26 Earnings per share (EPS)

	31 Mar 2014	31 Mar 2013
Weighted average number of shares outstanding during the period (million)	233.20	213.42
Add: Dilutive effect of stock options (million)	–	–
Weighted average number of shares used to compute diluted EPS (million)	233.20	213.42
Net profit after tax attributable to equity shareholders	1,060.30	1,122.81
Earnings per share (₹) :		
Basic	4.55	5.26
Diluted	4.55	5.26
Nominal value - Rupees per equity share	5.00	5.00

27 Leases

The lease expense for cancellable and non-cancellable operating leases was ₹ 108.68 for the year ended 31 March 2014 (31 March 2013 - ₹ 106.85). Lease commitments under the non-cancellable operating leases as at the Balance Sheet date were as follows:-

Particulars	31 Mar 2014	31 Mar 2013
a) Within one year	165.48	179.25
b) One to five years	632.36	622.44
c) More than five years	334.96	201.08
Total	1,132.80	1,002.77

Sublease

The Company has sub let one of the properties under a non cancellable operating lease agreement. Lease income was ₹ 16.50 for the year ended 31 March 2014 (31 March 2013 - ₹ 8.25).

28 Other commitments and contingencies

	31 Mar 2014	31 Mar 2013
a) Demand from Service Tax Department	51.71	68.08
b) Demand from Commercial Tax Department	22.64	23.26
c) Deduction under Section 80-IB of the Income - tax Act, 1961 (refer note (i) below)	68.12	140.67
d) Guarantee given by the Company on behalf of subsidiary	2,500.00	2,600.00
e) Company's share of contractual commitments to an associate	288.70	546.87

(i) The Company has received an order from the Income Tax Appellate Tribunal (ITAT) directing the Assessing officer to carryout the denovo assessment of the income for A.Y 2004-05 to 2009-10 reconsidering the claim under Section 80-IB for a project of the Company. During the quarter ended 31 March 2014, the Assessing Officer carried out the denovo assessment for A.Y 2004-05 to 2009-10, proportionately disallowing the deduction of ₹ 164.47 under Sec 80-IB for the above referred project. Consequent to the ITAT order referred above the income tax department has simultaneously preferred an appeal in the Hon'ble High Court of Bombay challenging the ITAT order. As the appeal against the ITAT order is pending with the Hon'ble High Court, the management has not preferred an appeal against the denovo assessment order. Management believes that the above will not have any affect on these financial statements.

Further, the Company has also received a demand for A.Y 2010-11 and 2011-12 for the above project disallowing the deduction under section 80-IB of the Income tax Act, 1961, wherein the management has filed an appeal with Commissioner of Income Tax (Appeals). The management believes that the above will not have any impact on these financial statements.

(ii) The Company is also involved in certain litigation for lands acquired by it for construction purposes, either through a Joint Development Agreement or through outright purchases. These cases are pending with the Civil Courts and scheduled for hearings shortly. After considering the circumstances and legal advice received, management believes that these cases will not adversely effect its financial statements. Further the company has given certain advances for purchase of land under agreements executed wherein it is required to make further payments based on terms/milestones subject to fulfilment of certain conditions by other party.

29 Related party transactions

(i) 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
Welworth Lanka Holding Private Limited
Welworth Lanka Private Limited
Nile Developers Private Limited
Vaigai Developers Private Limited
Grand Hills Developments Private Limited (formerly known as Purva Opel Properties Private Limited)
Purva Star Properties Private Limited
Purva Sapphire Land Private Limited
Purva Ruby Properties Private Limited
Puravankara Hotels Limited
Starworth Infrastructure and Construction Limited
Provident Housing Limited
Purva Land Limited
Purva Good Earth Properties Private Limited
Puravankara (UK) Limited

(ii) Parties where control exists

Mr. Ravi Puravankara

(iii) Key management personnel

Mr. Ravi Puravankara

(iv) Relatives of key management personnel

Ms. Geeta S Vhatkar
Mr. Ashish Puravankara
Ms. Amanda Puravankara

(v) Entities controlled/significantly influenced by key management personnel (other related parties)

Purva Developments
Puravankara Investments
Handiman Services Limited
Dealwel – Proprietorship
Tanya Trust
Amanda Trust
Purva Properties and Resorts Private Limited
Dealwel Estates Private Limited

(vi) Associate companies

Keppel Puravankara Development Private Limited
Keppel Magus Development Private Limited
Propmart Technologies Limited
Sobha Puravankara Aviation Private Limited

29 Related party transactions *(contd...)*

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

Nature of transaction	Subsidiaries		Associates		Key management personnel		Relatives of key management personnel		Other related parties	
	31March 2014	31March 2013	31March 2014	31March 2013	31March 2014	31March 2013	31March 2014	31March 2013	31March 2014	31March 2013
Loans given to										
Keppel Puravankara Development Private Limited	–	–	–	31.08	–	–	–	–	–	–
Keppel Magus Development Private Limited	–	–	90.81	98.22	–	–	–	–	–	–
Purva Realities Private Limited	287.89	287.87	–	–	–	–	–	–	–	–
Melmont Construction Private Limited	1,302.90	1,287.63	–	–	–	–	–	–	–	–
Prudential Housing and Infrastructure Development Limited	17.83	17.77	–	–	–	–	–	–	–	–
Nile Developers Private Limited	134.39	128.36	–	–	–	–	–	–	–	–
Vaigai Developers Private Limited	109.49	104.62	–	–	–	–	–	–	–	–
Purva Good Earth Properties Private Limited	0.07	0.06	–	–	–	–	–	–	–	–
Purva Star Properties Private Limited	0.92	0.06	–	–	–	–	–	–	–	–
Purva Sapphire Land Private Limited	0.07	0.06	–	–	–	–	–	–	–	–
Purva Ruby Properties Private Limited	135.74	0.06	–	–	–	–	–	–	–	–
Grand Hills Developments Private Limited	0.07	0.06	–	–	–	–	–	–	–	–
Puravankara Hotels Limited	0.06	0.05	–	–	–	–	–	–	–	–
Starworth Infrastructure and Construction Limited	–	25.70	–	–	–	–	–	–	–	–
Provident Housing Limited	9.33	131.93	–	–	–	–	–	–	–	–
Purva Land Limited	0.07	0.06	–	–	–	–	–	–	–	–
Purva Marine Properties Private Limited	0.08	0.07	–	–	–	–	–	–	–	–
Dealwel Estates Private Limited	–	–	–	–	–	–	–	–	0.03	0.03
Loans taken from										
Centurions Housing and Constructions Private Limited	218.44	216.16	–	–	–	–	–	–	–	–
Advance for allotment of shares										
Welworth Lanka Holding Private Limited	2.41	12.11	–	–	–	–	–	–	–	–
Puravankara (UK) Limited	0.26	–	–	–	–	–	–	–	–	–
Purva Corporation	0.85	0.85	–	–	–	–	–	–	–	–
Advances for land contracts paid to										
Geeta S Vhatkar	–	–	–	–	–	–	179.30	179.30	–	–
Advances for land contracts received from										
Provident Housing Limited	280.00	280.00	–	–	–	–	–	–	–	–
Advance paid to										
Starworth Infrastructure and Construction Limited	195.94	244.22	–	–	–	–	–	–	–	–
Sobha Puravankara Aviation Private Limited	–	–	233.93	40.11	–	–	–	–	–	–
Security deposits and advance paid to										
Dealwel	–	–	–	–	–	–	–	–	1.50	1.50
Puravankara Investments	–	–	–	–	–	–	–	–	4.50	4.50

29 Related party transactions *(contd...)*

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

Nature of transaction	Subsidiaries		Associates		Key management personnel		Relatives of key management personnel		Other related parties	
	31March 2014	31March 2013	31March 2014	31March 2013	31March 2014	31March 2013	31March 2014	31March 2013	31March 2014	31March 2013
Deposits										
Sobha Puravankara Aviation Private Limited	–	–	64.76	65.78	–	–	–	–	–	–
Guarantees given by										
Ravi Puravankara	–	–	–	–	14,430.00	19,829.30	–	–	–	–
Ashish Puravankara	–	–	–	–	–	–	5,480.00	10,460.00	–	–
Guarantees given to										
Provident Housing Limited	2,500.00	2,500.00	–	–	–	–	–	–	–	–
Centurions Housing and Constructions Private Limited	–	100.00	–	–	–	–	–	–	–	–
Dues from										
Tanya Trust	–	–	–	–	–	–	–	–	–	8.39
Amanda Trust	–	–	–	–	–	–	–	–	–	8.62
Dues to										
Starworth Infrastructure and Construction Limited	103.39	72.39	–	–	–	–	–	–	–	–
Handiman Services Limited	–	–	–	–	–	–	–	–	6.02	1.76
Puravankara Investments	–	–	–	–	–	–	–	–	18.81	18.81
Purva Development	–	–	–	–	–	–	–	–	1.79	1.79
Purva Properties and Resorts Private Limited	–	–	–	–	–	–	–	–	0.02	0.02
Ravi Puravankara	–	–	–	–	197.48	175.29	–	–	–	–

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

Nature of transaction	Subsidiaries		Associates		Key management personnel		Relatives of key management personnel		Other related parties	
	31March 2014	31March 2013	31March 2014	31March 2013	31March 2014	31March 2013	31March 2014	31March 2013	31March 2014	31March 2013
Interest on loans										
Keppel Puravankara Development Private Limited	–	–	0.99	2.51	–	–	–	–	–	–
Keppel Magus Development Private Limited	–	–	8.44	9.10	–	–	–	–	–	–
Interest expense										
Starworth Infrastructure and Construction Limited	–	1.87	–	–	–	–	–	–	–	–
Centurions Housing and Constructions Private Limited	27.18	12.06	–	–	–	–	–	–	–	–
Loans given to										
Purva Realities Private Limited	0.01	0.14	–	–	–	–	–	–	–	–
Purva Marine Properties Private Limited	0.01	–	–	–	–	–	–	–	–	–
Melmont Construction Private Limited	15.27	11.30	–	–	–	–	–	–	–	–
Prudential Housing and Infrastructure Development Limited	0.06	0.34	–	–	–	–	–	–	–	–
Purva Good Earth Properties Private Limited	0.01	–	–	–	–	–	–	–	–	–
Grand Hills Developments Private Limited	0.01	–	–	–	–	–	–	–	–	–
Purva Sapphire Land Private Limited	0.01	–	–	–	–	–	–	–	–	–

29 Related party transactions *(contd...)*

(viii) The transactions with related parties for the year are as follows: *(contd...)*

Nature of transaction	Subsidiaries		Associates		Key management personnel		Relatives of key management personnel		Other related parties	
	31March 2014	31March 2013	31March 2014	31March 2013	31March 2014	31March 2013	31March 2014	31March 2013	31March 2014	31March 2013
Loans given to										
Purva Star Properties Private Limited	105.33	–	–	–	–	–	–	–	–	–
Purva Ruby Properties Private Limited	135.69	–	–	–	–	–	–	–	–	–
Purva Land Limited	0.01	–	–	–	–	–	–	–	–	–
Nile Developers Private Limited	6.04	1.82	–	–	–	–	–	–	–	–
Vaigai Developers Private Limited	4.87	0.76	–	–	–	–	–	–	–	–
Puravankara Hotels Limited	0.01	–	–	–	–	–	–	–	–	–
Starworth Infrastructure and Construction Limited	123.18	28.34	–	–	–	–	–	–	–	–
Provident Housing Limited	151.40	458.79	–	–	–	–	–	–	–	–
Dealwel Estates Private Limited	–	–	–	–	–	–	–	–	–	0.01
Loans repaid to										
Ravi Puravankara	–	–	–	–	177.81	42.16	–	–	–	–
Starworth Infrastructure and Construction Limited	–	72.68	–	–	–	–	–	–	–	–
Centurions Housing and Constructions Private Limited	101.89	66.40	–	–	–	–	–	–	–	–
Purva Star Properties Private Limited	64.39	–	–	–	–	–	–	–	–	–
Puravankara Investments	–	–	–	–	–	–	–	–	–	0.19
Loans taken from										
Ravi Puravankara	–	–	–	–	200.00	–	–	–	–	–
Centurions Housing and Constructions Private Limited	76.99	227.09	–	–	–	–	–	–	–	–
Starworth Infrastructure and Construction Limited	–	27.45	–	–	–	–	–	–	–	–
Purva Star Properties Private Limited	168.85	–	–	–	–	–	–	–	–	–
Loans repaid by										
Keppel Puravankara Development Private Limited	–	–	32.07	–	–	–	–	–	–	–
Keppel Magus Development Private Limited	–	–	15.85	5.28	–	–	–	–	–	–
Prudential Housing and Infrastructure Development Limited	–	185.54	–	–	–	–	–	–	–	–
Starworth Infrastructure and Construction Limited	148.88	–	–	–	–	–	–	–	–	–
Provident Housing Limited	274.00	465.96	–	–	–	–	–	–	–	–
Advance paid to										
Starworth Infrastructure and Construction Limited	–	12.14	–	–	–	–	–	–	–	–
Provident Housing Limited	6.15	–	–	–	–	–	–	–	–	–
Sobha Puravankara Aviation Private Limited	–	–	253.54	45.37	–	–	–	–	–	–
Advance repaid by										
Provident Housing Limited	6.15	–	–	–	–	–	–	–	–	–
Deposits made										
Sobha Puravankara Aviation Private Limited	–	–	–	14.58	–	–	–	–	–	–

29 Related party transactions *(contd...)*

(viii) The transactions with related parties for the year are as follows: *(contd...)*

Nature of transaction	Subsidiaries		Associates		Key management personnel		Relatives of key management personnel		Other related parties	
	31March 2014	31March 2013	31March 2014	31March 2013	31March 2014	31March 2013	31March 2014	31March 2013	31March 2014	31March 2013
Advance for Allotment of Shares										
Welworth Lanka Holding Private Limited	4.95	3.11	–	–	–	–	–	–	–	–
Puravankara (UK) Limited	0.46	–	–	–	–	–	–	–	–	–
Investment in Shares										
Welworth Lanka Holding Private Limited	14.65	–	–	–	–	–	–	–	–	–
Puravankara (UK) Limited	0.20	–	–	–	–	–	–	–	–	–
Purchase of material and services										
Starworth Infrastructure and Construction Limited	1,163.16	726.81	–	–	–	–	–	–	–	–
Rental income										
Provident Housing Limited	–	0.25	–	–	–	–	–	–	–	–
Security and maintenance expenses										
Handiman Services Limited	–	–	–	–	–	–	–	–	82.98	60.10
Sale value of flats										
Tanya Trust	–	–	–	–	–	–	–	–	–	11.18
Amanda Trust	–	–	–	–	–	–	–	–	–	11.50
Amanda Puravankara	–	–	–	–	–	–	78.08	–	–	–
Dividend received										
Keppel Puravankara Development Private Limited	–	–	407.93	–	–	–	–	–	–	–
Rental expenses										
Sobha Puravankara Aviation Private Limited	–	–	36.34	43.26	–	–	–	–	–	–
Puravankara Investments	–	–	–	–	–	–	–	–	38.08	32.05
Brokerage expenses										
Propmart Technologies Limited	–	–	0.62	–	–	–	–	–	–	–
Travel expenses										
Sobha Puravankara Aviation Private Limited	–	–	5.32	–	–	–	–	–	–	–
Sale of developmental charges										
Purva Star Properties Private Limited	222.10	–	–	–	–	–	–	–	–	–
Remuneration										
Ravi Puravankara	–	–	–	–	25.70	22.44	–	–	–	–
Ashish Puravankara	–	–	–	–	–	–	13.16	12.53	–	–

30 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 2014 and 31 March 2013 the plan assets were invested in insurer managed funds.

Disclosures as required by AS 15 for the year ended 31 March 2014 are as under:

	31 Mar 2014		31 Mar 2013	
	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	84.95	8.08	68.22	5.18
Fair value of plan assets as at the end of the year	(19.82)	–	(23.25)	–
Net liability/(asset) recognized in the Balance Sheet	**65.13**	**8.08**	**44.97**	**5.18**
2 Changes in the present value of defined benefit obligation				
Defined benefit obligation as at beginning of the year	68.22	5.18	54.23	25.06
Service cost	17.39	7.09	15.21	2.11
Interest cost	5.66	0.42	3.92	0.44
Actuarial losses/(gains)	(2.14)	(3.38)	1.07	11.75
Benefits paid	(4.18)	(1.23)	(6.21)	(33.68)
Curtailment losses/(gains)	–	–	–	(0.50)
Defined benefit obligation as at the end of the year	**84.95**	**8.08**	**68.22**	**5.18**
3 Changes in the fair value of plan assets				
Fair value as at the beginning of the year	23.25	–	26.82	–
Expected return on plan assets	1.69	–	2.36	–
Actuarial (losses)/gains	(0.94)	–	0.28	–
Contributions	–	1.23	–	33.68
Benefits paid	(4.18)	(1.23)	(6.21)	(33.68)
Fair value as at the end of the year	**19.82**	**–**	**23.25**	**–**
Non-current	65.13	6.61	44.97	4.81
Current	–	1.47	–	0.37
Assumptions used in the above valuations are as under:				
Interest rate	9.15%	9.15%	8.00%	8.00%
Discount rate	9.15%	9.15%	8.00%	8.00%
Expected return on plan assets	8.00%	–	8.00%	–
Future salary increase	6.00%	6.00%	6.00%	6.00%
Attrition rate	5.00%	5.00%	2.00%	2.00%
Retirement age	60 years	60 years	60 years	60 years
4 Net gratuity and vacation pay cost for the year ended 31 March 2014 and 31 March 2013 comprises of following components:				
Service cost	17.39	7.09	15.21	2.11
Interest cost	5.66	0.42	3.92	0.44
Actuarial losses/(gains)	(1.20)	(3.38)	0.79	11.75
Expected return on plan assets	(1.69)	–	(2.36)	–
Curtailment losses/(gains)	–	–	–	(0.50)
Net cost	**20.16**	**4.13**	**17.56**	**13.80**

30 Employee benefits *(contd...)*

	31 Mar 2014	31 Mar 2013	31 Mar 2012	31 Mar 2011	31 Mar 2010
5 Experience adjustments					
Defined benefit obligation as at the end of the year	84.95	68.22	54.23	50.47	42.96
Plan assets	19.82	23.25	26.82	30.05	29.09
Surplus/(deficit)	65.13	44.97	27.41	20.42	13.87
Experience adjustments on plan liabilities	(2.14)	1.07	(3.91)	(2.05)	(0.13)
Experience adjustments on plan assets	(0.94)	0.28	0.17	(2.37)	(0.32)

B. Defined contribution plan

The Company makes contribution of statutory provident fund as per Employees' Provident Funds and Miscellaneous Provisions Act, 1952. This is a defined contribution plan as per AS 15. Contribution made was ₹ 19.03 for the year ended 31 March 2014 (31 March 2013 - ₹ 19.33).

31 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.

32 Information pursuant to Clause 32 of the listing agreement with the stock exchanges

Name of the entity	Balance of loans given as at 31 March 2014	Balance of loans given as at 31 March 2013	Maximum amount of loan outstanding during the year 31 March 2014	Maximum amount of loan outstanding during the year 31 March 2013
Prudential Housing and Infrastructure Development Limited *	17.83	17.77	17.83	203.22
Melmont Construction Private Limited *	1,302.90	1,287.63	1,302.90	1,287.69
Purva Marine Properties Private Limited *	0.08	0.07	0.08	0.07
Purva Realities Private Limited *	287.89	287.87	287.89	287.87
Grand Hills Developments Private Limited *	0.07	0.06	0.07	0.06
Purva Ruby Properties Private Limited *	135.74	0.06	135.74	0.06
Purva Good Earth Properties Private Limited *	0.07	0.06	0.07	0.06
Purva Sapphire Land Private Limited *	0.07	0.06	0.07	0.06
Purva Star Properties Private Limited *	0.92	0.06	107.75	0.06
Nile Developers Private Limited *	134.39	128.36	134.39	128.36
Vaigai Developers Private Limited *	109.49	104.62	109.49	104.62
Puravankara Hotels Limited *	0.06	0.05	0.06	0.05
Purva Land Limited *	0.07	0.06	0.07	0.06
Starworth Infrastructure and Construction Limited *	–	25.70	148.24	27.38
Provident Housing Limited *	9.33	131.92	192.46	343.08
Keppel Puravankara Development Private Limited #	–	31.08	32.50	31.08
Keppel Magus Development Private Limited #	90.81	98.22	104.23	99.03

* Subsidiaries - interest free and repayable on demand

Associates - repayable on demand

33 Supplementary statutory information

a) Particulars relating to foreign currency

	31 Mar 2014	31 Mar 2013
i. Earnings in foreign currency (on receipt basis)		
Revenue from projects	13.25	11.60
ii. Expenditure in foreign currency (on accrual basis)		
Salary	20.99	11.85
Travel	2.67	3.05
Rent	1.49	1.12
Others	17.89	10.85
	43.04	26.87
iii. CIF value of imports		
Construction materials	4.56	43.50
	4.56	43.50

b) Consumption of raw materials

	31 Mar 2014		31 Mar 2013	
	₹ million	%	₹ million	%
Indigenous	1,091.38	99.58	1,165.16	96.40
Imported	4.56	0.42	43.50	3.60
	1,095.94	100.00	1,208.66	100.00

c) Donation to political parties

	31 Mar 2014	31 Mar 2013
Revolutionary Socialist Party of Kerala (Bolshevik)	0.03	–
	0.03	–

34 Disclosures of dues to micro, small and medium enterprises

Based on the information available with the Company, ₹ 33.41 (31 March 2013 - ₹ 26.08) is the amount payable to micro, small and medium enterprises at the balance sheet date. These amounts, being retention money, are due only on completion of retention period and are contractually not due as on 31 March 2014 as per the contract with the said parties. Consequently, the management believes that the interest liability under 'The Micro, Small and Medium Enterprises Development Act, 2006' does not arise and hence no disclosure is required under the said law.

The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company which has been relied upon by the auditors.

35 Unhedged foreign currency exposure

Balance as on 31 March 2014 in Hatton National Bank, Srilanka amounted to LKR 0.005 million (31 March 2013 - LKR 1.13 million).

Balance as on 31 March 2014 in HSBC, Dubai amounted to AED 0.024 million (31 March 2013 - AED 0.16 million).

36 Transfer pricing

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

The company has undertaken necessary steps to comply with the Transfer Pricing regulations and the prescribed report from the Accountant will be obtained for the year ending 31 March 2014. The management is of the opinion that the above referred transactions are at arm's length, and hence the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

37 utilisation of proceeds from issue of shares

	31 Mar 2014	31 Mar 2013
IPP proceeds summary		
Share capital	118.63	–
Share premium	1,803.13	–
Less: IPP expenses	153.96	–
	1,767.80	–
Utilisation		
Repayment/ prepayment of debt	1,767.80	–
	1,767.80	–

38 Prior period comparatives

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

For Walker Chandiok & Co LLP
(formerly Walker, Chandiok & Co)
Chartered Accountants

per Aasheesh Arjun Singh
Partner

Bengaluru
16 May 2014

For and on behalf of the Board of Directors

Ravi Puravankara
Chairman and Managing Director

Nani R Choksey
Deputy Managing Director

Ashish Puravankara
Joint Managing Director

Anil Kumar A
Chief Financial Officer

V P Raguram
Company Secretary

Bengaluru
16 May 2014

	31 Mar 2014	31 Mar 2013
A. Cash flow from operating activities		
Profit before tax and prior period items	**1,409.64**	**1,668.08**
Adjustments for:		
Depreciation and amortization	63.20	54.40
(Profit)/loss on sale of fixed assets	0.37	1.39
Dividend income	(407.93)	–
Finance expense, net	2,011.10	2,208.28
Operating profit before working capital changes	**3,076.38**	**3,932.15**
Movements in working capital :		
(Increase)/Decrease in trade receivables	(469.44)	(661.90)
(Increase)/Decrease in inventories of raw materials	106.48	(33.00)
(Increase)/Decrease in loans and advances and other current assets	(1,474.49)	(176.48)
(Increase)/Decrease in properties under development	(3,791.62)	328.20
(Increase)/Decrease in properties held for sale	666.94	(1,372.45)
Increase/(Decrease) in current liabilities and provisions	3,047.98	193.57
Cash (used in)/received from operations	**1,162.23**	**2,210.09**
Direct taxes paid	(242.28)	(401.97)
Net cash from/(used in) operating activities	**919.95**	**1,808.12**
B. Cash flows from investing activities		
Purchase of fixed assets	(101.17)	(156.13)
Proceeds from sale of fixed assets	1.19	2.22
Investments made in equity shares of subsidiaries	(14.85)	–
Loans to subsidiaries	(509.54)	(501.51)
Loans repaid by associates	47.92	5.28
Loans repaid by subsidiaries	422.88	651.50
Advance for allotment of shares in subsidiaries	(5.40)	(3.11)
Purchase of units of liquid mutual funds	(716.46)	(534.28)
Proceeds from sale of units of liquid mutual funds	773.63	477.11
Properties held for development	(322.52)	(51.74)
Deposits and advances	(237.45)	(163.64)
Net investment in bank deposits and margin monies	99.69	(89.41)
Dividend income received	407.93	–
Interest received	98.87	46.41
Net cash from/(used in) investing activities	**(55.28)**	**(317.30)**

	31 Mar 2014	31 Mar 2013
C. Cash flows from financing activities		
Proceeds from term loans	5,879.20	8,625.12
Repayment of term loans	(7,188.48)	(4,078.06)
Proceeds from share capital (including premium)	1,921.76	–
Share capital issue expenses	(153.96)	–
Repayment of debentures	(979.60)	(1,960.40)
Proceeds from/(repayments of) unsecured loan	(15.27)	209.70
Proceeds from/(repayments of) cash credit and working capital loan	1,298.86	(354.23)
Loans repaid to related parties	(177.81)	(42.35)
Loans from subsidiaries	245.84	268.47
Loan taken from related parties	200.00	–
Loans repaid to subsidiaries	(166.28)	(139.09)
Dividends paid including taxes	(339.76)	(247.89)
Interest paid	(2,109.14)	(2,305.03)
Net cash generated from/(used in) financing activities	**(1,584.64)**	**(23.76)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**(719.97)**	**1,467.06**
Cash and cash equivalents at the beginning of the year	**1,996.89**	**529.83**
Cash and cash equivalents at the end of the year	**1,276.92**	**1,996.89**
Components of cash and cash equivalents		
Cash and bank balances (as per Note 18 to the financial statements)	1,357.51	2,053.82
Less: Bank deposits and margin monies considered separately	80.59	56.93
	1,276.92	**1,996.89**

This is the Cash Flow Statement referred to in our report of even date

For Walker Chandiok & Co LLP
(formerly Walker, Chandiok & Co)
Chartered Accountants

per Aasheesh Arjun Singh
Partner

Bengaluru
16 May 2014

For and on behalf of the Board of Directors

Ravi Puravankara
Chairman and Managing Director

Nani R Choksey
Deputy Managing Director

Ashish Puravankara
Joint Managing Director

Anil Kumar A
Chief Financial Officer

V P Raguram
Company Secretary

Bengaluru
16 May 2014

CORPORATE INFORMATION

I. BOARD MEMBERS

Mr. Ravi Puravankara
Mr. Ashish Puravankara
Mr. Nani R. Choksey
Mr. Anup S Shah
Mr. RVS Rao
Mr. Pradeep Guha

AUDIT COMMITTEE

Mr. Anup S Shah (Chairman)
Mr. Ravi Puravankara (Member)
Mr. RVS Rao (Member)
Mr. Pradeep Guha (Member)

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. RVS Rao (Chairman)
Mr. Nani R. Choksey (Member)
Mr. Ashish Puravankara (Member)

NOMINATION AND REMUNERATION COMMITTEE

Mr. Ravi Puravankara (Chairman)
Mr. Anup S Shah (Member)
Mr. RVS Rao (Member)
Mr. Pradeep Guha (Member)

MANAGEMENT SUB COMMITTEE

Mr. Ravi Puravankara (Member)
Mr. Nani R. Choksey (Member)
Mr. Ashish Puravankara (Member)

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Mr. Ashish Puravankara (Member)
Mr. Nani R Choksey (Member)
Mr. Anup S. Shah (Member)

II. CORPORATE DETAILS

Company Secretary & Compliance Officer:

V. P. Raguram

Registered Office

Puravankara Projects Ltd.
130/1, Ulsoor Road,
Bengaluru – 560042.

Bankers

Andhra Bank Ltd.
ICICI Bank Ltd.
Standard Chartered Bank PLC.
Kotak Mahindra Bank Ltd.
IDBI Bank Ltd.
Barclays Bank PLC
Deutsche Bank AG.
J.P.Morgan Chase Bank NA
Dhanlaxmi Bank Ltd.
Citi Bank N.A

Legal Counsel

M/S. Anup Shah S Law Firm
37, 7th Cross, Vasanthnagar,
Cunningham Road,
Bengaluru – 560052.

Statutory Auditors

Walker, Chandiok& Co LLP
(formerly Walker, Chandiok& Co)
16/1,WINGS First Floor,
Cambridge Road, Ulsoor,
Bengaluru – 560008.

Internal Auditors

Ernst & Young LLP
13th floor Canberra Block,
UB City, Vittal Mallya Road,
Bengaluru – 560001.

NOTES

A TRISYS product
info@trisyscom.com

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

PURAVANKARA

ANNUAL AUDIT REPORT TO BE FILED WITH THE STOCK EXCHANGES:

FORM A

1.	Name of the Company:	Puravankara Projects Limited
2.	Annual financial statements for the year ended	31 March 2014
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable
5.	Signed by- **Managing Director** **Ravi Puravankara** **Group - Chief Executive Officer** **Jackbastian K. Nazareth** **Chief Financial Officer** **Anil Kumar A** **Audit Committee Chairman** **Anup S Shah**	Walker Chandiok & Co LLP For **Walker Chandiok & Co LLP** *(formerly Walker, Chandiok & Co)* Chartered Accountants Firm Registration No.: 001076N per **Aasheesh Arjun Singh** Partner Membership No.: 210122 Bengaluru 16 May 2014 WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS